



Stockbrokers and Investment Advisers Association

ABN 91 089 767 706

Board charter

Introduction

This Charter sets out the role of the Board of the Stockbrokers and Investment Advisers Association Limited (SIAA). This Charter is designed to ensure the operation of SIAA is conducted in a manner consistent with the objects of SIAA together with its legal responsibilities under the Constitution and *Corporations Act 2001* (Cth) (the Corporations Act).

Governance of SIAA is regulated by the Corporations Act and many such elements of the operation of a governing Board of a company are provided for in the Corporations Act. Appropriate references to the Corporations Act requirements are outlined in this Charter.

1 Purpose

The role of the Board of SIAA is to represent the Members and to promote and protect the interests of the Company (SIAA).

2 Board Responsibilities

2.1 The Board is responsible for:

- a) making and/or amending the policies and procedures regulating the Board, SIAA and its members
- b) reviewing, approving and monitoring the strategic direction of SIAA, including its mission and values, in conjunction with senior management
- c) ensuring SIAA is properly managed, for example by:
 - i. appointing and, where appropriate, removing the Chief Executive Officer, and determining the terms and conditions of appointment, including their remuneration
 - ii. having input to and final approval of management's development of corporate strategy and performance objectives
 - iii. reviewing systems of risk management and internal compliance and control, codes of conduct and legal compliance
 - iv. providing critical and independent judgement regarding matters brought forward by management, and
 - v. monitoring management's performance and implementation of strategy and whenever required, challenging management and holding it to account

- d) approving the annual budget, monitoring the financial performance of SIAA and approving and monitoring financial and other reporting
- e) engaging with stakeholders, including members, employees, industry, government and other interest groups
- f) appointing and removing the company secretary.

2.2 The Board will, on a regular basis, undertake a review of its responsibilities and the responsibilities of management to ensure that they remain appropriate for the business conducted by SIAA.

3 Composition of the Board

3.1 The Board is responsible for the following:

- a) determining the number of directors (subject to the Constitution)
- b) terms and conditions of directors' appointments
- c) appointment of a Chair, and
- d) filling casual vacancies on the Board and managing the succession of Board members.

3.2 All Directors must be a Member of SIAA.

3.3 Directors are entitled to seek independent professional advice related to the discharge of their responsibilities as Directors, at SIAA's expense, subject to the prior approval of the Chair and according to the terms of the company policy.

4 Board observers

4.1 The Board may decide to include board observers as part of the corporate governance framework. A board observer is a person who has the right to attend the board meetings of a company but has no legal vote on any board matters.

4.3 The Board may decide to appoint a board observer as part of the succession plan of the Board.

5 Chair

5.1 In accordance with Clause 36 of the Constitution the Board will select one of its members to be Chair.

5.2 The Chair will ensure Board meetings are held.

5.3 The Chair will represent the Board to external parties.

5.4 The Chair will report to members from time to time.

5.5 The Chair is responsible for leading the Board, including encouraging a culture of openness and debate to foster a high-performing and collegial team of directors that operates effectively.

5.6 The Board will develop a plan for the succession of the Chair, and will periodically evaluate the plan.

6 Board meetings

6.1 The Board will meet as often as the directors consider necessary to fulfil their duties and responsibilities and to meet the demands of the business. In normal circumstances the Board is expected to meet at least four times in a year.

6.2 A Board meeting may be held by the Board communicating by any technological means consented to by all the directors. The consent may be a standing one and the Board need not all be physically present in the same place for a Board meeting to be held.

6.3 From time to time the directors will meet without management present.

6.4 A meeting can be convened by the Chair, or any two directors. Each director is entitled to receive notice of a meeting of directors, preferably not less than 48 hours prior to the meeting, unless the directors unanimously agree otherwise.

6.5 Directors will receive relevant Board papers at a reasonable time before each meeting with an aim of receiving such Board papers at least one week prior to the relevant meeting.

7 Conduct

7.1 Directors are subject to and expected to abide by these conduct provisions as approved from time to time:

- a) A director must act honestly, in good faith and in the best interests of SIAA.
- b) A director has a duty to use care and diligence in fulfilling the functions of office of a director and exercising the powers attached to that office.
- c) A director must use the powers of office for a proper purpose and in the best interest of SIAA.
- d) A director must recognise that the primary responsibility is to SIAA's members as a whole and should also have regard for the interest of all stakeholders of SIAA.
- e) A director must not make improper use of information which may be acquired in their role as director and must not take improper advantage of the position of director.

7.2 A director must be satisfied that all decisions taken by the Board of directors are sound and in the best interests of SIAA and its members.

7.3 Directors must ensure that issues discussed at Board meetings and opinions expressed at meetings remain confidential.

7.4 A director should not engage in conduct which may bring discredit upon SIAA, its members, employees or officers.

7.5 A director has an obligation, at all times, to comply with the Corporations Act, SIAA Constitution, SIAA Board Charter and with the principles of these conduct provisions.

8 Conflict of interest

8.1 SIAA requires that a director must take all reasonable steps to avoid being placed in a position where a conflict of interest arises during the exercise of the director's functions. Existing conflicts of interest and personal interests must be declared at the time of appointment to the Board.

8.2 The Corporations Act requires that a director must take all reasonable steps to avoid being placed in a position where a conflict of interest arises during the exercise of the director's functions. Directors must be alert and proactive to the perception of a possible conflict of interest.

8.3 Clause 39 of the SIAA Constitution specifies a director's responsibilities in relation to a conflict of interest.

8.4 Existing conflicts of interest and personal interests must be declared at the time of appointment to the Board.

8.5 Section 191(1) of the Corporations Act requires a director to notify other directors of material personal interest that relates to the affairs of the SIAA when conflict arises.

8.6 Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of SIAA.

8.7 If a potential material conflict of interest arises, the director concerned shall advise the Chair prior to any Board meeting at which the issue is to be discussed. Any potential conflict of interest must be recorded in the Board minutes.

9 Board committees

9.1 The Board may establish Board committees in accordance with Clause 42.1 of the Constitution to which it may delegate any of its powers, duties and responsibilities.

9.2 The Board has established the following Board Committees:

- a) Nominations Committee
- b) Audit Committee
- c) Investment Advisers Committee
- d) Profession Committee
- e) Compliance Committee

- f) Diversity, Equity & Inclusion Committee, and
- g) Operations & Technology Committee.

9.3 At least one member of each committee must be a Director. The Board may appoint the Chair of each Committee.

9.4 A separate Charter has been adopted for each of these Committees, setting out the composition, duties and responsibilities of the committee, which is reviewed every two years.

9.5 The Board may establish advisory subcommittees and/or working groups from time-to-time with no delegated powers.

9.6 The appointment of any members to Committees will be made by the Board or the Managing Director. The Board has delegated authority to the Managing Director to make operational decisions relating to Committees and working groups on behalf of the Board.

9.7 A Committee may be dissolved by the Board on the recommendation of the Managing Director.

10 The company secretary

10.1 The Company Secretary is accountable to the Board, through the Chair, on all governance matters, with all directors having access to the Company Secretary for advice or assistance on governance matters.

10.2 The Company Secretary supports the effectiveness of the board by:

- a) monitoring that board policy and procedures are followed, and
- b) coordinating the completion and dispatch of board agendas, briefing papers and minutes.

11 Review of Board effectiveness

11.1 The Board members will participate in an annual review of the Board's effectiveness in carrying out its responsibilities. The Chair will implement a review system which, subject to consultation with the Board, may include:

- a) a collective review of effectiveness undertaken by the Board
- b) individual performance reviews for directors
- c) opportunities for directors to give private feedback to the Chair on Board effectiveness, or
- d) such other review mechanisms as the Board decides.

11.2 The Chair, in consultation with the Board, will consider whether or not to engage an external facilitator to assist with the above.

12 Charter review

12.1 The Board shall review this Charter every two years or as required, after the annual Board performance assessment.

12.2 Any modifications to or replacements of this Charter must be approved by the Board.

Approved 31 August 2022

Updated to align with new Constitution 24 November 2022