



FIDUCIAN
INTEGRITY, TRUST, EXPERTISE

INTEGRITY, TRUST, EXPERTISE

Fiducian Group Limited

Board of Directors' Charter

17 August 2017

Control Sheet

Policy	FGL – Board of Directors' Charter	
Version	3.0	
Identifier	FGL	
Entity	Fiducian Group Limited	
Date Effective	17 August 2017	
Approved By	FGL Board – 17 August 2017	
Review Requirement	Annual Review	
Modifications		
Date of Modification	Brief Description of Modification	Approved By
September 2015	Development of Charter	Board (circular) 16 September 2015
August 2016	Amendment of the Charter	Board 15 August 2016
August 2017	Annual Review – no modifications	Board 17 August 2017

1. Role and Responsibilities

1.1 Purpose

- 1.1.1 The Constitution of Fiducian Group Limited (**Company**) governs the regulation of meetings and proceedings of the Board of Directors (**Board**).
- 1.1.2 This Charter sets out the broad principles of corporate governance as they apply to the Board's role to oversee the operation and performance of the Company and its subsidiary companies from time to time, currently being Fiducian Portfolio Services Ltd, Fiducian Investment Management Services Ltd, Fiducian Services Pty Ltd, Fiducian Financial Services Pty Ltd and Fiducian Business Services Pty Ltd (together known as **Group**).

1.2 Role

- 1.2.1 The fundamental roles of the Board are:
- a. for the Group, to direct management with a view to optimising the performance of the Group, both in the short and long term by:
 - overseeing and appraising the strategies, policy framework and financial performance of the Group;
 - overseeing the human resources in place to meet objectives and reviewing management performance;
 - providing strategic leadership with a framework of prudent and effective controls, which enable risk to be assessed and managed;
 - reviewing policies and procedures in place to ensure compliance with relevant legislation, regulatory obligations, licence conditions and the establishment and observance of high ethical standards so that the business is conducted in an open and honest manner and with the reference to the best interests of beneficiaries, unitholders and shareholders; and
 - balancing competing objectives in the best interests of the Group.

1.3 Responsibilities

- 1.3.1 In performing the roles described above, the Board will undertake the following tasks, subject to the provisions of the relevant Constitution/s, the relevant Trust Deed/s, relevant legislative and regulatory requirements and best practice guidance:

- a. contributing to the development and approval of corporate strategy, including setting performance objectives and approval levels for senior executives of the Group (**Management**);
- b. reviewing and approving business plans, the annual budgets and financial matters including available resources and major capital expenditure, acquisitions and divestiture initiatives;
- c. monitoring corporate and organisational performance and the implementation of the Group's strategies, policies and objectives, compliance with the Group's Code of Conduct and the progress of major capital expenditure and other significant corporate projects, including any acquisitions or divestments;
- d. reviewing the performance of all Committees annually, having regard to:
 - i. the fulfilment of the responsibilities as outlined in the Charter;
 - ii. any relevant comments made by the regulators as contained in any reports issued by them or in any review conducted by them; and
 - iii. the results of any survey or performance evaluation conducted by the Board or by an external entity engaged by the Board for such a purpose.
- e. to review the Board Charter every three (3) years;
- f. monitoring and reviewing Management's existing processes aimed at ensuring the integrity of financial performance and other reporting, including the approval of annual and half-yearly financial reports to shareholders and the Australian Securities Exchange (**ASX**) and liaison with the Group's auditors;
- g. selecting, appointing and appraising the performance of, determining the remuneration of, and if necessary, determining the removal of, the Managing Director, and ensuring there are adequate plans and procedures in place for succession planning;
- h. reviewing procedures for the appointment and/or removal of senior employees of the Group, including Management, and monitoring their performance;
- i. ensuring there are adequate policies in relation to risk identification and management, and that internal controls and procedures are in place regarding same. In summary, these policies are designed to ensure that strategic, operational, legal, reputational and financial risks are identified, assessed, addressed, adequately controlled and monitored to allow achievement of Group business objectives, with adequate accountability and reporting mechanisms in place;
- j. ensuring there is a disaster recovery plan and a business continuity plan in place which detail the recovery procedures to be followed in the event of a disaster or damaging event affecting the Group;
- k. establishing board committees, their membership and their delegated authorities;
- l. issue of shares and options;
- m. approval of dividends to shareholders;
- n. establishing and maintaining corporate governance principles and policies;

- o. approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to Management; and
- p. calling of meetings of shareholders.

1.3.2 Matters which are specifically reserved for the Board include the following:

- a. appointment of the Chairperson;
- b. appointment and removal of the Managing Director; and
- c. appointment of Directors to fill a vacancy or as additional director, to the maximum allowed by the Constitution.

1.3.3 The Board will also perform such other functions as are prescribed by law or are assigned to the Board from time to time.

1.4 Interaction with the Regulators

1.4.1 Members of the Board must make themselves available to meet with APRA, ASIC, AUSTRAC, ASX, ATO, the Privacy Commissioner or any other relevant governmental body or authority on request.

2. Delegations and Access

2.1 Delegations

2.1.1 The Board may delegate any of its powers to a committee of Directors (**Committee**), a Director, an employee of the Company, or any other person as the Board thinks fit, subject to ultimate responsibility of the Board under the *Corporations Act 2001* (Cth).¹

2.1.2 The Board, in fulfilling its responsibilities, may delegate powers to one or more of its Committees, and/or to one or more of its external service providers, to perform and/or oversee the performance of critical business functions. The specifics of these delegations are captured in the Charters in place for each of the Committees, and the Service Provider Agreements in place with each of the material service providers.

2.1.3 In addition to Clause 2.1.2, the Board may delegate its authority under a policy that has been approved by the Board.

2.1.4 The Board has delegated responsibility for the day-to-day management of the operation and administration of the Group to the Managing Director. Specifically, the Managing Director is delegated with responsibility and authority for the following:

- a. implementing the strategic direction as set by the Board;
- b. implementing the risk management and compliance programs approved by the Board;
- c. approving and maintaining expenditure and payment guidelines within agreed business plans and budgets as approved by the Board;
- d. approving and maintaining employee authorisations;
- e. employment, termination and suspension of staff;
- f. employee remuneration;

¹See Clause 8.7(a) of the Constitution of Fiducian Group Limited.

- g. policies and procedures relevant to employees;
- h. preparing disclosure documents and relevant statutory reports;
- i. presenting business development and growth strategies to the Board and overseeing projects through to completion;
- j. managing relationships with all stakeholders within the Group; and
- k. all communication with the ASX. This includes responsibility for compliance with the continuous disclosure requirements in the ASX listing rules and overseeing and coordinating information for disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

2.1.5 The Board has mechanisms in place for monitoring the exercise of delegated authority and remains accountable for any delegated powers. The Board is aware that it cannot abrogate its responsibility for functions delegated.

2.2 Access

2.2.1 The Board has, at all times, free and unfettered access to the Group's senior executives (**Management**) and all financial and risk compliance personnel.

2.2.2 It is expected that the Board may wish to source support or advice from Management when making decisions, including those responsible for risk management, human resource management and internal audit. Any actual or potential conflicts of interest which may arise when advice from such parties is sought will be addressed with reference to the Group's conflict management procedures.

3. Accountabilities

3.1 Accountabilities

3.1.1 The Board is accountable to:

- a. shareholders of Fiducian Group Limited; and
- b. regulatory and governmental authorities to ensure that reporting requirements are met as required.

3.1.2 Individual Directors are accountable to the Board to:

- a. declare any actual or potential conflicts of relevant interests and/or conflicts of relevant duties and ensure that they do not become a disqualified person (or otherwise make an immediate disclosure to the Board if they become a disqualified person);
- b. allocate sufficient time to ensure the discharge of duties and responsibilities with an appropriate level of care and diligence;
- c. attend and participate in Board meetings and bring a robust exchange of views and independent judgments to bear on the issues and decisions at hand; and
- d. stay abreast of broad issues affecting the financial services industry, with particular reference to superannuation funds management, investor directed portfolio services and other products that may be issued by the Group from time to time.

3.1.3 Individual Directors are accountable:

- a. to act openly, honestly and with integrity in all circumstances;
- b. to exercise the care, skill and diligence;
- c. to give priority to the duties to, and interests of, stakeholders; and
- d. not to improperly use their position or information gained by virtue of their position to gain an advantage for themselves or someone else or cause detriment to another.

4. Role and Responsibilities of the Chairperson of the Board

4.1 Requirements

4.1.1 The Board shall elect from among their number a Chairperson to chair its meetings.

Chairperson

4.1.2 The roles of the Chairperson and the Managing Director may be exercised by the same individual.

4.1.3 The Board determines the period for which the Chairperson is to hold office. The Chairperson remains in the role until he or she retires or is removed.²

4.2 Role

4.2.1 The fundamental roles of the Chairperson of the Board are to:

- a. ensure that, within the terms of its terms of reference, the Board is able to discharge its obligations to beneficiaries, unitholders and shareholders; and
- b. ensure that the Board has suitable knowledge and understanding of the business and affairs of the Group.

4.3 Responsibilities

4.3.1 In discharging his or her responsibilities, the Chairperson of the Board will undertake the following tasks:

Inside the Boardroom

- a. provide leadership to the Board in relation to the execution of its responsibilities and the establishment of a common purpose;
- b. ensure that the Board meets at regular intervals (at least quarterly);
- c. chair Board meetings, facilitate discussion, sign the minutes as adopted by the Board and ensure the efficient and proper organisation and conduct of the Board's functions in accordance with relevant legislative and regulatory requirements;
- d. ensure that the Board is provided with adequate information to facilitate effective decision making;
- e. ensure that the Board works productively and collaboratively and that there is effective contribution by each Director;
- f. oversee the collective membership of the Board in relation to the mix of skill and knowledge appropriate to its needs;
- g. establish and maintain an effective working relationship with the Managing Director;

² See **Clause 8.12 of the Constitution of Fiducian Group Limited.**

- h. in conjunction with the Managing Director, manage the relationship between the Board, Subsidiary Company Boards, the Committees, and the Group's service providers by regularly liaising with all entities;
- i. lead the Board in monitoring the management of the Subsidiary Companies, assessing financial positions and performance, and identifying and dealing with any material adverse developments; and
- j. monitor and review the business plan for the Group.
- k. lead the Board in its evaluation of its own performance and the performance of the Committees, the Managing Director;
- l. be responsible for the proper governance of the Group and ensure that all policies and procedures satisfy all risk and compliance requirements and are consistent with the Board's ethos and culture; and
- m. be involved in the development and implementation of investment policies, particularly matters relating to corporate governance.

Outside the Boardroom

- n. communicate with shareholders on matters of corporate governance;
- o. chair shareholder meetings (annual and extraordinary general meetings);
- p. ensure compliance with ASX Listing Rules; and
- q. speak with large investors as and when required.

4.4 Accountabilities

- 4.4.1 The Chairperson of the Board is accountable to the Board; and
- 4.4.2 The Company Secretary is accountable to the Board through the Chairperson on all matters relevant to the proper functioning of the Board, including assisting the Board (and Board committees) with meetings and advising on corporate governance and directors' duties.

5. Composition and Meetings

5.1 Composition

- 5.1.1 The Board must have at least three Directors and not more than eight directors at all times (not counting Alternate Directors).³
- 5.1.2 The Board may be comprised of both Executive and Non-Executive Directors; however the majority of Directors must be Non-Executive Directors.
- 5.1.3 The Company in general meeting may by resolution determine the maximum number of directors of the Company.

5.2 Alternates

- 5.2.1 A Director may appoint an alternate to exercise some or all of the Director's powers for a specified period.⁴

³ See **Clause 8.1(a) of the Constitution of Fiducian Group Limited.**

⁴ See **Clause 8.15 of the Constitution of Fiducian Group Limited.**

5.3 New Appointees

- 5.3.1 The Board may appoint a Director at any time. Their term of office ends at the conclusion of the next AGM unless re-appointed by the Company's shareholders.⁵
- 5.3.2 All new appointees will be provided with an Induction Pack, which includes at a minimum, the documents listed in Schedule 1 of this Charter.

5.4 Quorum

- 5.4.1 A quorum will be constituted by two Directors being present for the whole meeting and with a capacity to vote.⁶

5.5 Meetings

- 5.5.1 The Board is expected to meet at least quarterly. However the Board may also, at the request one or more Directors meet at other times to discuss relevant issues.
- 5.5.2 The Chairperson must call a meeting of the Board if requested to do so by any Director.

Attendees

- 5.5.3 The Board may request certain individuals, from time to time, to attend Board meetings in order to provide expert advice or act as an observer provided that there are no issues relating to independence and/or conflicts of interest.
- 5.5.4 The Board must provide any External Auditor and/or Internal Auditor (if any) with the opportunity to raise matters directly with the Board.

Meeting Method

- 5.5.5 The meetings of the Board may be held face to face or held by telephone, facsimile, electronic mail or by using any other technology consented to by all the Directors. The consent may be a standing one.⁷
- 5.5.6 The Board may deal with particular issues by circular resolution if desired, so long as all the Directors present in Australia entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document.⁸

5.6 Agendas, Papers and Minutes

- 5.6.1 An agenda will be prepared by the Chairperson of the Board. The agenda and supporting papers for each meeting will be distributed to Directors and other attendees in sufficient time to enable attendees to read the material and prepare for the meeting.
- 5.6.2 The Chairperson will arrange to have formal and accurate minutes of all Board meetings prepared. The minutes of the previous Board meeting should be approved by the Board at the following meeting.

⁵ See **Clause 8.1(c) of the Constitution of Fiducian Group Limited.**

⁶ See **Clause 8.11 of the Constitution of Fiducian Group Limited.**

⁷ See **s 248D of the Corporations Act 2001 (Cth).**

⁸ See **Clause 8.14 of the Constitution of Fiducian Group Limited.**

5.6.3 The Chairperson of the Board must ensure that minutes are produced within 1 month of a Board meeting being held, and that such minutes are an accurate and complete record of the proceedings and resolutions of the Board.

5.6.4 Copies of the minutes of all Board meetings will be provided to all Directors. The Chairperson of the Board may choose to make the minutes, or parts of the minutes, available to certain employees of the Group at his/her discretion.

5.7 Access to Information and Independent Advice

5.7.1 The Board may commission independent legal and professional advice as is reasonably necessary.

5.8 Voting

5.8.1 A resolution of the Board must be passed by a majority of the votes cast by Directors entitled to vote on the resolution.

5.8.2 Each Director present at a meeting of the Board has one vote.

5.8.3 Subject to 5.8.4, in the case of an equality of votes, the Chairperson of the Board has a second or casting vote.⁹

5.8.4 Where only 2 directors are present or entitled to vote at a meeting of the Board and the votes are equal on a proposed resolution, the Chairperson of the Board does not have a second or casting vote and the proposed resolution is taken as lost.¹⁰

⁹ See **Clause 8.13(c) of the Constitution of Fiducian Group Limited.**

¹⁰ See **Clause 8.13(d) of the Constitution of Fiducian Group Limited.**

Schedule 1 – Induction Pack

1. A new appointee will receive, at a minimum, the following documents on or before their appointment as a director of Fiducian Group Limited:
 - (a) Constitution: FGL Constituion.
 - (b) Charters: Board Charter, ARCC – Corporate Charter and Remuneration Committee Charter.
 - (c) Policies: The provision of all current Fiducian Group Policies, which include:
 - (i) Whistleblower Policy.
 - (ii) Code of Conduct.
 - (iii) Diversity Policy.
 - (iv) Workplace Health and Safety Policy.
 - (v) Privacy Policy.
 - (vi) Conflicts Management Policy.
 - (vii) Fit and Proper Policy.
 - (viii) Outsourcing Policy.
 - (ix) Retention of Records and Guidelines.
 - (x) Securities Trading Policy.
 - (xi) Compliance Framework.
 - (xii) Dispute Resolution Policy and Procedure.
 - (xiii) Fraud and Corruption Policy.
 - (d) Risk: Risk Management Framework, Risk Appetite Statement.
 - (e) Financials: The last Annual and Half-Year Reports.
 - (f) Minutes: the last minutes from the Board, ARCC and Remuneration Committee meetings, including any action items identified.
 - (g) Business Plan and Corporate Structures: The most recent Business Plan, Corporate Structure and Organisational Structure.
 - (h) Insurance: The current certificates of insurance and policy documents.
 - (i) ASX Guidance Notes: Guidance Notes 8 – 11, 14, 16 and 22.
 - (j) Appointment Documents: Letter of Offer from the Chairperson, Agreement for Disclosure of Interests, Consent to act as a director, Deed of Access Indemnity & Insurance and ASX Appendix 3X disclosure.
2. The Chairperson may request the inclusion of any other document within the Induction Pack to assist with the new appointees understanding of the Company.