



# Board Charter

**Microequities Asset Management Group Limited**  
ACN 110 777 056

# Board Charter

## 1 Introduction

---

- 1.1 This Board Charter has been developed and approved by the Board of Microequities Asset Management Group Limited ACN 110 777 056 (**Company**) to outline the manner in which the Board discharges its responsibilities.
- 1.2 The powers and duties of individual Directors are set out in the Constitution and at law.

## 2 Role and Responsibilities of the Board

---

- 2.1 The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, goals for management and the operation of the Company including, without limitation:
- (a) providing leadership and approving the strategic objectives of the Company and establishing goals to promote their achievement;
  - (b) monitoring the operational and financial position and performance of the Company; determining dividend policy and the amount, nature and timing of dividends to be paid (if any);
  - (c) providing oversight of the Company, including its control and accountability systems;
  - (d) setting appropriate levels of delegated authority to management;
  - (e) monitoring compliance by the Company with its written policies and procedures (**Policies**) and its compliance with obligations at law;
  - (f) appointing and removing the Company's key management personnel (including senior and key officers of the Company) (**Senior Executives**) and monitoring their performance;
  - (g) ratifying the proposed appointment of any Directors and, where appropriate or applicable, the Company's secretary (**Secretary**); and
  - (h) approving the Company's remuneration framework for the Chief Executive Officer (**CEO**) and other Senior Executives and the remuneration policy and succession plans for the CEO and Senior Executives.
- 2.2 The Board should be provided with the information it needs to discharge its responsibilities effectively. The Senior Executives should supply the Board with information in a form and timeframe, and of a quality, as requested by the Board from time to time. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.
- 2.3 The Board and Senior Executives will act in a manner befitting, and demonstrate the behaviours consistent with their roles, within a public ASX listed company.

## **3 Composition of the Board**

---

### **3.1 Size**

The Company's Constitution provides that the number of Directors must not be less than three nor more than six and that a quorum for a directors' meeting is two directors. Notwithstanding the Company's Constitution, each of the Directors agrees to use their best efforts to ensure that at least one non-executive director is in attendance at each directors' meeting.

### **3.2 Independent Directors**

- (a) It is acknowledged that the initial board of the Company on admission to ASX will comprise four directors, two of whom are non-executive directors (one of whom is independent) and the other two of whom are executive directors. The Board considers that the Board is of a suitable size and composition for a company engaging in the Company's type of business and at the Company's current stage of its growth cycle. The Board will evaluate the size and composition of the Board from time to time to assess if the addition of further independent non-executive directors is appropriate given the Company's stage of growth at that time.
- (b) The Board should assess, at least annually, the independence of each director, including each non-executive director, and include this information on the Company's website together with the length of service of each director.
- (c) When assessing the independence of the directors, the Board should consider the factors set out in Box 2.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3<sup>rd</sup> Edition). If a director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the director, the Board may determine that director to be independent and the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion should be included on the Company's website.
- (d) In the case of a change in a non-executive director's interests, positions, associations or relationships, the assessment should be made as soon as is practicable after the Board becomes aware of the change. Should a director's independent status change, this should be disclosed and explained in a timely manner to the market.

### **3.3 Expertise**

To the extent practicable given its size, the Board will use reasonable endeavours to ensure that, collectively, it has the appropriate range of expertise to properly fulfil its responsibilities, including for example, expertise in:

- (a) accounting;
- (b) finance;

- (c) business;
- (d) the Company's industry;
- (e) CEO-level experience; and
- (f) relevant technical experience.

### **3.4 Review**

- (a) The Board shall have a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve and will disclose this as required.
- (b) The Board shall, from time to time, review whether the directors as a group have the range of expertise, skills, knowledge and operational and technical expertise relevant to the operation of the Company required to fulfil their role on the Board and on the board committees for a company engaging in the Company's type of business and at the Company's current stage of its growth cycle. Where gaps are identified, the Board should consider what training or development could be undertaken to bridge those gaps, and if such training or development is required in the circumstances. This may include, in the case of a director who does not have specialist accounting skills or knowledge, ensuring that the director has a sufficient understanding of accounting matters to fulfil their responsibilities in relation to the Company's financial statements. It may also include, for all directors, ensuring that they receive ongoing briefings on developments in accounting standards.

## **4 Appointment of the Directors**

---

- 4.1 The directors are appointed in accordance with the terms of the Corporations Act and the Company's Constitution.
- 4.2 The terms and conditions of the appointment and retirement of directors will be set out in a letter of appointment or, where the director is an executive director, the director's employment agreement or an addendum to their employment agreement.

## **5 Allocation of responsibilities**

---

### **5.1 Chair**

- (a) The Board elects the chairperson (**Chair**) in accordance with the Constitution. A deputy chair (**Deputy Chair**) is not necessary but may also be elected at the discretion of the Board.
- (b) To the extent practicable given the size and composition of the Board from time to time, the Chair will be selected on the basis of the person's achievements and record as a leader. The Chair's other positions should not be such that they are likely to hinder effective performance of that role.
- (c) The Board will assess the role of the Chair from time to time and consider if the Chair ought to be independent given the Company's stage of growth at that time and the size and composition of its Board at that time.

- (d) The roles of the Chair and the CEO may not be exercised by the same individual.
- (e) The position of Chair will be reviewed by the Board at the first Board meeting following the annual general meeting. The Chair will authorise the expenses of all the other Directors in carrying out their role as a Director.
- (f) The Chair is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function, and for the briefing of all the directors in relation to issues arising at Board meetings.
- (g) The Chair's specific duties are as set out in the Constitution and the Policies and include:
  - (i) when present at a Board meeting, chair those Board meetings;
  - (ii) establish the agenda for Board meetings in consultation with the Chief Executive Officer, Chief Operating Officer (**COO**) and/or the Secretary;
  - (iii) ensure Board minutes properly reflect Board decisions;
  - (iv) be the spokesperson for the Company at the annual general meeting and in the reporting of performance and profit figures; the CEO or the CEO's nominee will undertake all other public relations activities;
  - (v) maintain a regular dialogue and mentoring relationship with the CEO and Senior Executives, serving as a primary link between the Board and management and providing continuity between Board meetings;
  - (vi) be the major point of contact between the Board and the CEO;
  - (vii) be kept fully informed of current events by the CEO on all matters which may be of interest to the directors; and
  - (viii) regularly review with the CEO and such other Senior Executives as the CEO recommends, progress on important initiatives and significant issues facing the Company.
- (h) The Chair is not entitled to vote or participate in the deliberations on any matter in which he or she has a personal interest, unless there is compliance with the directors' interest provisions under the Constitution or the Corporations Act.
- (i) The Chair may be removed from office in accordance with the Constitution or the Corporations Act.

## **5.2 Non-executive directors**

In accordance with statutory requirements and in keeping with developments at common law, the non-executive directors have the following responsibilities:

- (a) exercise their powers and discharge their duties in good faith and in the best interests of the Company;

- (b) use their powers of office for a proper purpose and not for personal advantage or for the benefit of another party;
- (c) use due care and diligence;
- (d) make an effort (as is reasonably required in the circumstances) to become and remain familiar with the affairs of the Company;
- (e) maintain and use an independent questioning mind with respect to matters at the Board;
- (f) review, question and challenge, where appropriate, the accuracy of the minutes and board papers;
- (g) actively engage in the conduct of board matters;
- (h) provide guidance to the CEO and other Senior Executives with respect to the strategic direction of the Company and any operational issues that may arise;
- (i) attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
- (j) commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of the Company, without placing undue reliance on other directors or Senior Executives to fulfil these duties.

Each non-executive director should make themselves available to the Secretary, as appropriate.

### **5.3 Executive directors**

In accordance with statutory requirements and in keeping with developments at common law, the executive directors have the following responsibilities:

- (a) exercise their powers and discharge their duties in good faith and in the best interests of the Company;
- (b) use their powers of office for a proper purpose and not for personal advantage or for the benefit of another party;
- (c) use due care and diligence;
- (d) actively engage in the conduct of board matters;
- (e) attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
- (f) commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of the Company, without placing undue reliance on other directors or Senior Executives to fulfil these duties.

Each executive director should make themselves available to the Secretary, as appropriate.

## **5.4 The CEO**

- (a) The CEO is appointed (and when necessary replaced) by the Board.
- (b) The CEO is responsible for the ongoing management of the Company in accordance with the strategy, policies and programs approved by the Board.
- (c) The CEO's responsibilities include (but are not limited to):
  - (i) developing with the Board, a consensus for the Company's vision and direction;
  - (ii) constructing, with the Senior Executives, programs to implement this vision;
  - (iii) carrying out the day-to-day management of the Company, including implementing the strategic objectives and operating within the risk appetite set by the Board; and
  - (iv) keeping the Board informed of all the activities of the Company which are considered relevant to the Board (including price sensitive information, quantitatively or qualitatively material information relating to the Company, information relevant for consideration of material risks, matters outside the business plan and information which a normal prudent Board would expect to be aware of and consider) with accurate, timely and clear information.
- (d) The Board formally delegates the power to the CEO to authorise all expenditures as approved in the budget or employment contract of each individual director, subject to:
  - (i) all CEO remuneration, outside of normal monthly remuneration, which must be authorised by the Chair; and
  - (ii) all business related expenses paid to the CEO which must be authorised or ratified by the Chair.

## **5.5 Secretary**

- (a) The Secretary reports directly to the Board through the Chair. All directors will have access to the Secretary.
- (b) The Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board. The Secretary holds primary responsibility for ensuring that the Board processes and procedures function efficiently and effectively.
- (c) The Secretary is appointed in accordance with the Constitution and the Corporations Act.
- (d) The specific tasks of the Secretary include:
  - (i) advising the Board and its committees on governance matters;

- (ii) monitoring that Board and committee policy and procedures are followed;
- (iii) overseeing the Company's compliance program and taking reasonable action to ensure that all Company legislative obligations are met;
- (iv) coordinating all Board business including:
  - (A) meetings;
  - (B) timely preparation and despatch of agendas, board and committee papers; and
  - (C) ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
  - (D) monitoring the completion of actions arising from Board meetings;
- (v) meeting statutory reporting requirements in accordance with relevant legislation;
- (vi) helping to organise and facilitate the induction and professional development of the directors; and
- (vii) any other services the CEO or Chair may reasonably require.

## **6 Committees**

---

- 6.1 To assist with focusing on specific Board responsibilities in order to properly execute the Board's duties, the Board has the authority to establish and determine the powers and functions of the committees of the Board, including the Audit and Risk Management Committee and the Nomination and Remuneration Committee. Each Board committee is to document a charter, approved by the Board, setting out its responsibilities.
- 6.2 The Board has currently established two standing committees:
- (a) Nomination and Remuneration Committee; and
  - (b) Audit and Risk Management Committee.

## **7 Meetings**

---

- 7.1 The Board has established procedures for conducting Board meetings and meetings of the various Board Committees.
- 7.2 Subject to the Constitution, non-executive directors may confer periodically without executive directors or other Senior Executives present.



## **8 CEO and COO assurances**

---

- 8.1 It is the responsibility of both the CEO and the COO (or equivalent, eg Chief Financial Officer) to provide written assurances to the Board that, in their opinion:
- (a) the financial reports submitted to the Board present a true and fair view of the Company's financial position and operational results; and
  - (b) the Company's risk management and internal compliance and control system is operating efficiently and effectively.

## **9 Board Performance**

---

- 9.1 The Board will, from time to time, assess and review the performance of the Board, the Company's committees and individual directors.
- 9.2 The Board will select a suitable non-executive director to conduct the performance evaluation of the Chair after having canvassed the views of the other directors.

## **10 Code of Conduct**

---

- 10.1 To promote ethical and responsible decision-making, the Board must approve a Code of Conduct as to the practices to be followed to maintain confidence in the Company's integrity and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.
- 10.2 All directors, Senior Executives and employees must comply with the Code of Conduct and demonstrate commitment to the Code of Conduct and consistency in its execution.

Adherence to the Code of Conduct must be periodically evaluated and intermediate action taken where necessary.

## **11 Induction and continuing education**

---

- 11.1 The Board will have an appropriate induction and education process, where considered necessary or appropriate, for new Board appointees and Senior Executives.
- 11.2 The Board must consider the need for director education from time to time and where considered necessary ensure that the directors are given the opportunity to undertake professional development education in order to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

## **12 Independent professional advice**

---

- 12.1 To facilitate independent judgement in decision-making, each director has the right to seek independent professional advice at the Company's expense whenever that director judges such advice necessary for them to discharge their duties and responsibilities as directors or a conflict of interest arises between the director and the Company, subject to any conditions that may be set out in any letter of appointment.

## **13 Policies**

---

### **13.1 Establish policies**

The Board (or appropriate Board committee) is responsible for ensuring that the Company has appropriate policies in place, including in respect of:

- (a) risk management;
- (b) securities trading;
- (c) communications strategy with shareholders; and
- (d) price sensitive information, including continuous disclosure.

## **14 Review of Charters**

---

The Board and Committee charters will be reviewed at least annually.

## **15 Public availability of materials**

---

The Committee must ensure that a copy of this Charter is made publicly available on the Company's website in a clearly marked corporate governance section.

Adopted on 23 February 2018