

# Australian Shareholders' Association Limited

## Board Charter

This Charter sets out matters governing the composition, functions and responsibilities of the Board of Directors of the Australian Shareholders' Association Limited (the company).

### 1 The Board's responsibilities

1.1 The responsibilities of the Board include:

- a) appointing and removing the Chief Executive and determining their terms and conditions of employment (including remuneration)
- b) setting the risk appetite of the company
- c) developing the strategic framework and objectives with management
- d) reviewing, monitoring and ratifying each of the following:
  - i. systems of risk management and internal control and compliance, codes of conduct and legal compliance
  - ii. financial and other reporting
  - iii. any changes to the discretions delegated from the Board
- e) reviewing, monitoring and approving each of the following, on the recommendation of the Chief Executive where appropriate:
  - i. the strategic plan, at least annually, and, any changes to the strategic plan
  - ii. the budget, at least annually
  - iii. the remuneration and conditions of service of other senior managers reporting to the Chief Executive
  - iv. significant changes to organisational structure
  - v. major policies with broad application or significant materiality.
  - vi. capital or organisational expenditure in excess of limits delegated to management.

### 2. Composition of the Board

2.1 The Board shall comprise Directors with a range of skills, experience, expertise and diversity.

2.2 The Board shall include Directors who have held voluntary positions within the ASA or may have been nominated or been sought from outside the ASA, satisfying the following guidelines:

- a) Persons nominated as Directors shall be expected to have qualifications, experience and expertise of benefit to the company and to bring an independent view to the Board's deliberations.
- b) Directors nominated for the Board should be able to perform well in a group and have the capacity to contribute to the Board reaching decisions by informed consensus.

### 3. Relationship between the Board and Executive Officers

3.1 The Board gives direction and exercises judgement in setting the company's objectives, overseeing their implementation and monitoring the ongoing effectiveness of management to

achieve the objectives The Chief Executive is responsible to the Board for the day-to-day management of the company.

3.2 The relationship between the Board and Executive Officers is a partnership that is crucial to the company's long-term success.

3.3 The broad separation of functions and responsibilities between the Board and Executive Officers are set out in this Charter and should be respected and clearly understood.

3.4 The Board will regularly review the separation of functions and responsibilities between Executive Officers and the Board to ensure that they are appropriate to meet the company's needs.

#### **4. Roles and responsibilities of the Chairman and the Chief Executive**

4.1 The roles of Chairman and Chief Executive should not be held by the same person.

4.2 The responsibilities of the Chairman are to:

- lead the Board
- ensure the efficient organisation and conduct of the Board's function
- be the central liaison with and manage the relationship between the Chief Executive Officer and the Board
- encourage each Director to fully participate in the Board's activities, and
- exercise such specific and express powers as are delegated to the Chairman by the Board from time to time.

4.3 The responsibilities of the Chief Executive are to:

- manage, administer and take accountability for the day-to-day operations of the company
- supervise employees, including the performance of all employees and contractors
- execute the strategic plan
- exercise such specific and express powers as are delegated to the Chief Executive by the Board from time to time.

4.4 The Chairman should act as they believe the Board would wish them to act. In view of the long periods between its meetings, the Board delegates to the Chairman the power to direct the Chief Executive in the implementation of its policies.

#### **5. Committees of the Board**

5.1 The Board may from time to time establish committees to assist it in carrying out its responsibilities and shall adopt Charters setting out matters relevant to the role, composition, rights, responsibilities and administration of those committees. The appointment of members of any Board committee will be made by the Board. Chairmen may be proposed by the committee and confirmed by the Board.

5.2 The committees are required to make recommendations to the Board but do not have executive power to bind the company.

5.3 Each committee should report to the Board regularly on all matters relevant to the discharge by the committee of its role and responsibilities.

5.4 All Directors shall be entitled to attend meetings of Board committees where there is no conflict of interest.

## **6. Board performance**

6.1 The Board will undertake an annual performance evaluation that reviews the performance of the Board against the requirements of this Charter.

6.2 The Board will determine the scope of the performance evaluation and how it is carried out, in order to achieve the objectives in clause 6.1.

## **7. Independent advice**

7.1 The Board may have access to independent advisers where it sees need and as agreed by the Board.

## **8. Code of conduct**

8.1 The Board may from time to time adopt a code of conduct to guide the Directors and promote high ethical and professional standards and responsible decision making.

8.2 Directors must comply with the code of conduct adopted by the Board under clause 8.1

## **9. Confidentiality**

9.1 The Directors acknowledge that all proceedings of the Board and its committees are strictly confidential and that should a Director breach this confidentiality the Board will determine the sanction.

## **10. Review of charter**

10.1 The Board will regularly review the Charter and update it as required.