



Board Skills Matrix

Microequities Asset Management Group Limited
ACN 110 777 056

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1 INTRODUCTION

This Board Skills Matrix provides a guide as to the skills, knowledge, experience, personal attributes and other criteria appropriate for the Board of Microequities Asset Management Group Limited (**Company**). The Board of the Company (**Board**) has identified this matrix as a useful tool to assist with professional development initiatives for directors and for the Board's succession planning.

2 PRINCIPLES

The Board is a skills-based Board comprising of directors who collectively have the skills, knowledge and experience to effectively govern and direct the organisation.

The skills and attributes of the Company can be broadly categorised as follows:

- (a) governance skills (that is, skills directly relevant to performing the Board's key functions);
- (b) industry skills (that is, skills relevant to the industry or section in which the organisation predominantly operates); and
- (c) personal attributes or qualities that are generally considered desirable to be an effective director.

The Board as a whole should also encompass desirable diversity in aspects such as gender, age or different perspectives.

It is expected that each director has a broad understanding of the funds management sector. However, some board members bring stronger governance and other requisite skills (e.g. corporate development, finance etc.) to complement the Board, as opposed to a background in the funds management sector.

3 REFERENCES

This matrix has been designed in accordance with the ASX Corporate Governance Principles and Recommendations.

4 POLICY

The skills, knowledge and experience required on the Board will change as the organisation evolves. In relation to each skill identified in this matrix, the Board will assess whether the identified skill is 'essential' or 'desirable' or 'purchasable' by the Board (meaning that the skill can be 'brought' or 'bought' into the Board as and when required).

The Board Skills Matrix comprises three parts:

- (a) Part A is an assessment of governance and industry based skills areas which should be held collectively by the Board. Each skill area is accompanied by a description and a separate column for the Board organisation to assess whether they consider the skill essential or desirable.

As directors are appointed or elected to the Board, their skill sets should be noted in the 'Directors Strengths' column. Given the size of the Board, it is recommended that the top ten skills held by each director should be mapped so that the Board can readily ascertain the Board's collective skill strengths and gaps.

(b) Part B is a description of personal attributes that all the directors of the Board should be expected to possess.

(c) Part C contains observations regarding the diversity and non-skills based Board attributes.

Regular Board performance evaluations should address Board skills and personal director attributes.

The skill areas in the matrix will be regularly reviewed to ensure that the composition of skills on the Board remains aligned with the Group's stage of development and strategic direction.

PART A – COLLECTIVE SKILLS

1. Governance Skills

Skill Area	Description	E (Essential) D (Desirable) P (Purchasable)	Percentage of Board
Strategy	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's relevant policies and priorities.	E	100%
Policy development	Ability to identify key issues and opportunities for the Company within the funds management sector and develop appropriate policies to define the parameters within which the organisation should operate.	D	50%
Financial Literacy	Qualifications and experience in accounting and/or finance and the ability to: (a) analyse key financial statements; (b) critically assess financial viability and performance; (c) contribute to strategic financial planning; (d) oversee budgets and the efficient use of resources; and (e) oversee funding arrangements and accountability.	E	100%
Risk and compliance oversight	Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems.	E	75%

Skill Area	Description	E (Essential) D (Desirable) P (Purchasable)	Percentage of Board
Information technology strategy and governance	Expertise and experience with the oversight of information management and information technology in commercial operations.	D, P	50%
Legal	Formal legal qualifications and experience relevant to corporations operating in similar environments to the Company.	D, P	25%
Executive management	Experience at an executive level including the ability to: <ul style="list-style-type: none"> (a) appoint and evaluate the performance of the CEO and senior executive managers; (b) oversee strategic human resource management including workforce planning, and employee and industrial relations; and (c) oversee large scale organisational change. 	D	75%
Commercial experience	A broad range of commercial/business experience, preferably in the small to medium enterprise context, in areas including communications, marketing, branding and business systems, practices and improvement.	D	100%
Service delivery, operations and administration	Knowledge of and experience in providing funds management product and services. This encompasses all aspects of the operations.	D, P	50%
Product development and innovation	Understanding the current drivers of product development and innovation in the funds management sector. Experience in delivering new product offerings in response to market demand, to achieve market leadership or to take advantage of opportunities for innovation including through technology.	D	75%

2. Industry Skills (Funds Management)

Skill Area	Description	E (Essential) D (Desirable) P (Purchasable)	Percentage of Board
Industry engagement	Strong existing networks and relationships with participants at various levels within the funds management sector.	P	50%
Client engagement	Experience in engaging with management of businesses and organisations to assess needs and deliver appropriate solutions and the ability to maintain positive relationships with clients and service providers over time.	D	100%
Community and stakeholder engagement	High level reputation and networks in the local community including with relevant industry organisations and consumer or business groups, and the ability to effectively engage and communicate with those stakeholders.	D	25%
Marketing	Knowledge of and experience in marketing of funds management products both through advisors and direct.	D	100%

PART B: PERSONAL ATTRIBUTES

Attributes	Description
Integrity (ethics)	<p>A commitment to:</p> <ul style="list-style-type: none"> (a) understanding and fulfilling the duties and responsibilities of a director, and maintain knowledge in this regard through professional development; (b) putting the Company's interests before any personal interests; (c) acting in a transparent manner and declaring any activities or conduct that might be a potential conflict; and (d) maintaining Board confidentiality at all times.
Effective listener and communicator	<p>The ability to:</p> <ul style="list-style-type: none"> (a) listen to, and constructively and appropriately debate, other people's viewpoints; (b) develop and deliver cogent arguments; and (c) communicate effectively with a broad range of stakeholders.
Constructive questioner	<p>The preparedness to ask questions and challenge management and peer directors in a constructive and appropriate way about key issues.</p>
Contributor and team player	<p>The ability to work as part of a team and demonstrate the passion and time to make a genuine and active contribution to the Board.</p>
Commitment	<p>A visible commitment to the purpose for which the Company has been established and operates, and its on-going success.</p>
Influencer and negotiator	<p>The ability to negotiate outcomes and influence others to agree with those outcomes, including an ability to gain stakeholder support for the Board's decisions.</p>
Critical and innovative thinker	<p>The ability to critically analyse complex and detailed information, readily distil key issues, and develop innovative approaches and solutions to problems.</p>
Leader	<p>Innate leadership skills including the ability to:</p> <ul style="list-style-type: none"> (a) appropriately represent the organisation; (b) set appropriate Board and organisation culture; and (c) make and take responsibility for decisions and actions. <p>NB: The Chair should also have the personal attributes to effectively undertake usual Chair functions such as: chairing Board meetings; developing a constructive relationship with the CEO; successfully managing Board succession planning and Board performance; and representing/being a spokesperson for the Company.</p>

PART C: DIVERSITY & NON-SKILLS BASED CRITERIA

Skill Area	Description	Assessment of Board
Gender diversity	Relatively equal gender representation should be sought for the Board to reflect gender diversity in the local community and given that gender diversity has been positively correlated with performance.	Low. Opportunity exists to improve the gender diversity of the Board
Geographic and cultural diversity	<p>The Company is designed to have a strong link to their local and global community and respond effectively to local needs. Therefore, the Board should have strong local and global representation.</p> <p>Where possible, cultural diversity on the Board should be reflective of the cultural diversity in both the local and global community.</p>	Low. Opportunity exists to improve the cultural diversity of the Board
Age	Some age diversity should be sought among directors to bring different generational perspectives to the Board's deliberations.	High. Reasonable age diversity on the Board
Previous Board experience	The Board should collectively comprise directors who demonstrate competence and experience at Board level and/or who have completed formal training in directorship/governance.	High. Substantial previous professional experience held by members of the Board.