



**YellowBrickRoad**  
Wealth Management

Board  
Charter

Yellow Brick Road  
Holdings Ltd.

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## **1. Introduction**

The board is responsible for the corporate governance of the Company. The purpose of this charter is to promote high standards of corporate governance, clarify the role and responsibilities of the board and enable the board to provide strategic guidance for the Company and effective management oversight.

## **2. Board Structure & Functions**

### **2.1 Board Composition & Independence**

The board shall have a balance of non-executive and executive directors, as well as independent and non-independent directors, which is effective for the promotion of shareholder interests and the governance of the Company.

An independent non-executive director is one who is not a member of management and who is free of any business, or other relationship, that could materially interfere with, or could reasonably be perceived to materially interfere with the independent exercise of their judgement. A director is considered to be independent if he, or she;

- (a) is not a substantial shareholder of the company (as defined in the *Corporations Act 2011 (Cth)*, or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
- (b) within the last three years has not been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold such employment;
- (c) within the last three years has not been a principle of a material professional adviser, or a material consultant to the Company, or another group member, or an employee materially associated with the service provided;
- (d) is not a material supplier or customer of the Company, or any other group member, or an officer of, or otherwise associated directly, or indirectly, with a material supplier or customer;
- (e) has no material contractual relationship with the Company, or any other group member other than as a director of the Company;
- (f) is free from any interest in any business, or other relationship, which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

The board shall review, annually, the skills represented by directors on the board and determine whether the composition and mix of those skills remain appropriate to achieve the company's corporate objectives.

Non-executive directors shall be engaged through a letter of appointment and the board shall determine the level of remuneration paid to individual directors within any limits approved by

shareholders.

Executive directors shall be engaged through executive employment agreements.

Individual directors have no authority to participate in the day-to-day management of the company unless the board, through resolution, delegates an authority.

The CEO and company secretary are accountable to the board and their appointment, or removal, is a matter for the board as a whole.

Relationships and dialogue between the directors, the CEO and senior executives that focus on gaining a better understanding of the company's business will be encouraged but will not alter the roles, accountabilities and delegations of authority in this board charter.

## **2.2 Board Committees**

The board has established an audit committee to assist in exercising its authority. This allows the board to distribute their workload and enables the committee to perform detailed analysis of important or sensitive matters before making recommendations for the board to consider. Ultimately the board, not the committee, is accountable for all decisions.

Each permanent committee shall have a specific committee charter setting out their responsibilities and will be composed of board members best suited to fulfil committee responsibilities.

Permanent committees shall have access to sufficient resources to carry out their activities effectively. This will include the provision of expert advice on matters being considered by a committee.

The rotation of the position of chair and membership of the board committees shall be as determined by the board.

## **2.3 Key Functions of The Board**

### Strategy

Each year the board undertakes its strategic planning role. The board shall approve a formal strategic planning process that articulates the respective roles and levels of involvement of the board, senior management, and other employees, and will review the strategic plan for the Company.

### Monitoring

The board will monitor the decisions and actions of the CEO and the performance of the Company to gain assurance that progress is being made towards the Company's corporate objectives.

The chair, the committee chairs, the CEO and the company secretary shall strive collaboratively to ensure that effective systems are in place for the production and transmission of information and reports for effective monitoring of the company.

#### Compliance

The board is charged with overseeing, reviewing and ensuring the integrity and effectiveness of the company's compliance systems.

#### Risk Management and Internal Control

The board is responsible for reviewing the company's policies on risk management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

#### CEO Evaluation

The board will ensure that performance requirements of the CEO are linked to the achievement of the Company's corporate objectives, and that systems of evaluation for the performance of the CEO are based on previously stated criteria and are transparent. The chair shall lead, on behalf of all the non-executive directors, an annual formal review of the performance of the CEO.

#### Remuneration

The board will ensure that the Company has developed and implements coherent remuneration policies and practices to attract and retain executives and directors who will create value for shareholders, and to fairly and responsibly reward directors, executives and other employees having regard to the performance of the Company, their individual performance and the general and specific remuneration environment.

#### Delegation of Authority

The board is responsible for the delegation of their authority. The board must decide what matters are delegated to specific directors or senior executives and have controls in place to oversee the operation of these delegations.

### **3 Key Board Positions**

#### **3.1 Chairperson**

The chair is considered the 'lead' director and utilizes their experience, skills and leadership abilities to facilitate the governance process for the Company.

There are two main aspects to the chair's role. They are the chair's role within the boardroom and the chair's role outside the boardroom.

The chair's role within the boardroom is to:

- Establish the agenda for board meetings in consultation with the CEO
- Chair board meetings
- Be clear on what the board has to achieve, both in the long and short term
- Provide guidance to other directors about what is expected of them
- Brief all directors in relation to significant issues affecting the Company
- Ensure that the decisions of the board are implemented properly
- Ensure that directors act in accordance with our Directors Code of Conduct
- Ensure the board receives reports and access to management in a timely manner
- Initiate and oversee the annual review of board performance.

The chair's role outside the boardroom is to:

- In conjunction with the CEO, undertake appropriate public relations activities
- Be the spokesperson for the company at the AGM and in the reporting of performance and profit figures
- Be the major point of contact between the board and the CEO
- Be kept fully informed of current events by the CEO on all matters which may be of interest to directors
- Regularly review with the CEO progress on important initiatives and significant issues facing the company
- Provide mentoring for the CEO
- Initiate and oversee the annual CEO evaluation process.

### **3.2 Company Secretary**

The company secretary shall advise the board on matters of corporate governance and where necessary be a confidential advisor to the chair and individual directors on such matters. The company secretary's advice and services shall be available to all directors and board committees and the company secretary shall retain independent advice at the request of the

board and board committees.

The company secretary will develop and maintain the information systems and processes that are appropriate for the board to fulfill its role and will be responsible for the smooth running of the board decision making process.

Specifically, the role of the company secretary includes:

- Ensuring statutory records are kept up to date
- Ensuring compliance with the Company's constitutional documents
- Ensuring members' and directors' (and board committee) meetings are held in accordance with Corporations Act
- Ensuring notices of meetings, agendas and board papers are prepared and sent within the appropriate time frames
- Ensuring board and committee meeting agendas are structured to fulfill the obligations of the board and committees as set out in their charters
- Overseeing compliance with the Corporations Act and ASX Listing Rule requirements
- Ensuring minutes are prepared and maintained in accordance with Corporations Act
- Being the primary advisor to the board on legal issues connected with holding meetings, including the coordination of the Annual Report preparation
- Overseeing the Company's board programs including the Director Induction and Board Performance programs
- Overseeing the Company's governance policies, including Securities Trading and Conflict of Interest policies
- Overseeing the Company's disclosure obligations and advise the board and individual directors of their disclosure obligations
- Overseeing the development, implementation, communication and maintenance of the Company's compliance programs
- Implementing director and officer (D&O) insurance
- Overseeing the execution of company documentation.

### **3.3 CEO**

The CEO is accountable to the board for the performance of the Company.

Throughout the annual board cycle, the CEO will report systematically in the spirit of openness and trust on the progress being made by the Company's business towards its corporate

objectives and toward shorter and medium term plans.

The CEO shall be responsible for providing the board and its committees with information in a form that is appropriate to enable the board and committees to make assessments, conduct enquiries and to gain assurance that the decisions and actions of the CEO, and the performance of the company, are directed toward the corporate objectives and fall within the CEO Limits.

#### **4. Matters Reserved For the Board**

In appointing the board, shareholders vest the management and control of the business and the affairs of the company in the board. The board has reserved the following matters for its decision, and save for those matters, has delegated its authority for all other matters to the CEO. The matters reserved for the board for its decision are:

- Delegation of powers and authorities
- Nomination, appointment, termination of, and changes to the terms of employment or appointment of directors
- Membership and role of board committees
- Board performance
- Director remuneration
- Appointment, remuneration and removal of CEO and company secretary
- CEO delegation, including CEO Limits
- Approval of all decisions or expenditure outside of the CEO Limits
- Approval of corporate strategy and annual budgets/business plan
- Balance sheet strategy, including acquiring, selling or otherwise disposal of material company assets and obtaining loans.
- Capital management, including issues, calls on, forfeiture of shares, declaration of dividends and share buybacks
- Acquiring or selling patent rights, rights in registered trademarks, licenses or other intellectual property rights of the company
- Significant mergers, acquisitions, restructures and divestments or initiating major changes to the company's business operations
- Approving or altering the annual business plan and approval of company policies

- Director and executive succession planning
- Appointments to subsidiary company boards
- Evaluation of the CEO
- Remuneration of CEO and direct reports to the CEO
- All donations made by the company.

Subject to the limitations imposed by the Company's constitutional documents, statute and other external regulation, the board remains free to alter the matters reserved for its decision

## **5. Delegations to the CEO**

### **5.1 Introduction**

Except for the matters reserved for the board, the board delegates to the CEO all authority to achieve the Company's corporate objectives and is accountable to the board for the overall performance of the Company. However, the CEO decisions will be subject to the CEO Limits.

### **5.2 CEO Limits**

The CEO shall not:

- engage in, cause or permit any activity or behaviour that is in violation of commonly accepted standards of business practice and ethics
- allow the culture of the Company to develop or subsist in a way that condones dishonest conduct, or lack of integrity, respect or dignity in relationships amongst those involved in or affected by the Company's activities
- allow Company resources to be allocated without assessing the impact of the change in the portfolio of Company assets on the achievement of the corporate objectives
- allow capital and operating expenditure, or financing decisions, to be made without addressing the impact on the financial condition of the Company and on the achievement of the corporate objectives. The CEO only has the authority below the limits set out in the expenditure limits
- allow decisions or actions to be taken without assessing their health, safety and environmental consequences and the impact on the achievement of the corporate objectives

- allow decisions or actions to be taken without assessing the effect on the reputation of the Company and the impact on the achievement of the corporate objectives
- permit the Company to operate unless there is in place a system of control for identifying and managing the risks that are material to the achievement of the corporate objectives, strategy and plans. This may include internal financial controls and internal audits to protect the Company's assets and the application of the company's resources
- cause or permit the Company to operate without appropriate policies, information systems, and procedures to ensure that all shareholders receive (through the appropriate channels) timely and accurate information concerning progress towards the corporate objectives, and the current activities and results of the Company.

## 6. Board Process

### 6.1 Board Calendar

In order to provide an even distribution of work over each financial year, the board will adopt a twelve month board calendar. Included in this calendar will be all scheduled board and committee meetings as well as major corporate and board activities. The Directors' Calendar will be updated and approved prior to the start of each financial year.

### 6.2 Board Meetings

The chair shall determine the degree of formality required at each meeting while maintaining control. The chair as a minimum shall:

- Ensure that all directors are given the opportunity to effectively contribute to meetings
- Ensure the right matters are considered during the meeting (for example, strategic and important issues)
- Retain sufficient control to ensure that the authority of the chair is recognised. This may require a degree of formality to be introduced if this is necessary to advance a discussion
- Ensure, along with the CEO and company secretary, that members have adequate information to make an informed decision
- Ensure that the decisions are clear to all directors and completed with a formal resolution recording the conclusions reached.

The board will meet approximately 10 times per year but no less than 6 times per year. Under normal circumstances, board meetings will follow the following cycle:

Item	Days Prior
Draft agenda prepared by company secretary	14
Company secretary updates actions arising from previous meeting and reviews proposed agenda with chair	12
Board papers and agendas are finalised	10
Board papers circulated to board meeting attendees	7
Board meeting	0
Draft minutes sent to chair	3/5
Draft minutes sent to directors	6/10

### 6.3 Board Papers

Board papers are to be designed to provide sufficient information to ensure directors make informed decisions. Every board paper relating to a decision to be made should contain the following information:

- An outline why a proposal is strategically consistent with any business plan and growth prospects of the Company and why it will be of benefit to the Company if the decision is made.
- Detailed financial and risk assessments of the proposal and any alternatives and confirmation that all relevant information has been provided to the board by management.

A copy of all board papers will be retained by the company secretary.

### 6.4 Board Minutes

The board is required to keep minutes of all board meetings and resolutions passed by directors. Minutes of directors meetings are not intended to be a transcript of the meeting. However, as the Corporations Act imposes the business judgement rule on directors, minutes of meetings should adequately record the process followed in coming to the business decision represented by the resolution whether it be to take or not to take certain action.

Matters to be included in board minutes should include:

- A list of those attending the meeting

- A summary of proposals submitted and by whom they were submitted
- Any independent advice received on any aspects of the decision
- A declaration of any interests of a director or officer and whether it is material and how the issue has been addressed
- Whether or not alternative proposals were considered
- A reference to any confirmation by management to the directors that all relevant information regarding the proposal has been provided to the board
- A summary of the conclusions reached in regard to the identified risks resulting from proceeding with the proposal
- A resolution that adequately covers the decision of the board and the related determinations of the board
- A record of any director's dissent from the resolution (if so requested)
- Reports or other documents included in the board papers or tabled at the meeting
- Other documents/presentations tabled at the meeting relevant to the decision
- Declarations of conflicts of interest
- Occasions where directors absented themselves from discussions
- Any request for additional information or advice and when such request has been declined
- The actions decided, with a separate action list for management
- A reference to any paper or discussion on any carried-forward items, matters arising or outstanding issues.

## **6.5 Decisions Made Outside Of Board Meetings**

Resolutions can be made by directors outside of board meetings in accordance with the requirements of sec 248A Corporations Act.

## **7. Board Performance**

The board will conduct a performance evaluation of the board as a whole, its committees and its individual directors on an annual basis.

The performance of the board shall be reviewed against appropriate measures. All evaluations will have regard to the collective nature of board work, the operation of the governance

processes established in this document and the attainment of any goals set by the board.

The board considers the outcome of the review in a dedicated meeting and develops a series of actions and goals to guide improvement.

The board does not endorse the re-appointment of a director who is not satisfactorily performing the role.

## **8. Director Support**

### **8.1 Access to Professional Advice**

Directors may, subject to board policy, seek independent professional advice at the expense of the company on any matter connected with the discharge of their responsibilities. A copy of any advice so received will be made available to all directors. Please refer to our guidelines for Independent Professional Advice.

### **8.2 Director Induction**

Each new director is required to undertake the company's Director Induction Program. This will include detailed information on the company including its strategic direction, the industry in which it operates and details of all relevant legal requirements.

### **8.3 Professional Development**

The company is committed to the continued professional development of its directors and senior executives. Every director is expected to participate in any professional development or training arranged for them.