

Board Charter



Pendal Group Limited
ABN 28 126 385 822

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1 Purpose

- 1.1. The Board of Directors (**Board**) of Pental Group Limited (**Pental** or the **Company**) is governed by the Company's Constitution.
- 1.2. The Board is responsible for the overall governance of the Company and is accountable to shareholders for the performance of the Company.
- 1.3. The primary function of the Board is to:
 - (a) chart the direction, strategies and financial objectives of the Company and monitor the implementation of those strategies and financial objectives;
 - (b) monitor compliance with regulatory requirements, ethical standards and external commitments and the implementation of related policies;
 - (c) appoint and review the performance of the Group Chief Executive Officer & Managing Director (**CEO**).
- 1.4. This Charter sets out the functions and responsibilities of the Board of Directors of the Company. It should be read in conjunction with the Charters of the Board Audit & Risk Management Committee and the Board Remuneration & Nominations Committee.

2 Membership and Composition

- 2.1 Subject to the limits imposed by the Company's Constitution, the Board shall determine the number and composition of the Board.
- 2.2 The Board shall be comprised of a majority of non-executive directors.
- 2.3 The Board shall determine the number of independent directors on the Board.

3. Chairman

- 3.1 The Board shall appoint its Chairman who shall be an independent non-executive director.
- 3.2 Where the Chairman is not present at a Board meeting, the Directors present shall elect a Director to act as the Chairman for that meeting.
- 3.3 The roles of Chairman and CEO shall not be exercised by the same individual.

4 Meetings of the Board

- 4.1 The Board shall determine the frequency, duration and agendas of its meetings and the meetings of any of its Committees.
- 4.2 The Board shall meet at least four times a year.
- 4.3 Any Director or the Company Secretary may convene a meeting of the Board at any time, provided that reasonable notice is given to all Directors.
- 4.4 A quorum shall be two directors.
- 4.5 A Board meeting may be held using any technology agreed to by all Directors present.
- 4.6 Decisions will be made by majority vote. If the votes are deadlocked, the Chairman has a casting vote.
- 4.7 The Board may request any officer or employee of the Company, external legal counsel, the external auditor or any person or group with relevant experience or expertise to attend meetings of the Board.

- 4.8 A resolution in writing signed by all Directors entitled to vote on the resolution is a valid resolution of the Board. A written resolution may be valid if signed by less than all Directors entitled to vote, provided that the written resolution has been passed in accordance with a protocol approved by the Board.

5 Board Committees

- 5.1 The Board may from time to time establish committees it considers necessary or appropriate to assist it in carrying out its responsibilities, including any ad hoc Board Committees.
- 5.2 The Board shall determine the membership and composition of each Board Committees.
- 5.3 The Board shall determine the terms of reference of each Board Committee.
- 5.4 The Board shall receive regular reports from each Board Committee.
- 5.5 The Board currently has two standing Board Committees:
- (a) Audit & Risk Management Committee.
 - (b) Remuneration & Nominations Committee.
- 5.6 The Board shall approve any amendments to the Charters (or terms of reference) of each Board Committee.
- 5.7 The Board may exercise any power, duty or responsibility set out in the Charters of its Board Committees.

6 Conflicts of Interest

- 6.1 Directors must comply with their legal, statutory and equitable duties and obligations as Directors, when discharging their responsibilities as Directors of the Company. The duties of a director include:
- (a) acting in good faith and in the best interests of the Company as a whole;
 - (b) acting with care and diligence and for proper purpose;
 - (c) refraining from making improper use of information gained through the position of Director and from taking improper advantage of the position of Director; and
 - (d) avoiding conflicts of interest wherever possible and where conflicts arise complying with statutory and equitable duties regarding disclosure and voting.
- 6.2 Directors must disclose to the Board (through the Company Secretary or the Chairman) any actual or potential conflicts of interest which may exist or be thought to exist as soon as the Director becomes aware of the issue and shall take any necessary and reasonable measures to resolve or manage the conflict.
- 6.3 A standing agenda item at each meeting of the Board will be the disclosure, recording, and resolution or management of conflicts of interest, or potential conflicts of interest, by Directors.

7 Independent Advice

- 7.1 A Director may, subject to the requirements referred to in this clause 7, obtain independent legal, accounting or other professional advice at the Company's expense.
- 7.2 Prior to obtaining independent professional advice in accordance with this clause, the Director shall obtain the prior approval of the Chairman, which shall not be unreasonably withheld.
- 7.3 Prior to seeking the approval of the Chairman to obtain independent professional advice, the Director shall provide the Chairman with an estimate of the cost of obtaining the advice.

- 7.4 Any independent professional advice obtained by a Director at the Company's expense must be made available to all Directors of the Company, including the CEO.

8 Responsibilities

- 8.1 The Board has the following functions and responsibilities:

Chief Executive Officer

- (a) Appoint the CEO.
- (b) together with the Remuneration & Nominations Committee, evaluate the performance of the CEO.

Strategic Planning

- (c) Approve the Company's strategic plan.
- (d) Review performance against the Company's strategic plan.

Financial matters

- (e) Approve the annual plan, or budget.
- (f) Review the Company's performance against the annual plan.
- (g) Determine the Company's dividend policy and the amount, nature and timing of dividends.

Financial Reporting

- (h) Review and approve the half-year and annual financial statements and related information for the Company's annual and half-yearly financial reports.
- (i) Monitor and review management processes aimed at ensuring the integrity of financial and other reporting.

External Auditor

- (j) Appoint, re-appoint or remove the external auditor, in consultation with Westpac.

Risk Management

- (k) Monitor the effectiveness of the Company's systems of risk management, internal controls and legal compliance.

Group Structure

- (l) Approve and monitor the progress of major capital expenditure, capital management, acquisitions and divestments,
- (m) Approve the composition and powers of subsidiary boards.
- (n) Approve the restructure, winding up or sale of business entities, divisions and subsidiaries.

Policies

- (o) Approve significant Company policies.

Other matters

- (p) Approve any other matter that is required by the Company's Constitution, the Corporations Act 2001 (Cth) or any other law or regulation, to be approved by the Board.

9 Authority and Reporting

- 9.1 The Board shall determine and document the matters specifically reserved for Board decision-making and the scope of authority (and any limits on that authority) delegated to the CEO.
- 9.2 The CEO is accountable to the Board for the authority delegated to the CEO.
- 9.3 The Board shall receive a regular report on the exercise of delegated authority by the CEO.

10 Board Performance

- 10.1 The Board will review the performance and overall effectiveness of the Board as a whole, its Committees and individual Directors, on an annual basis.

11 Director Independence

- 11.1 The Board will review the independence of each Director annually and whenever the Board becomes aware of a change in circumstances which may affect a Director's status as an Independent Director.

12 Board Tenure

- 12.1 Non-Executive Directors will retire once they have served a maximum of three 3 year terms after first being elected by shareholders unless invited by the Board to extend their tenure due to special circumstances.
- 12.2 The Chairman will retire once he, or she, has served a maximum of four 3 year terms, or 12 years whichever is the longer after first being elected by shareholders (including any term as a Director prior to being elected as Chairman), unless invited by the Board extend his, or her, tenure due to special circumstances.

13 Review of Charter

- 13.1 This Charter shall be reviewed on an annual basis.

Approved by the Board on 27 April 2011

PENDAL

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