



TREASURY WINE ESTATES

BOARD CHARTER

Objectives

The Board is ultimately responsible for the oversight and review of the management, operations and overall corporate governance of the Company.

Its objectives are to:

- provide strategic guidance for the Company and effective oversight of management;
- optimise Company performance and shareholder value within a framework of appropriate risk assessment and management; and
- recognise the Company's legal and other obligations to all legitimate stakeholders.

Authority

The Board is governed by the Constitution, under which it is vested with the power to manage the Company.

The Board may delegate certain of its powers to the Chief Executive Officer, Board Committees and other persons.

The Board retains ultimate responsibility for the management of the Company.

Composition and term of office

Composition

The Company's Constitution provides that the Board will have at least 3 members, and no more than 9 members.

The Board is required to comprise a majority of Non-executive Directors who are determined by the Board to be independent.

The Chairman of the Board is to be an independent Non-executive Director. The appointed Chairman of the Board is the only official spokesperson for the Board, unless the Board determines otherwise.

The Board will comprise of Directors:

- who are all financially literate;
- at least one of whom has financial experience and expertise; and
- who, together, have a variety of relevant perspectives and skills, both national and international, and a good understanding of the current and emerging issues of the business.

The composition of the Board will be reviewed periodically by the Nominations Committee to ensure that it is of an appropriate composition and size to effectively discharge its responsibilities. The Nominations Committee is also responsible for planning for the succession of Board members and determines appropriate selection criteria for the identification of a diverse range of suitable prospective Non-executive Director candidates.

The Board may, on recommendation from the Nominations Committee, appoint a Non-executive Director to the role of senior independent director from time to time, and determine the scope of that role.

Whilst shareholders ultimately appoint directors, the Board will select and recommend candidates to shareholders, with the benefit of recommendations made by the Nominations Committee.

The key terms and conditions of appointment of each Non-executive Director are included in a formal letter of appointment.

Director independence

The Board only considers a Non-Executive Director to be independent where he or she is free of any interest, position, association or relationship that might interfere, or might reasonably be perceived to interfere, in a material respect, with his or her capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

The Board will assess the independence of each Non-executive Director in light of relevant information disclosed by each Non-executive Director to the Board.

When determining the independent status of a Non-executive Director, the Board will take into account whether he or she:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or its controlled entities (**Group**), and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been:
 - A partner, director or senior employee of a provider of material professional services to the Company or the Group; or
 - In a material business relationship (eg. as a supplier or customer) with the Company or the Group, or an officer of, or otherwise associated with, someone with such relationship;
- has a material contractual relationship with the Company or the Group other than as a Director of the Company;
- has close family ties with any person who falls within any of the categories described above;
- has been a Director of the Company for such a period that his or her independence may have been compromised.

The Board has determined materiality thresholds for assessing the independence of Directors. Under those thresholds:

- a person will be regarded as a substantial shareholder if they hold more than five per cent of the Company's voting shares;
- an adviser will be a material professional adviser or consultant where the billings to the Company are more than five per cent of the adviser's or consultant's total revenues;
- a supplier to the Company will be a material supplier where the Company accounts for more than five per cent of the supplier's revenues; and
- a customer of the Company will be a material customer where the customer accounts for more than five per cent of the Company's revenues, or the Company accounts for more than five per cent of the customer's costs.

Whether or not a material contractual relationship exists will be determined, on a case-by-case basis, consistent with these thresholds.

Chairman

The Chairman shall be responsible for:

- leadership of the Board;
- efficient conduct of the Board's function;
- briefing of all Directors on key issues;
- facilitating the effective contribution of all Directors;
- guiding Board deliberations, free of undue bias; and
- promoting constructive and respectful relations between Directors and between Board and management.

The Chairman shall work closely with the Chief Executive Officer, acting as a sounding board and providing counsel without dominance.

Term of appointment

All Non-executive Directors shall submit themselves for re-election in accordance with the Constitution, and at least at every third Annual General Meeting of the Company.

The Board will determine whether it supports the re-election of retiring Non-executive Directors only after receiving advice on the matter from the Nominations Committee.

Commitment and continuing education

The Board is responsible for ensuring that Directors have access to continuing professional education to update and enhance their skills and knowledge to be able to discharge their duties and responsibilities.

Responsibilities and duties

The primary responsibilities of the Board are:

- (a) Strategic guidance for the Company and oversight of management:

- oversight of the Company, including its controls and accountability systems;
- providing input into and final approval of management's development of corporate strategy and performance objectives, and monitoring performance against the plan;
- adopting an annual budget for the financial performance of the Company and monitoring performance against it;
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- appointing and removing the Chief Executive Officer and approving his/her terms of engagement and termination benefits;
- ratifying the appointment and removal of members of the Executive Leadership Team; and
- ensuring that senior management has sufficient resources to enable implementation of the Company's strategic initiatives.

(b) Risk assessment and management:

- reviewing, ratifying and monitoring systems of risk management and internal compliance and controls to monitor and manage the Company's material business and financial reporting risks;
- monitoring corporate culture, setting the tone from the top;
- monitoring compliance with legal, corporate governance and other significant corporate policies;
- monitoring the Company's financial position and its ability to meet its debts and other obligations as they fall due;
- ensuring processes are in place to effectively monitor all relevant legal, tax and regulatory obligations; and
- ensuring that the Company's accounts comply with relevant accounting standards and present a true and fair view.

(c) Recognition of legal and other obligations to stakeholders:

- ensuring that the Company has an effective process for communicating with shareholders, other stakeholders and the public;
- ensuring that mechanisms are in place for the Company's shareholders and the market as a whole being provided with adequate, accurate and timely information on material developments affecting the Company;
- monitoring and approving external financial and other reporting after receiving appropriate certifications from the Chief Executive Officer and the Chief Financial Officer, including reporting to shareholders, the ASX and other stakeholders (as appropriate); and
- monitoring the reporting to all stakeholders on all other relevant matters in accordance with the ASX Listing Rules and Corporations Act, and the Company's Disclosure Policy.

Conduct of the Board

Meetings

The Board will meet regularly, in accordance with a schedule agreed prior to the commencement of each calendar year. Additional meetings may be held as required to address specific issues.

The regulation of meetings and proceedings of the Board is governed by the Constitution.

If the Chairman is absent from a meeting, the members of the Board present may appoint an independent Non-Executive Director as Chairman for that particular meeting.

The Chairman will review the agenda for each meeting prior to its issue. Any Director may require business to be included on the agenda provided the Chairman and Secretary have been given prior notice. Directors will receive relevant Board papers a reasonable time before each meeting.

The Non-executive Directors will also meet periodically without the presence of management.

The Company Secretary will act as Secretary of the Board and will attend all meetings of the Board and its Committees.

The Company Secretary will:

- monitor that Board policy and procedures are followed;
- co-ordinate the completion and dispatch of the Board agenda and briefing materials; and
- be accountable to the Board, through the Chairman, on all governance matters.

The Secretary will prepare the minutes of meetings of the Board which are to be approved by the Chairman in draft and circulated to all Directors. Minutes of meetings of the Board will then be confirmed at the next meeting of the Board and signed by the Chairman.

Attendance by management and advisers

Senior executives may be invited to attend meetings (or parts of meetings) of the Board or Committees where the Board or Committee considers their involvement of assistance to the consideration of items of business before the meeting. Other Company executives, External Auditors, Internal Auditors and advisers may also be invited to attend meetings as appropriate.

No executive may be present at a Board meeting during deliberations concerning their position.

Advice and access

Any Director shall have direct access to and may seek information directly from any employee or external party, including the Internal Auditors and External Auditors, provided that:

- all enquiries are made known to the Chairman;

- any enquiries of the Internal Auditors or the External Auditors are also made known to the Chairman of the Audit and Risk Committee; and
- comments on the performance of management are made through the Chief Executive Officer or the Chairman.

The Board, an individual Director or a Committee may engage an independent external adviser in relation to any Board matter, at the expense of the Company. Before the external advice is sought, consent needs to be obtained. In the case of:

- (i) the Board – from the Chairman;
- (ii) an individual Director – from the Chairman or the relevant Committee Chairman, as the case may be;
- (iii) a Committee – from the Committee Chairman;
- (iv) the Chairman – from the Chairman of the Audit and Risk Committee or otherwise the next most senior Non-executive Director.

The Chairman or a Committee Chairman, as applicable, may determine that any external advice received by an individual Director is to be circulated to the remainder of the Board.

Assessment of the Board's performance

The Board will undertake a review annually of its effectiveness as well as the effectiveness of the Board Committees and individual Directors. In conducting this review the views of individual Directors and the views of senior executives are to be considered.

These reviews may be co-ordinated by the Nominations Committee, in which case the Board will receive reports from that Committee on the outcome of the performance assessments undertaken of the Board, Board Committees, individual Non-executive Directors and the Chief Executive Officer.

The Board may, as it considers appropriate, engage external consultants to conduct a comprehensive review of the effectiveness of the Board, its Committees and individual Directors.

Delegation to Board Committees

The Board may establish Committees as it considers appropriate to streamline the discharge of its responsibilities, and has adopted a formal Charter setting out the composition, duties and responsibilities of each standing Board Committee.

The Board may also establish special purpose Committees from time to time, with terms of reference approved by the Board. The powers delegated to such Committees are set out in Board resolutions.

As at the date of this Board Charter, the Board has established the following standing Committees:

- Audit and Risk Committee;
- Human Resources Committee; and
- Nominations Committee.

The Chairman of each Committee will report to the Board on activities of the relevant Committee at the next Board meeting. All Directors are to receive copies of papers, including minutes, in respect of the Human Resources Committee and Audit & Risk Committee meetings and may attend meetings of these Committees regardless of whether they are a member.

The Board, in conjunction with the Chairman of the relevant Committee, will periodically review the membership, role and performance of each Committee against its Charter.

Governance

Code of Conduct

All Directors are expected to comply with the Company's Code of Conduct and maintain the highest standards of ethical behaviour in discharging their duties as a Director of the Company.

Conflicts of interest

Directors are required to take all reasonable steps to avoid actual or perceived conflicts of interest with the Company. The Company has developed protocols that require each Director to disclose any matters that may involve or give rise to a potential conflict. Where the possibility of a conflict arises, relevant information is not provided to the Director and the Director does not participate in discussions or vote on the matter that is the subject of the actual or potential conflict.

Confidentiality

Each Director has a duty to maintain the confidentiality of information that he or she obtains by virtue of their position as a Director.

Trading in Company securities

Each Director must comply with the Company's Share Trading Policy.

Review

The Board will review this Charter at least annually and make any amendments it considers appropriate, having regard to the Board's objectives, current law and good governance practice.

No changes to this Charter may be made without the approval of the Board. After its review each year, this Charter will be distributed by the Company Secretary to all Directors, the Chief Executive Officer, the External Auditors and the Internal Auditors, and will be posted on the Company's website.