

Board Charter

Insignia Financial Ltd ABN 49 100 103 722

October 2021*

* As amended in December 2021 to reflect change of name from IOOF Holdings Ltd to Insignia Financial Ltd

Table of Contents

1.	Introduction	3
2.	Board and management authority	3
2.1.	Delegation of authority	3
2.2.	CEO responsibilities	3
2.3.	Responsibilities and reservation of authority	4
3.	Board structure and operation	6
3.1.	Composition and membership	6
3.2.	Conduct of individual directors	6
3.3.	Role of Chair	7
3.4.	Role of Company Secretary	8
3.5.	Board Committees	8
4.	Board meetings	9
5.	Information and advice	9
5.1.	Responsibility of management	9
5.2.	Access to information	9
5.3.	Access to advice	9
6.	Charter review	10
7.	Document information	10

1. Introduction

The Group comprises Insignia Financial Ltd (Insignia Financial) and its subsidiaries (the Group). The Group's purpose is "Understand me, look after me, secure my future" (Purpose) and the Group's strategic ambition is "Creating financial wellbeing for every Australian" (Strategic Ambition).

Our approach to corporate governance is based on a set of principles that underpin day-to-day activities, as set out below (Principles).

- **Be human** - we treat those around us the way we'd like to be treated – openly, honestly and respectfully.
- **Stronger together** - only by working together can we truly serve our clients.
- **Do what's right, not what's easy** - we back ourselves to make the right call. We speak up.
- **Deliver what matters** - we make sure we understand what matters to every client, and we make it happen.
- **Keep it simple** - we remove complexity.

The Board is responsible for overseeing the strategic direction of the Group and effective oversight of management, promoting shareholder interests and, where appropriate, the interests of other stakeholders. It does so in the context of the Group's Purpose, Principles and Strategic Ambition.

2. Board and management authority

2.1. Delegation of authority

- a. The Board delegates authority to the Chief Executive Officer (CEO) for the management of the Company except in relation to the following.
 - Powers required to be exercised by the Board (or its Committees) under the constitution or by legal or regulatory requirements.
 - Powers delegated by the Board to a Committee in a Terms of Reference or specific resolution.
 - Powers reserved to the Board under this charter.
 - Any additional powers reserved to the Board or a Committee in a Delegations of Authority Policy, Committee Terms of Reference or other policy.

The Board reserves the right to change or revoke its delegations to the CEO at any time. The CEO is accountable to the Board for the exercise of the power that is delegated.

- b. The CEO is authorised to sub-delegate to senior management who are reliable and competent in relation to the authority delegated. The CEO must require the delegate to exercise the powers in conformity with the duties imposed on directors under the Corporations Act and constitution.

2.2. CEO responsibilities

The responsibilities of the CEO include each of the following.

- Embed the Group culture, reflecting the Principles and Code of Conduct.
- Ensure that decisions are made and resources are used only to further the Purpose and Strategic Ambition.
- Implement the strategic initiatives by which the Group intends to pursue the Strategic Ambition and implement the business plan, operating within the budget and risk appetite set by the Board.
- Exercise the powers delegated by the Board in conformity with the duties imposed on directors under the Corporations Act and constitution.
- Ensure that decisions are made in the best interests of shareholders and take into account other stakeholder interests as appropriate, including customers, beneficiaries, members, employees and the community.
- Maintain systems of risk management, compliance and internal controls for financial and non-financial risk.
- Ensure that all material matters and any material correspondence from regulators are brought to the attention of the Board in a timely manner to enable the Board to discharge its responsibilities.

2.3. Responsibilities and reservation of authority

- a. The key responsibilities of the Board are oversight of the strategic direction of the Company and the effective oversight of management. This includes the following.
- Oversight of management in embedding the Group culture reflecting the Principles and Code of Conduct and a sound risk management culture.
 - Developing the strategic initiatives with management and monitoring the implementation of the strategic initiatives and achievement of financial objectives.
 - Monitoring compliance with regulatory requirements.
 - Monitoring the effectiveness of corporate governance practices.
 - Oversight of risk management.
 - Challenging management whenever required and holding management to account.
 - Considering environmental, social and ethical impacts of the Group's activities.
- b. The following specific matters are reserved to the Board.

Strategic

- Setting the Purpose, Principles and Strategic Ambition, with management input.
- Approving significant corporate strategic initiatives. This includes the following (but only if significant).
 - The acquisition, establishment, disposal or ending of business operations.
 - Takeovers, mergers, de-mergers, restructures and any other transaction involving a change in control or change to the nature or scale of the Group's activities.
 - Forming or ending an incorporated joint venture.
 - Changes to organisational structure.

- Approving equity capital raisings.
- Approving the initiation of a material claim or settlement of any material claim or action.
- Ensuring resources are adequate for implementing the strategic initiatives and managing financial and non-financial risk.

People

- Setting the measurable diversity objectives for the Group, monitoring progress and oversight of the annual assessment of performance against measurable objectives.
- Oversight, monitoring and review of workplace health and safety.
- Ensuring that the Group People & Remuneration Policy is aligned with the Purpose, Principles, Strategic Ambition and risk appetite; and oversight, monitoring and review of remuneration and approval of matters in accordance with the Policy.
- Appointment and removal of the CEO and approving the appointment and removal of senior executives.
- Developing and approving succession plans for the Board and approval of the senior executive succession plan.
- Monitoring and evaluating the performance of the CEO and senior executives.

Financial

- Approving the Company's annual financial targets, monitoring financial performance against forecast and prior periods.
- Approving and monitoring the progress of major capital expenditure and capital management.
- Approving any earnings guidance, forecasts or other future prospects guidance.
- Approving the full and half year results.
- Approving the dividend policy and declaration of dividends.

Risk and compliance

- Oversight, monitoring and review of systems and frameworks for internal governance, compliance, risk management and control and legal compliance, ensuring they are operating effectively. This includes the following:
 - frameworks for relevant information to be reported by management to the Board and for the timely and balanced disclosure of material information to the market;
 - oversight of the integrity of accounting and corporate reporting systems, including external audit; and
 - approval of the Group's Risk Management Framework, including the Risk Management Policy, Risk Appetite Framework, Risk Appetite Statement and Risk Management Strategy, and any changes to it. The Board must review the Risk Management Framework annually.
- Approval of the Company's corporate governance statement.
- Approval of market announcements of material matters in accordance with the Disclosure and Communications Policy.

Other

- Approval of this Charter and policies the Board designates as requiring Board approval.

Note: As at the date of this Charter by way of example this includes the Group People & Remuneration Policy, Diversity & Inclusion Policy, Responsible Person Policy.

- Appointing the external auditor.

3. Board structure and operation

3.1. Composition and membership

Size and composition

- a. The Board decides the size and composition of the Board. It must take into account the following.

- The terms of the Company's constitution.

Note: As at the date of this Charter, under the constitution the number of directors must be between 5 and 11 and the majority must be non-executive directors (clause 46).

- Regulatory requirements (including the Corporations Act and ASX Listing Rules).

Note: As at the date of this Charter, under the Corporations Act the minimum number of directors is three (section 201A(2)).

- The needs of the Board having regard to the size and complexity of the business and having regard to the Strategic Ambition.

Skills

- b. The Board must comprise directors with an appropriate range of knowledge, qualifications and experience from a range of backgrounds.

Independence

- c. The Board must comprise a majority of independent directors. The Board must assess the independence of each non-executive director in accordance with the independence assessment criteria. This must be done on appointment and at least annually. The criteria are set out in the Board Nominations & Remuneration policy.

Director processes and Board renewal

- d. The Board is responsible for processes for the appointment, induction and ongoing development and performance assessment of directors. It is also responsible for performance assessment of the Board and Board renewal. These processes are set out in the Board Nominations & Remuneration policy.

3.2. Conduct of individual directors

- a. A Director must contribute in a manner that recognises the importance of the Group's Purpose and Principles, lead by example and promote the culture of the Group.

- b. A Director must discharge their responsibilities in accordance with common law and legislative requirements.
- c. A Director must manage conflicts of interest in accordance with the Group Conflicts of Interest policy.
- d. A Director is expected to review meeting materials, prepare for meetings and actively participate.
- e. A Director is expected to utilise their range of relevant knowledge and experience and apply their judgment to all matters discussed in Board meetings.
- f. A Director is to debate issues openly and constructively and be free to question or challenge the opinions presented at meetings where their own judgment differs from that of other Directors.
- g. A Director is expected to support the collective group decision-making processes of the Board and Committees.

3.3. Role of Chair

Appointment and role

- a. The Chair must be an independent director. The Chair is elected by the Board and maintains office until removed by the Board, or until the Chair resigns from office or is no longer a Board member. The principal role of the Chair is to lead the Board and ensure that high governance standards are maintained, including through discharging the responsibilities set out below.

Internal responsibilities

- b. The role of the Chair internally includes the following.

Relationship with management

- Acting as the primary link between the Board and management.
- Encouraging workable and harmonious relations between the Board and management.

CEO

- Establishing and maintaining an effective working relationship with the CEO.
- Overseeing negotiations for the CEO's employment and evaluating the CEO's performance.
- Leading planning for CEO succession.

Tone

- Setting the tone for the Board, leading through living the Principles.

Information and meetings

- In consultation with the CEO and Company Secretary, approving board agendas.
- In consultation with the CEO and Company Secretary, ensuring the information provided to the Board is relevant, accurate, timely and sufficient to keep the Board appropriately informed to discharge its responsibilities.
- In consultation with the CEO and Company Secretary, ensuring that the Board has before it sufficient information to be able to meaningfully consider, discuss and make decisions.

- Chairing board meetings efficiently and ensuring that adequate time is available for discussion of all agenda items, including strategic issues and complex or contentious matters.
- Encouraging contributions by all Board members, fostering open, inclusive and constructive debate and seeking consensus when making decisions.

Performance and succession

- Motivating Board members and, where appropriate, dealing with underperformance.
- Overseeing and facilitating Board, Committee and Director evaluation reviews.
- In conjunction with the Group Nominations Committee, taking the lead in Board and Chair succession planning, induction and continuing director education and development.

External responsibilities

- c. The external role of the Chair includes the following.
- Representing the Board and Company to external stakeholders, including institutional investors, proxy advisers and regulators, in particular, in relation to governance matters.
 - Chairing shareholder meetings.

3.4. Role of Company Secretary

- a. The Company Secretary, through the Chair, is accountable to the Board on matters to do with the proper functioning of the Board.
- b. The Company Secretary is responsible for each of the following.
- With the Chair, co-ordination of all Board business, including board papers, attendees and timely minutes.
 - Communications and filings with ASIC and ASX.
 - Advising on governance matters.
- c. All Directors have direct access to the Company Secretary for company secretarial advice or support.

3.5. Board Committees

- a. The Board may establish standing or ad hoc committees required or considered necessary to assist it in carrying out its responsibilities. The Board decides the composition and Terms of Reference (**ToR**). The ToR must include any authorities delegated to the Committee. The Board may exercise any of the authorities delegated.
- b. Committee papers must be available to all Directors and any Director may attend a Committee meeting. The Director should tell the Chair of the Committee in advance of attending.
- c. The following standing committees of the Board have been established.
- Insignia Financial Group Audit Committee
 - Insignia Financial Group Risk and Compliance Committee
 - Insignia Financial Group People & Remuneration Committee

- Insignia Financial Group Nominations Committee

4. Board meetings

- The Board must meet as often as necessary to fulfil its responsibilities.
- A Director may request that an item be added to the agenda.
- Board meeting papers must be distributed to Directors in sufficient time to enable Directors to read the papers and properly prepare for the meeting.
- The Board may meet either in person or by telephone, audio-visual link or by using any other technology consented to by all the Directors.
- A quorum is a majority of Directors in office unless the Board decides otherwise. Decisions are made by a simple majority vote. The Chair has a casting vote in the case of equality of votes.
- The non-executive Directors may meet for private discussions on matters relating to the oversight of the management of the Company.
- The Board may, by invitation, request management and third parties to attend Board meetings.
- The Board may meet with management and third parties without the presence of management.

5. Information and advice

5.1. Responsibility of management

Management is responsible for the preparation, presentation, clarity and integrity of information provided to the Board and for providing information about all matters about which the Board should be informed in order for the Board to discharge its responsibilities. This includes information about compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the Principles or code of conduct. The information is to be provided in a timely manner.

5.2. Access to information

The Board may seek information on any matter connected with the discharge of its responsibilities from any senior executive or third party. This includes internal and external auditors.

5.3. Access to advice

- A director may seek independent professional advice, with the assistance of the Company Secretary, at the expense of the Company on any matter connected with the discharge of their responsibilities. The Director must first obtain the consent of the Chair. Consent must not be unreasonably withheld.
- A copy of any advice received will be made available to all Directors, unless the Chair decides a conflict of interest would make it inappropriate to do so.

6. Charter review

This document must be reviewed annually by the Policy Owner. The Board must review this document within at least 3 years from the date it was last reviewed. Any material changes must be approved by the Board. Non-material amendments may be approved by the Policy Owner.

7. Document information

Title	Insignia Financial Ltd Board Charter
Owner	Company Secretary
Approved by	Board of Insignia Financial Ltd
Hierarchy level	Level 1 – Board policies
Effective date	1 January 2021
Last reviewed	H2 2021, amended H2 2021 Incorporated name change from IOOF Holdings Ltd to Insignia Financial Ltd in December 2021
Next review	H1 2024