

Board charter

VGI Partners Limited ACN 129 188 450

1. Introduction

- 1.1 This is the charter of the board of directors of VGI Partners Limited ACN 129 188 450 (**Company** and, together with its controlled entities, the **Group**).
- 1.2 The board of the Company (**Board**) is responsible for the corporate governance of the Group.
- 1.3 The purpose of this charter is to:
 - (a) promote high standards of corporate governance;
 - (b) clarify the role and responsibilities of the Board; and
 - (c) enable the Board to provide strategic guidance for the Group and effective oversight of the management of the Group (**Management**).
- 1.4 This charter is supported by the Group's code of conduct, the charters for the Board's nomination and remuneration committee and its audit and risk committee, and the Group's policies in respect of securities trading, risk management, continuous disclosure and diversity, among other things.
- 1.5 To the extent that there is any inconsistency between this charter and the Company's constitution, the constitution will prevail to the extent of that inconsistency.

2. Board size, composition and independence

- 2.1 There must be a minimum of three directors and the current maximum of directors is eight.
- 2.2 An independent non-executive director is one who:
 - (a) is independent of Management;
 - (b) 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 unfettered and independent judgment; and
 - (c) otherwise meets the criteria for 'independence' as set out in the *ASX Corporate Governance Principles and Recommendations* published by the ASX Corporate Governance Council.
- 2.3 The Board should ideally comprise:
 - (a) a majority of independent non-executive directors;
 - (b) directors with an appropriate range of skills, experience and expertise;
 - (c) directors who can understand and competently deal with current and emerging business issues; and
 - (d) directors who can effectively review and challenge the performance of Management and exercise independent judgment.
- 2.4 The Board will regularly assess whether each non-executive director is independent and each non-executive director must provide to the Board all information relevant to his or her assessment in this regard. If a director's independent status changes, it will be immediately disclosed and explained to the market.
- 2.5 Each director is appointed by way of a formal letter of appointment.

3. Board composition and skills matrix

Skills such as leadership and previous experience as a chief executive, chair or board member of a similarly sized organisation to that of the Company have traditionally been prerequisites to appointment as a director. In addition to the desirable qualities of a director set out in clause 2.3, the Board recognises that other skills gained from experience in the following areas are key skills and experience that the Board as a whole should comprise:

- (a) understanding of the industry in which the Group operates;
- (b) business acquisition and integration skills;
- (c) stakeholder management skills;
- (d) public listed company skills;
- (e) financial services and investment management experience;
- (f) financial literacy and legal and regulatory knowledge;
- (g) diversity;
- (h) understanding the regulatory environment in which the Group operates;
- (i) health, safety and environment and social responsibility; and
- (j) organisational development and human resources.

4. The Board's role and responsibilities

- 4.1 The Board must act in the best interests of the Company as a whole and is accountable to the shareholders for the overall direction, management and corporate governance of the Group.
- 4.2 The Board must monitor the operational and financial position and performance of the Company and oversee its business strategy. In conducting business with these objectives in mind, it is the role of the Board to seek to ensure that the Company is properly managed to protect and enhance shareholder interests, and that the Company, its directors, officers and personnel operate in an appropriate environment of corporate governance.
- 4.3 The Board must adopt relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.
- 4.4 The Board's responsibilities include:
 - (a) overseeing the Group, including providing leadership, defining the Group's purpose and setting its strategic objectives, and overseeing Management's implementation of such strategic objectives and its performance generally;
 - (b) approving the Company's statement of core values and code of conduct which underpin the desired culture within the Group;
 - (c) appointing the Chairman;
 - (d) appointing and removing the Chief Executive Officer of the Group (if any) (**CEO**) and ratifying the appointment of other senior executives of the Group, such as the Chief Financial Officer (**CFO**) following approval being given by the Executive Chairman for the appointment of such individuals;
 - (e) approving the appointment and replacement of the company secretary;
 - (f) where appropriate, ratifying organisational changes and approving Management remuneration policies and practices in order to ensure that they are aligned with the Group's purpose, values, strategic objectives and risk appetite;
 - (g) approving succession plans for Management;
 - (h) monitoring senior executives' performance and implementation of strategy, and ensuring that appropriate resources are available;
 - (i) approving the proposed annual budget;

- (j) determining and financing of dividend payments;
- (k) approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
- (l) approving and monitoring corporate, financial and other reporting systems, including external audit, and overseeing their integrity;
- (m) reviewing and monitoring any related party transaction and recommending its approval;
- (n) approving and monitoring systems of risk management, accountability, internal compliance and control, and legal compliance to ensure that appropriate compliance frameworks and controls are in place;
- (o) setting the risk appetite within which the Board expects Management to operate;
- (p) reviewing performance, operations and compliance reports from the Executive Chairman and CFO, including reports and updates on strategic issues and risk management matters;
- (q) reviewing and overseeing the Group's continuous disclosure policy together with the other policies which are put in place by the Company with respect to the management of the Group's operations;
- (r) evaluating the performance of the Board and Management collectively and individually;
- (s) reviewing and overseeing the implementation of the code of conduct for directors and all other employees;
- (t) approving the charters of the various Board committees;
- (u) monitoring and ensuring compliance with all legal and regulatory requirements and ethical standards and policies and otherwise monitoring the effectiveness of the Group's governance practices; and
- (v) any other responsibilities as prescribed by law or are determined by the Board from time to time.

4.5 In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a director or other person, subject to ultimate responsibility residing with the directors. Notwithstanding clause 7 below, the Board may at any time remove or modify any powers delegated to the Executive Chairman.

4.6 The matters specifically reserved for the Board or its committees (as relevant) include:

- (a) appointment and removal of a chairman;
- (b) appointment and removal of the CEO (should one be appointed);
- (c) appointment of a director to fill a casual vacancy or as an additional director;
- (d) establishment of Board committees, their membership and delegated authorities;
- (e) approval of dividends;
- (f) issuance of securities;
- (g) review of corporate codes of conduct and other policies put in place by the Group;
- (h) approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to Management;
- (i) calling of meetings of directors or shareholders; and
- (j) any other specific matters nominated by the Board from time to time.

5. Board committees

5.1 The Board has established the following committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail:

- (a) audit and risk committee; and

- (b) nomination and remuneration committee.
- 5.2 The charter of each Board committee setting out matters relevant to the composition, responsibilities and administration of the committee must be approved by the Board. Each committee will review its charter from time to time as appropriate.
- 5.3 The Board may also delegate, at its absolute discretion, specific functions to ad-hoc committees on an 'as needs' basis.

6. Chairman

- 6.1 The Board will appoint one of its members to be chairman.
- 6.2 The chairman may be an independent non-executive director.
- 6.3 The chairman represents the Board and is responsible for leading the Board, facilitating the effective contribution of all directors, promoting constructive and respectful relations between directors and between the Board and Management, and communicating the Board's position to shareholders and the public.

7. Executive team

- 7.1 Subject to clause 4.5, responsibility for day-to-day management and administration of the Group is delegated by the Board to the Executive Chairman and the executive team.
- 7.2 The Executive Chairman manages the Group in accordance with the strategy, plans and policies approved by the Board.
- 7.3 The Executive Chairman is appointed by the Board.
- 7.4 The responsibilities of the Executive Chairman include, among other things:
 - (a) developing and recommending to the Board strategies, business plans and annual budgets for the Group;
 - (b) approving the appointment and replacement of senior management;
 - (c) implementing the strategies, business plans and budgets adopted by the Board;
 - (d) providing effective leadership, direction and supervision of the executive team to achieve the strategies, business plans and budgets adopted by the Board;
 - (e) ensuring compliance with all applicable laws and regulations;
 - (f) ensuring that the Board is given sufficient information in a form, timeframe and quality that will allow it to be effective in performing its functions, setting strategies, monitoring performance and discharging its duties; and
 - (g) acting within authority delegated by the Board.
- 7.5 The Board has in place procedures to regularly assess the performance of the Executive Chairman and executive team.

8. Non-executive directors

The independent non-executive directors (unless such director is conflicted in regards to the matter) should consider the benefits of conferring regularly without Management present, including at scheduled sessions or as otherwise required by the circumstances.

9. Company secretary

- 9.1 The company secretary of the Company is directly accountable to the Board through the chairman on all matters to do with the proper functioning of the Board.
- 9.2 The responsibilities of the company secretary of the Company include, among other things:
 - (a) advising the Board and the Board committees on governance matters;

- (b) monitoring that Board and Board committee policies and procedures are followed;
- (c) coordinating the timely completion and despatch of Board and Board committee papers;
- (d) ensuring that business at Board and Board committee meetings is accurately captured in the minutes of such meetings; and
- (e) assisting with the organisation and facilitation of induction and professional development of the Company's directors.

10. Conflicts

10.1 Directors must:

- (a) disclose to the Board any actual or potential conflict of interest or duty, or matter that may bear on their independence, that might reasonably be thought to exist as soon as the situation arises;
- (b) take all necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
- (c) comply with all applicable law and the Company's constitution in relation to disclosing material personal interests and restrictions on voting.

10.2 If a conflict exists, it is expected that any director to whom the conflict relates will recuse himself or herself when the Board is discussing any matter to which the conflict relates.

10.3 Directors are expected to inform the chairman of the Board of any proposed appointment to the Board or executive of another company as soon as practicable.

11. Access to information and independent advice by directors

11.1 Directors have access to any information that they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.

11.2 Directors have access to:

- (a) Management to seek explanations and information from Management; and
- (b) auditors to seek explanations and information from them without Management being present.

11.3 At the expense of the Company, directors may seek any independent professional advice that they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions in accordance with the procedure agreed by the directors.

11.4 If the chairman of the Board consents, the Company will pay a director's costs of seeking independent professional advice. That consent may not be unreasonably withheld or delayed.

11.5 Any such advice received will be provided to the whole Board.

12. Size of the Board and Board vacancies

12.1 All directors are expected to continue as directors only for so long as they have the confidence of their fellow Board members and the confidence of the Company's shareholders.

12.2 In accordance with the ASX Listing Rules, no director except a managing director is permitted to hold office for a continuous period in excess of three years or past the third annual general meeting following that director's appointment, whichever is the longer, without submitting himself or herself for re-election.

13. Communication of information

The Board has adopted a communications strategy to facilitate and promote effective communication with all stakeholders and to encourage shareholder participation at general meetings.

14. Language of director

If a director of the Company who is not fluent in the language in which Board meetings or general meetings of shareholders are held or in the language in which key documents of the Group are written, the Company will ensure such meetings and documents are translated into the language the relevant director understands so that the relevant director can contribute to the discussions at those meetings and is able to understand, and discharge, their obligations in relation to key documents of the Group.

15. Approved and adopted

This charter was approved and adopted by the Board on 12 May 2019.