

# *Capital Committee Charter*

The purpose of the Capital Committee is to ensure there are sufficient financial resources to fund the operations of the Company in the near term and to address the longer term capital requirements of the Company.

## **1. ORGANISATION**

- 1.1 The Capital Committee is a sub-committee of the Board.
- 1.2 The Capital Committee of the Board of Directors shall be comprised of at least three Directors.
- 1.3 The majority of Directors on the Committee shall be Independent Directors.
- 1.4 The Board will appoint a Chairperson from among the non-executive members of the Committee.
- 1.5 Any Director not on the Committee may attend Capital Committee meetings.
- 1.6 The members of the Committee will be selected at the Board meeting immediately following the Annual Meeting of shareholders and will hold office for the ensuing year. If no selection occurs it shall be the same members as the previous year.

## **2. MEETINGS**

- 2.1 Meetings of the Committee shall be held as often as required and at the discretion of the Chairperson or if requested any Capital Committee member or the CEO (if the CEO is not a Capital Committee member).
- 2.2 A quorum of members of the Capital Committee will be at least two members.
- 2.3 The secretary of the Board will act as secretary to the Capital Committee.
- 2.4 The Capital Committee may have in attendance members of management and such other persons including external advisers as it considers necessary to provide appropriate information, explanation and advice.

## **3. OBJECTIVES**

- 3.1 The objectives of the Capital Committee are to advise and provide assurance to the Board in order to enable the Board to discharge its responsibilities in relation to the oversight of

the management of Pacific Edge Limited's financial resources and major financial strategies and transactions.

- 3.2 The day to day management decisions are to be undertaken by the management team, in accordance with the recommendations of the Committee and approved delegation of authorities.

#### **4. ACCOUNTING AND REPORTING**

- 4.1 The Capital Committee will be accountable to the Board.
- 4.2 After each meeting the Chairperson will report the Capital Committee's recommendations and findings to the Board.
- 4.3 The minutes of all Capital Committee meetings will be circulated to the Board.
- 4.4 Extracts from the minutes will be made available to the CEO (should the CEO not be a member of the Capital Committee) and to such other persons as the Board directs, to enable them to properly carry out their functions.

#### **5. ACCESS AND AUTHORITY**

- 5.1 The Capital Committee has the delegated authority of the Board to seek/access any information from any employees or to obtain such outside information and advice as deemed necessary to fulfil its function, duties and responsibilities.
- 5.2 All employees are required to co-operate with any request made by the Committee.
- 5.3 The Committee will make recommendations to the Board on all matters requiring a Board mandate.
- 5.4 The Capital Committee does not have any delegated authority to make a decision in the Board's name or on its behalf.

#### **6. RESPONSIBILITIES**

- 6.1 The Capital Committee's responsibilities are:
- 6.2 To oversee the management of financial resources and major financial strategies and transactions;
- a. Be a forum to consult and report in relation to the capital structure and ongoing financing strategy reflective of the financial risk appetite set by the Board;
  - b. Review and recommend to the Board in relation to setting strategy for capital management, debt financing and financial risk management;

- c. Review and monitor the company's financing strategy and advise the Board whether the financing arrangements have been entered into on appropriate terms, at an appropriate cost and are appropriate financing arrangements for their purpose;
- d. Advise the Board of any matters identified during the course of carrying out its duties that might have a significant impact on the ability of the Company to raise financing in the future or place restrictions on equity;
- e. Provide oversight in relation to debt and funding arrangements including financial instruments used for managing financial risk, such as interest rate and foreign exchange risk, and to make recommendations to the Board in relation to these matters;
- f. Recommend to the Board appointment of advisors as required for advice and / or executive of the Company's capital management strategy;
- g. Oversee the development and implementation of a capital programme to be recommended for approval by the Board. Matters to be considered in relation to the capital programme include:
  - i. Capital strategy, execution and timing;
  - ii. Capital structure, allocation to domestic and international markets;
  - iii. Appointment of Lead Managers;
  - iv. Appointment of legal and other advisors;
  - v. Financial Model;
  - vi. Oversight of the Information Memorandum preparation and verification process;
  - vii. Legal documentation finalisation and sign off;
  - viii. Selection and allocation to shareholders and investors.
- h. Provide guidance to the management team throughout the capital processes;
- i. Review and recommend to the Board regarding terms of the financing processes.

## **7. ACCOUNTABILITY TO THE BOARD**

- 7.1 The Board reviews annually the Capital Committee's performance against this Charter.
- 7.2 The Board reviews annually this Capital Committee Charter.

## **8. CONSTRAINTS**

- 8.1 In fulfilling its functions the Capital Committee and the Board will comply with provisions of the Constitution and the Listing Rules.

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