



BOARD CHARTER

MANLY WARRINGAH GYMNASTIC CLUB Pty Ltd

24 Middleton Rd Cromer NSW 2099

ACN 155 260 343

INTRODUCTION

1. At Manly Warringah Gymnastic Club, our business and corporate operations are managed under the direction of the Board on behalf of our members. The Board oversees the performance of MWGC management in seeking to deliver superior business and operational performance and long term growth in member value.

2. The MWGC Board recognises that providing strong leadership and strategic guidance to management is important to achieve our goals and objectives. This charter sets out a framework of responsibilities and accountabilities of the Board and management, which recognises that the Managing Director & CEO is authorised to oversee our day to- day operations while reserving important strategic, business, operational and governance matters to the Board.

3. The charter also sets out important matters relating to the governance of the MWGC Board, such as its composition and the Board's expectations of its directors.

ROLE & RESPONSIBILITIES

Role

4. The Board has a number of important responsibilities and accountabilities to shareholders under the *Corporations Act*, the ASX Listing Rules and Manly Warringah Gymnastic Clubs Constitution. These matters are required to be addressed directly by the Board.

5. MWGC business and operations are managed under the Board's direction. The Board has authorised the Managing Director & CEO to oversee MWGC's day-to-day business and operations, within the limits of specific authorities set out in delegations approved by the Board. The Managing Director & CEO has, in turn, approved sub delegations of authority that apply to management.

6. In addition to the delegations of authority, the Board has reserved a number of matters (to the Board) through this charter.

Key responsibilities of the Board

7. The key responsibilities of the Board include:

Culture, ethical standards and long term stability

7.1 Establishing and modelling the MWGC culture, values and commitment to its members

7.2 Enhancing and protecting MWGC's overall reputation and maintaining corporate integrity

7.3 Maintaining MWGC codes of conduct, policies and procedures and receiving an annual report from the GM and CEO in relation to the overall performance of MWGC

7.4 Approving MWGC's diversity policy and measurable objectives for achieving gender diversity across the club set in accordance with MWGC's activities. Equal consideration shall be given to all groups. Special consideration and respect shall be given to those with disabilities

Overall direction, objectives and goals, reviewing and approving strategy

7.5 Approving MWGC's overall direction and financial, operational and safety objectives and goals each year

7.6 Recommending and following MWGC's business plan and maintaining the budget each year

7.7 Approving MWGC's strategies, as formulated by management with guidance from the Board, to implement the objectives and goals set by the Board

7.8 Monitoring business performance against the objectives and goals set by the Board and reviewing the implementation of Board-approved strategies

Major capital expenditure, business acquisitions and other transactions

7.9 Approving capital expenditure, business acquisitions and other transactions outside the authorities delegated to the Managing Director & CEO

7.10 Monitoring the progress of major capital projects and business acquisitions and reviewing the returns from these investments

Financial matters and reports

7.11 Approving MWGC's full year reports to the members

7.12 Receiving declarations from the Managing Director & CEO in relation to financial reports (including as required by section 295A of the *Corporations Act*)

7.13 Assessing the external auditor's independence, based on advice from the Audit Committee and taking into account matters related to services provided by the external auditor during the year

7.14 Approving MWGC's projections and strategies

7.15 Deciding on detailed member financial issues

7.16 Approving changes to MWGC's capital structure and significant funding arrangements

Corporate governance and legal and regulatory compliance

7.17 Establishing appropriate standards of corporate governance and legal and regulatory compliance

7.18 Approving policies dealing with continuous disclosure, share trading and communications with shareholders

7.19 Approving the Companies list of Policies and Procedures and ensuring compliance with these documents. Monitoring of MWGC risk assessment and WHS strategies and requirements.

7.20 Approving the corporate governance statement and related governance disclosures for the annual report, including:

7.20.1 A statement as to the mix of skills and diversity which the Board is looking to achieve in its membership

7.20.2 Measurable objectives set by the Board for gender diversity and progress towards achieving those objectives

7.20.3 The proportion of women across the MWGC Group, including women in executive positions and women on the Board

Risk management

7.22 Monitoring the adequacy, integrity and effectiveness of the critical systems and internal controls used to manage MWGC's material business risks, as implemented by management, including the identification, assessment, elimination, avoidance and control of these risks

7.23 Receiving statements from management in relation to the effectiveness of risk management and internal control systems implemented to address material business risks

7.24 Approving financial and other material risk management policies

Human resources matters

7.25 Approving the selection, appointment terms, remuneration, cessation of, and termination payments to, the Managing Director & CEO

7.26 Setting the performance objectives for the organisation and monitoring the performance of the GM and CEO in regard to the achievements of these objectives

7.27 Approving, following review with the Managing Director & CEO, the remuneration of the MWGC staff and any termination payments to them

7.28 Approving changes to MWGC's remuneration system (on a whole of remuneration system basis)

7.29 Approving MWGC's short term and long term incentive schemes (with any discretionary powers to re-set approved targets or the size of a funding pool for incentive payments being specifically reserved to the Board)

7.30 Approving the terms of any salary sacrifice share plans for directors (subject to the requirements of the ASX Listing Rules), senior executives and MWGC staff

BOARD & DIRECTORS

Board composition

8. The Board should review its composition every 3 years, including the number of directors and the mix of skills, experience, expertise and diversity on the Board.

9.1 The Board should be structured so that it has an appropriate balance of independent, non-executive and executive directors

9.2 has a proper understanding of, and competence to deal with, current and emerging issues for MWGC's business and operations

9.3 effectively reviews and challenges management and encourages superior business and operational performance

9.4 exercises independent judgement in decision making

9.5 brings together directors with a variety of perspectives and talents, taking into account diversity including gender, age, ethnicity and cultural background

10. The Board should consider the succession of non-executive directors, including the chairman, to ensure that an appropriate mix of skills, experience, expertise and diversity is maintained on the Board and develop strategies to address these matters over time.

Skills and competencies of directors and the Board

11. Directors should bring a variety of perspectives, skills and experience to the Board and, in particular:

11.1 All directors should be able to read and understand financial statements

11.2 At least one non-executive director should have accounting or related financial management qualifications and experience

11.3 At least one non-executive director should have a detailed knowledge and understanding of the industries in which MWGC operates, bringing a depth of experience across operational, strategic and business issues for matters that come to the Board

11.4 At least one director should have a detailed knowledge of local, state and federal regulations in regard to the property, progressive growth of facilities, planning and compliance matters.

11.5 All members should have a broad knowledge of the business and be familiar with the requirements of all

12. The Board should review the skills and experience required for directors and the Board on an ongoing basis.

13. Directors should devote the necessary time and attention for the Board to carry out its responsibilities.

14. New directors should receive an induction to MWGC, and training, in accordance with Board approved policies.

Board performance

15. The Board should review its own performance, the performance of its standing committees, and the performance of individual directors every two to three years.

The Board may engage an external consultant to facilitate this review.

16. The Board should review its performance against appropriate measures.

Appointment, election and re-election of directors

17. The Board should apply policies and procedures for:

17.1 The selection and appointment of a new non-executive director, either to fill a casual vacancy or as an addition to the Board

17.2 The election and re-election of non-executive directors, including the Board's process for deciding whether to support a director standing for election or re election

Director independence

18. The Board's policy on composition is to have at least four independent directors and shall be comprise of members who have the greatest knowledge of the MWGC structure, operations and overall history of the organisation. Additionally, the CEO serves as the business operations manager

19. The Board's charter of director independence sets out the interests and relationships considered by the Board when assessing the independence of each director.

Independent advice and access to senior management

20. Directors may obtain independent professional advice at MWGC's expense. Where a director seeks professional advice, the director should obtain prior approval from the Board Chairman. If the Board Chairman wishes to seek independent advice, the Board Chairman is required to obtain prior approval from the Audit Committee Chairman.

21. Directors have access to senior management and to any information of MWGC, as required.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

22. The Board should review the remuneration of directors (in relation to the amount and nature of Board and committee remuneration) each year.

23. The Board should review the total remuneration pool for directors each year. If the Board's view is that the remuneration pool should be increased, the Board must seek shareholder approval of the new proposed pool.

BOARD MEETINGS

Number of meetings

24. The Board should formally meet at regularly scheduled intervals throughout the course of each year. Additional Board meetings may be convened as special meetings as and when required.

Meetings in the absence of management

25. The non-executive directors should meet on a regular basis, as determined by the non-executive directors, in the absence of MWGC management.

Operational excellence moment

26. Each Board meeting should include an operational excellence topic presented by management. The operational excellence moment should demonstrate MWGC's commitment to our values and behaviours.

Company secretary

27. The Company Secretary of MWGC serves as the Company Secretary of the Board. If the Company Secretary is unable to attend a Board meeting, the directors should elect a temporary secretary to conduct business throughout that meeting

BOARD COMMITTEES

28. The Board has established the following standing Committees:

28.1 The Audit Committee

28.2 The Members Committee

29. The membership of each standing committee is approved by the Board and set out in the committee's charter. The Board should review the composition and membership of the standing committees each year.

30. The Board may, from time to time, establish special purpose committees as advisory bodies or with delegated authority on specific matters.

31. A director (including the Board Chairman) may attend any meeting of a committee in an ex-officio capacity.

32. At the next Board meeting after a committee meeting, the committee chair should advise the Board of material issues discussed at the committee meeting. In addition, minutes of committee meetings should be provided to all directors.

BOARD CHAIRMAN

33. The Board Chairman is elected by the Board on the basis of relevant experience, skills and leadership abilities. The Board Chairman must be an independent, nonexecutive director.

34. The Board Chairman should:

34.1 facilitate the work of the Board

34.2 oversee the provision of appropriate information to the Board

34.3 approve the agenda for each meeting in consultation with the Managing Director & CEO and the Company Secretary

34.4 manage Board activities so that they are carried out efficiently and effectively

34.5 create a culture which encourages directors to contribute in an open and constructive manner

MANAGEMENT'S REPORTING TO THE BOARD

35. The Board should review the quality and timeliness of management's reporting to the Board on an ongoing basis.

PUBLICATION

36. This charter will be made available from the MWGC website (www.mwgyclub.com).