

# BOARD CHARTER.

Bell Financial Group Ltd (ACN 083 194 763) (the “Company”)

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## **1 PURPOSE OF THIS CHARTER**

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The purpose of this Charter is to set out the respective roles and responsibilities of the Board and management of Bell Financial Group Limited (ABN 59 083 194 763) (Group).

## **2 ROLE AND RESPONSIBILITIES OF THE BOARD**

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### **2.1 Role of the Board**

The role of the Board is to oversee the Group and it is accountable to shareholders in that role. The Board is responsible for the Group's strategic objectives and governance, and provides oversight of management. It demonstrates leadership in steering the desired culture of the Group. The Board is responsible for:

- a) developing the Group's strategies and objectives, in conjunction with the Co-CEOs;
- b) monitoring the implementation of those strategies and objectives in conjunction with the Co-CEOs and senior executive team;
- c) monitoring the overall operational and financial position and performance of the Group;
- d) monitoring and influencing the Group's culture, reputation and ethical standards, and ensuring the Group's affairs are conducted with transparency and accountability;
- e) overseeing that appropriate controls and systems are in place to monitor the Group's key risks (both financial and non-financial risks);
- f) reviewing and approving the Group's risk management, compliance and internal controls governing the operations of the Group;
- g) approving the Group's major capital expenditures, operating budgets, capital management, and acquisitions / divestitures;
- h) overseeing that the Group's financial reports and results are accurately reported and on time;
- i) overseeing the Group's corporate governance framework and key policies governing its operations, including the Code of Conduct;
- j) satisfying itself that an appropriate framework exists for relevant and timely information to be reported to the Board;
- k) overseeing the Group's process for making timely and balanced disclosure of all material information concerning the Group that a reasonable person would expect to have a material effect on the price or value of the Group's shares;
- l) overseeing shareholder engagement, reporting and information flows;
- m) reviewing and approving the remuneration of the Co-CEOs, and overseeing and evaluating the performance of the Co-CEOs and, through the Co-CEOs, other senior executives;
- n) appointing, and, where appropriate removing, the Co-CEOs, and succession planning for the Co-CEOs;
- o) appointing, and, where appropriate removing, the Company Secretary; and
- p) developing and approving succession plans for the Board to ensure that it has the appropriate balance of skills, knowledge, experience, independence and diversity.

### **2.2 Role of the Chairman**

The Chairman is appointed by the Board and should be an independent director. The Chairman is

responsible for:

- (a) facilitating the effective performance of the Board including the frequency and length of meetings;
- (b) setting the agenda for Board meetings in conjunction with the Co-CEOs and Company Secretary;
- (c) chairing director and shareholder meetings;
- (d) seeking to ensure that the flow of information (both financial and non-financial) to the Board is timely and sufficient to keep the Board appropriately informed of key matters affecting the Group;
- (e) facilitating effective, open and constructive contributions by all directors;
- (f) liaising with the Co-CEOs as the primary contact between the Board and management;
- (g) overseeing the process for appraising Board members individually and the Board as a whole;
- (h) overseeing negotiations for the Co-CEOs' terms of employment and the Board's evaluation of the Co-CEOs' performance; and
- (i) communicating the views of the Board, in conjunction with the Co-CEOs, to the Group's shareholders and the public.

### **2.3 Role of the Company Secretary**

The Company Secretary is accountable to the Board, through the Chairman, on corporate governance matters. Each director may communicate directly with the Company Secretary and vice versa. The role of the Company Secretary is to:

- a) advise the Board and its committees on governance matters;
- b) co-ordinate Board and committee meetings, including agendas, papers and minutes;
- c) lodge ASX announcements and other disclosures required under the ASX Listing Rules, the Corporations Act and by ASIC;
- d) liaise with the Group's share registry; and
- e) monitor that Board and committee policy and procedures are followed.

## **3 ROLES AND RESPONSIBILITIES OF MANAGEMENT**

### **3.1 Role of the Co-CEOs**

The Board has delegated the day-to-day management of the Group and its operations to the Co-CEOs in relation to all matters other than those responsibilities expressly reserved to the Board and the Chairman in this Charter. The Co-CEOs are responsible for:

- a) developing, in consultation with the Board, the Group's strategies and objectives;
- b) executing the Group's strategies and objectives and providing updates to the Board;
- c) ensuring the Board is kept informed with sufficient accurate information on a timely basis regarding the Group's affairs, operations and businesses;
- d) the day-to-day management and operation of the Group in accordance with the risk parameters set by the Board from time to time;
- e) identifying strategic opportunities for the Group and developing these initiatives liaising with the Board;
- f) identifying and managing the Group's financial and non-financial risks, and designing and implementing risk management, compliance and internal control systems to manage and mitigate those risks;

- g) implementing the Group's policies and procedures, including the Code of Conduct;
- h) appointing and managing senior executive and management personnel, and, where appropriate, removing senior executive and management personnel;
- i) communicating the views of the Board, in conjunction with the Chairman, to the Group's shareholders and the public; and
- j) providing strong and clear leadership to the Group.

### **3.2 Role of senior executive team**

The Co-CEOs have authority to sub-delegate to the senior executive team. The Group has a written agreement with each senior executive setting out the terms of their appointment.

## **4 DELEGATION TO COMMITTEES**

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Under the Group's constitution, the Board may delegate responsibility to one or more committees to consider certain issues in further detail and then report back to and advise the Board.

Each standing committee established by the Board will adopt a charter setting out the authority, responsibilities, membership and operation of the committee. The Group may establish other committees from time to time to consider other matters of special importance.

Directors are entitled to attend committee meetings and receive committee papers.

Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The chair of each committee will report back on the committee meeting(s) to the Board at the next Board meeting.

The Board will review the performance of each standing committee periodically against the role and responsibilities set out in its committee charter and whenever there are major changes to the management structure of the Group.

## **5 BOARD MEMBERSHIP**

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### **5.1 Composition and size**

The directors will determine the size of the Board, subject to the Group's constitution, which provides that there can be no less than three directors. The number of directors and the composition of the Board must at all times be appropriate for the Group to achieve efficient decision making.

The composition of the Board will aim to reflect the following:

- a) the number of independent directors should equal or exceed the number of non-executive directors; and
- b) there should be at least two independent directors.

The Chairman should be an independent director.

The Board will regularly assess the Board's composition to ensure it has an appropriate range of skills, experience, expertise, diversity and competence to deal with current and emerging issues of the business. The Board will:

- a) review the necessary and desirable competencies of directors at least annually; and
- b) ensure that succession plans are designed to maintain an appropriate balance of skills, experience and expertise on the Board.

## **5.2 Independence**

All directors - whether independent or not - are required to bring an independent judgement to bear on all Board decisions.

Where this charter refers to an independent director, the director is considered “independent” if they are a non-executive director who is not a member of management, and who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Group as a whole rather than in the interests of an individual shareholder or other party.

When determining the independent status of a director, the Board will consider whether the director:

- a) is, or has been employed in an executive capacity by the Group or its subsidiaries and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- b) receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Group;
- c) is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the Group or any of its subsidiaries, or is an officer of, or otherwise associated with, someone with such a relationship;
- d) is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- e) has close personal ties with any person who falls within any of the categories described above; or
- f) has been a director of the Group for such a period that their independence from management and substantial holders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the Board to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Group as a whole rather than in the interests of an individual shareholder or other party.

The Board will assess the independence of each director at least annually in light of the interests disclosed by them. Each independent director must provide the Board with all relevant information for this purpose and keep such information up to date.

## **5.3 Conduct of individual directors**

Directors must at all times act in accordance with legal and regulatory requirements, and discharge all their duties as directors. Directors must:

- a) discharge their duties in good faith and in the best interests of the Group and for a proper purpose;
- b) act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a major company;
- c) avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
- d) not make improper use of information gained through their position as a director;
- e) not take improper advantage of their position as a director;
- f) notify other directors of a material personal interest when a conflict arises;
- g) make reasonable enquiries if relying on information or advice provided by others;
- h) undertake any necessary inquiries in respect of delegates;
- i) give the Group, the ASX and ASIC all the information required by the Corporations Act and the ASX Listing Rules; and
- j) not permit the Group to engage in insolvent trading.

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## **6 BOARD PROCESSES**

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### **6.1 Meetings**

All Board meetings will be conducted in accordance with the Group's constitution and the Corporations Act. Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.

Directors are committed to collective decision making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.

All directors are generally expected to prepare adequately, attend and participate at each Board meeting. The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable. The Board may conduct meetings by telephone or video conference.

### **6.2 Independent professional advice**

Following consultation with the Chairman, directors may seek independent professional advice at the Group's expense whenever they feel it is necessary to discharge their responsibilities and duties. Where appropriate, a copy of this advice will be made available to all directors.

### **6.3 Access to management**

The directors have complete and open access to management following consultation with the Chairman.

### **6.4 Professional development and induction**

Directors will be expected to participate in the Board induction or orientation program on appointment, and the continuing education or training arranged for them. The Board will periodically assess whether there is a need for directors to update or obtain further professional development to maintain the skills and knowledge required to perform their roles effectively.

### **6.5 Review of Board and director performance**

The Board will agree the process for conducting reviews of the Board as a whole and individual directors. Typically, the process will include individual interviews by the Chairman with each director. Feedback will also be provided to directors on their individual performance as assessed by their peers, where appropriate. The Board (excluding the Chairman), will conduct a review of the Chairman's performance annually.

### **6.6 Appointment of senior executives**

Appropriate checks will be undertaken before putting forward a potential new senior executive appointment to the Board for approval. These checks would usually include checks on the candidate's character, experience, education, criminal record and bankruptcy history.

### **6.7 Nomination, appointment and re-election of directors**

Board selection, succession and appointment are handled directly by the Board and are not delegated to a nomination committee. The process of selection and appointment of new directors to the Board is that when a vacancy arises, the Board identifies candidates with appropriate skills, experience and expertise. Candidates with the skills, experience and expertise that best complement the Board's effectiveness will be recommended to the Board.

When the Board considers that a suitable candidate has been found, appropriate background checks will be undertaken on the candidate's character, experience, education, criminal record and bankruptcy history. If the background checks are successful, that person will be appointed by the Board to fill a casual vacancy in

accordance with the Group's constitution. A director that fills a casual vacancy must undertake to resign should the Group receive an outstanding check that it considers is not satisfactory, and must stand for election by shareholders at the next annual general meeting. All directors must provide details of their other commitments and must specifically acknowledge to the Group that they will have sufficient time to fulfil their responsibilities as a director.

Directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment. Directors must retire from office in accordance with the constitution. Retiring directors may be eligible for re-election. Before each annual general meeting, the Chairman will assess the performance of any director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the director (in the absence of the director involved). At each general meeting, shareholders will be provided with all material information in the Board's possession to enable them to make an informed decision on whether or not to elect or re-elect the candidate.

## **6.8 Remuneration of directors and senior executives**

The remuneration of the Board and key management personnel (KMP) are dealt with directly by the Board and are not delegated to a remuneration committee. The Group's remuneration practices are designed to:

- a) enable the Group to attract, retain and motivate directors, executives and employees who will create value for shareholders;
- b) be fair, not excessive, and appropriate having regard to the performance of the Group and the relevant director, executive or employee; and
- c) demonstrate the clear relationship between senior executive performance and remuneration that exists within the Group.

A clear distinction is maintained between the remuneration structure of the Board and management. A proportion of executive remuneration is structured in a manner designed to link rewards to corporate and individual performances, including performance-based remuneration and equity-based remuneration. The directors are remunerated by a fixed salary including superannuation only and do not receive performance-based remuneration or equity-based remuneration.

The Board approves the remuneration for the Co-CEOs, including base pay, incentive payments, equity based awards, changes to the policy and oversees implementation (including any shareholder approvals required).

The Board approves any changes to the remuneration of directors. The remuneration of the Chairman must be approved by the Board (without the Chairman being present).

## **7 Review and publication of Charter**

The Board is responsible for reviewing this Charter and the division of functions and responsibilities in the Group to determine its appropriateness to the needs of the Group from time to time. The Charter may be amended by resolution of the Board.

The Charter is available on the Group's website at: [www.bellfg.com.au/#corporate-governance](http://www.bellfg.com.au/#corporate-governance).