

# **Domino's Pizza Enterprises Limited**

## **Board Charter**

**Adopted by the Board on 11 April 2005 and revised on 23 June 2009  
(ASX Governance Principles and Recommendations: Recommendation 1.1)**

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## **1 Corporate Governance Statement**

### **Role of the Board**

- 1.1 The Directors are responsible, and primarily accountable to the shareholders, for the effective corporate governance of the Company. This means that the Board is responsible for directing and controlling the Company, guiding and monitoring its strategy and business affairs.

### **Role of management**

- 1.2 The corporate governance of the Company is carried out through the delegations of appropriate authority to the Chief Executive Officer (**CEO**) and, through the CEO, to management of the Company. The CEO of the Company is the managing director.

### **Purpose of this Charter**

- 1.3 The Board has adopted this Charter as a guiding framework for the corporate governance of the Company. In addition a Directors Code of Conduct has been adopted by the Board, and also a range of relevant governance policies, all of which are attached to this Charter (or available on the Company's website). All Directors, individually and as a Board, are required to agree, upon appointment, to act in accordance with this Charter, the Code of Conduct and the Policies.

## **2 Role of the Board**

### **General**

- 2.1 The role of the Board, as the body ultimately responsible for the corporate governance of the Company, specifically consists of the following major functions, which are further detailed in this Charter:
- 2.1.1 Providing accountability to shareholders / stakeholders.
  - 2.1.2 Appointing and working with the CEO.
  - 2.1.3 Approval of Company strategy.
  - 2.1.4 Development of key Company policy.
  - 2.1.5 Monitoring management and operations.

## **Accountability to Shareholders**

- 2.2 The Board is primarily responsible and accountable to Company's Shareholders to oversee the proper management and conduct of the business of Company.
- 2.3 The Board discharges this accountability through:
- 2.3.1 responsible reporting to ASX (for continuous disclosure – see also Board's Continuous Disclosure Policy);
  - 2.3.2 written reporting prior to the Company's AGM;
  - 2.3.3 verbal reporting and discussion at the AGM;
  - 2.3.4 through formal annual, half-yearly and other reporting processes; and
  - 2.3.5 through informal communication channels (eg on the Company's website).

To give effect to this accountability, the Board has approved the External Communications Policy.

***(ASX Governance Principles and Recommendations: Recommendation***

### **6.1)**

## **Appointing and working with the CEO**

- 2.4 The Board is responsible for the appointment of the Company's CEO, and for ensuring a strong ongoing relationship with the CEO for the benefit of the Company.
- 2.5 This is done through:
- 2.5.1 Encouraging a strong working relationship between the Chairman, on behalf of the Board, and the CEO;
  - 2.5.2 Ensuring clear terms of appointment, position description and delegations are in place for the CEO at all times;
  - 2.5.3 Agreeing annual key performance indicators (**KPIs**) for the CEO;
  - 2.5.4 Conducting annual performance reviews of the CEO, including considering achievement of the agreed KPIs;
  - 2.5.5 Regular ongoing reporting by the CEO to the Board;
  - 2.5.6 Working with the CEO to ensure that a CEO succession plan is in place; and
  - 2.5.7 Having involvement in the selection by the CEO of key executives of the Company.

## **Approval of Company strategy**

- 2.6 The Board is responsible to ensure that the Company is pursuing appropriate strategies for the future security and growth of the Company.
- 2.7 It does so by delegating certain responsibilities to the CEO for the development of strategy, but retains the following responsibilities:
- 2.7.1 agreeing with the CEO the annual cycle and process for review of strategic plans, including which stakeholders are to be involved and how;
  - 2.7.2 ensuring that the whole Board is directly involved in the strategic planning and review processes;
  - 2.7.3 ensuring that strategy development includes proper consideration by Board and Management of associated risks and opportunities;
  - 2.7.4 ensuring that all approved strategic plans include clear and measurable financial and other objectives;
  - 2.7.5 requiring that business plans and budgets are prepared (and provided for information to the Board) to support the agreed strategic plans; and
  - 2.7.6 monitoring and reviewing the performance of the Company against the agreed strategic plans and goals.

## **Development of key Company policy**

- 2.8 The Board develops key governance policies, including policies dealing with:

<b>Reference</b>	<b>Policy</b>
Board Policy 01/05	Independence and Conflicts of interest
Board Policy 02/05	Risk Management
Board Policy 03/05	Board Performance Evaluation
Board Policy 04/05	CEO Performance Evaluation
Board Policy 05/05	Continuous Disclosure and External Communications
Board Policy 06/05	Securities Trading
Board Policy 07/05	Audit Committee Charter

- 2.9 In addition, the Board is responsible for devising policies dealing with:
- 2.9.1 Selection, nomination, succession and remuneration of Directors (see paragraph 3.5 of this Board Charter); and
  - 2.9.2 The delegation of authorities to the CEO for development of operational policy and any limitations or requirements in respect of operational policy.

## **Monitoring management and operations**

- 2.10 The Board is responsible for the development of appropriate internal controls to monitor and supervise the implementation of agreed strategies and policies and the financial and other performance of the Company against approved strategies, budgets, and delegations.
- 2.11 This is done through:
- 2.11.1 receiving regular management reporting at Board meetings;
  - 2.11.2 working with the Company's auditors to ensure, as far as reasonably possible, appropriate integrity in financial reporting of the Company;
  - 2.11.3 ensuring that there is an appropriate documented system for risk management within the Company and that it is regularly monitored, reviewed and updated;
  - 2.11.4 appropriate use of Committees of the Board in areas requiring detailed attention or monitoring. At the date of adoption of this Charter, the only Committee of the Board is an Audit Committee;
  - 2.11.5 regular evaluations of the effectiveness of each of the following:
    - (a) the Board (including individual Director evaluations);
    - (b) the Committees of the Board; and
    - (c) the CEO; and
  - 2.11.6 Board professional development activities, for improved knowledge, skills or information required to enable the Board to carry out its role.

## **3 Composition of the Board**

### **Board composition**

#### ***(ASX Governance Principles and Recommendations: Principle 2)***

- 3.1 Under the Company's Constitution, the Board comprises a minimum of 3 and a maximum of 7 Directors. As far as practicable, the Board should:
- 3.1.1 comprise people who bring robust and independent judgment to the Board;
  - 3.1.2 comprise people with a broad range of experience, expertise, skills and contacts relevant to the Company and its business at the relevant point in time; and
  - 3.1.3 include an independent Chairman.

### **Independence and conflicts of interest**

- 3.2 The Board's policy on independence is set out in its Policy on Independence and Conflicts of Interest Policy (see Board Policy 01/05). The Board distinguishes between the two concepts.
- 3.3 In devising its policy on independence, the Board's emphasis is to encourage independent judgement amongst all Directors, at all times, irrespective of their background, rather than necessarily aiming for rigid compliance with the

requirement of a majority of independent directors under *ASX Governance Principles and Recommendations*.

- 3.4 Nonetheless, the Board, in its Nominations capacity (see paragraph 3.5) will assess annually the 'independence' of each Director in light of the principles in *ASX Governance Principles and Recommendations*, and will disclose the results in the annual report as required by ***ASX Governance Principles and Recommendations: Recommendation 2.1***.

#### **Nomination and Remuneration Committee Role of the Board**

- 3.5 Given the importance of this function, the Board as a whole, undertakes the responsibilities of a 'Nomination Committee' and of a 'Remuneration Committee' respectively, for the purposes of ***ASX Governance Principles and Recommendations: Recommendations 2.4 and 8.2***.
- 3.6 This includes responsibility for devising policies with respect to:
- 3.6.1 Regularly reviewing the composition, including appropriate mix of skills, experience and independence;
  - 3.6.2 Succession planning for the Board;
  - 3.6.3 Where appropriate, identifying and selecting nominees for appointment to the Board;
  - 3.6.4 Ensuring fulfilment of the Board's policies on Board composition under this Charter;
  - 3.6.5 Reviewing and making recommendations on the appropriate remuneration of Directors;
  - 3.6.6 Ensuring that the structure of non-executive and executive directors' remuneration is clearly distinguished;
  - 3.6.7 Ensuring that equity-based executive remuneration is paid in accordance with thresholds set in plans approved by Shareholders; and
  - 3.6.8 Ensuring disclosure of the information required in each annual report of the Company in accordance with *ASX Governance Principles and Recommendations 2*

#### **Chairman of the Board**

- 3.7 The role of the Chairman of the Board is occupied by a separate individual from the CEO. Moreover, it is preferred that an 'independent' Director be Chairman. Whether these criteria are met in the case of the Chairman will be assessed annually by the Board and disclosed in the annual report (***ASX Governance Principles and Recommendations: Recommendations 2.2 and 2.3***).
- 3.8 The Chairman of the Board acts as leader of the Board in carrying out the Board's role under this Charter, including by:
- 3.8.1 presiding as Chairman at all meetings of the Board;
  - 3.8.2 planning, and setting the agenda, for meetings of the Board in consultation with the CEO and other members of the Board;

- 3.8.3 ensuring, as far as possible, that the Board has full information on which to base its decisions on the business of the meeting;
- 3.8.4 building a strong working relationship within the Board and between the Board and the CEO;
- 3.8.5 leading the Board in developing a strong commitment to good corporate governance practices; and
- 3.8.6 with the CEO, representing the views of the Board outside the boardroom, provided that both the CEO and the Chairman are the delegates of the Board for this purpose and do not, except in emergency, have the authority to represent positions or views that have not previously been approved by the Board.

## **4 Board meetings**

### **Full Board**

- 4.1 The Board will meet as often as they consider necessary in order to carry out their duties and responsibilities and as required by the business of the Company. Under normal circumstances, the Board should meet once every month.

### **Meetings of non-executive Directors**

- 4.2 Under normal circumstances, non-executive Directors will meet together without the presence of executive directors 4 times each financial year to discuss the executive management of the Company.

### **Board papers and minutes**

- 4.3 Papers for Board and Committee meetings should be circulated, if practical, at least five days before the relevant meeting.
- 4.4 Draft minutes of Board and Committee meetings (for consideration and approval at the next relevant meeting) should be circulated within 21 days following each meeting.

### **Confidentiality**

- 4.5 All proceedings of the Board including papers submitted and presentations made to the Board must be kept confidential and not disclosed or released to any person other than Board members except as required by law or as agreed by the Board.

## **5 Company secretary**

- 5.1 The Company Secretary is accountable to the Board, through the Chairman, for:
  - 5.1.1 Monitoring the Company's compliance in respect of all corporate governance matters, including the implementation of this Charter;
  - 5.1.2 Drafting and circulating the minutes of meetings of the Board and all Committees for approval at the next meeting;

- 5.1.3 Monitoring the Company's compliance with all disclosure obligations and regularly reviewing Company policies and procedures relating to compliance with such disclosure obligations.
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