

## BOARD CHARTER

### 1. Role of the Board

The authority and responsibilities of the board are set out in this charter, the constitution and Board policies and imposed through legal and regulatory requirements. They apply to Sandhurst Trustees Limited (Sandhurst) and its wholly owned subsidiaries.

Sandhurst is a modern full-service wealth manager which provides financial products and services to retail and wholesale markets. Sandhurst is committed to promoting high standards of corporate governance and acting with integrity in the conduct of its business activities.

Financial products and services offered include:

- Superannuation
- Commercial Lending (and limited consumer credit activities)
- Corporate trustee services
- Charitable trusts
- Managed investment schemes
- Superannuation non-cash payment service
- Professional custodian services
- Administration services (for third parties)

The role of the board is to ensure the sound and prudent management of Sandhurst Trustees and the products and services it provides.

Sandhurst is a wholly owned subsidiary of Bendigo and Adelaide Bank Limited (BEN) and part of the Bendigo and Adelaide Bank Group (Group).

### 2. Responsibilities of the Board

The responsibilities of the Board include those set out in this charter, the constitution and Board policies and imposed through legal and regulatory requirements.

It is ultimately responsible for the overall governance and strategic direction of Sandhurst with the objectives of delivering desired outcomes to and acting in and protecting the financial interests of its relevant client groups

#### 2.1 Delegation to Executive/s

The Board delegates to the executive/s of Sandhurst all responsibilities except the following:

- Corporate governance.
- Responsibilities required to be exercised by the Board (or its committees) under the constitution or by legal or regulatory requirements.
- Responsibilities reserved to the Board under this charter.
- Responsibilities delegated by the Board to a committee.
- Matters above specific delegation limits (refer to 2.7)
- Any other matter the Board decides, as notified to the executive/s.

The executive/s may delegate any of these responsibilities to management but remains accountable to the Board for all delegated authorities.

## 2.2 Strategy

Approve and oversee the business plan of Sandhurst which includes:

- Reviewing the strategic and business priorities including financial objectives.
- Monitoring management's performance and progress against the strategy and objectives.
- Alignment to its risk appetite.

## 2.3 Committees

- Decide the standing committees of the board and any ad hoc board or management committees.
- Decide the membership, charters and procedural rules for the standing committees and terms of reference for any ad hoc committees.
- Receive and consider the minutes from each standing Sandhurst board committee meeting.
- Receive reports from standing committees as set out in the committees' charters and board committee procedural rules.
- Receive reports and recommendations from the BEN Governance & HR Committee in relation to remuneration in accordance with its charter.

On an annual basis the board

- Performs a high level assessment of the performance and membership of its standing board committees.
- Reviews the charters and procedural rules of each standing committee and makes any amendments considered necessary or desirable.

On a two year basis the board:

- Assesses the performance of each standing committee against its charter and goals and objectives previously set.
- Approves the goals and objectives of each committee for the coming years.

At the date of this charter, the following are standing board committees:

- Audit Risk and Compliance Committee.
- Investment Governance Committee.

*Note: The Sandhurst board uses the BEN Governance & HR committee as its remuneration committee, to meet its obligations under SPS 510 Governance.*

*Note: The Chair of each Sandhurst board committee must be a director of the Sandhurst board.*

## 2.4 Governance – director selection, appointment and removal

Approve the Sandhurst Board Governance Policy and adhere to policy in respect of:

- Composition and appointment.
- Independence.
- Renewal (board review and director tenure).
- Performance assessment procedures.
- Remuneration of Non-Executive Directors.

Decide on recommended amendments to this charter.

Approve the use of the Group Responsible Persons Policy.

Ensure assessments and appointment of responsible persons are conducted in accordance with the Group Responsible Persons Policy and appointing responsible persons.

## 2.5 Governance - Remuneration

Approve the use of the BEN Governance & HR committee and the Group Remuneration Policy in respect to remuneration arrangements.

Approve recommendations of remuneration arrangements from the BEN Governance & HR Committee in accordance with Group Remuneration Policy.

## 2.6 Governance – General

Review and decide on recommendations from board committees and management in relation to general governance matters and changes to governance practices including:

- Approve governance frameworks, Board policies and adopt Group policies where relevant.
- The Sandhurst Conflicts Management Framework and procedures for managing conflicts, where escalated by a board committee for decision.
- The annual compliance statement for membership of the Financial Services Council.
- Delegations of authority.

## 2.7 Governance – Products and Services

Oversee the governance of Sandhurst's financial products and services including:

- Deciding on application for any licence and the variation of any existing licence.
- Deciding on establishment or winding up of corporate or charitable trusts, managed investment schemes, superannuation products and other products.
- Deciding on trustee (in respect of charitable trusts, superannuation and corporate services) and responsible entity appointments and resignations.
- Deciding on appointments of external administrators and liquidators of debenture issuers.
- Deciding on material outsourcing and insourcing arrangements.
- Deciding on instituting litigation proceedings and monitoring proceedings instituted by or against Sandhurst.
- Making an annual determination on the Member Outcomes Assessment (MOA) and Business Performance Review (BPR) as required by SPS 515.
- Making an annual determination on whether to perform self-custody for each of managed investment scheme.
- Approving product constitutions, scheme constitutions/trust deeds, charitable trust and superannuation trust deeds.
- Approving policies not delegated to standing Board committees.
- Approving any financial services guides and product disclosure statements.
- Approving the managed investment scheme compliance plans.
- Approving product governance framework documents.
- Approve the Insurance Management Framework (IMF), including each key document that comprises the IMF (e.g. Group Life Insurance Policy).
- Deciding on delegations in respect of:
  - Scheme, superannuation and other trusts' expenditure.
  - Superannuation early release claims.
  - Lending authorities and mortgage funding limits.
  - Charitable trust fund raising appeals (establishment and winding-up) and grant making
  - Breach assessments and treatment of escalated breaches.

*Note: Corporate expenditure delegations are set in accordance with BEN rules.*

## 2.8 Reporting & Financial Statements

At least every two months monitor the following through the review of reports from management:

- Financial and trading performance of Sandhurst and business units including variance analysis and management actions.
- Capital requirements (including NTA and ORFR).
- Key developments and business overviews, including business unit updates.

Receive quarterly service performance reporting in respect of Mildura College Lands (insourced activity).

Approve any replenishment plans in respect to the Operational Risk Financial Requirement (ORFR) target amount.

Receive and consider recommendations from the Audit, Risk and Compliance committee in respect to:

- The full year company financial statements and annual report.
- Half year (if applicable) and full year financial statements for each managed investment scheme.
- Full year financial statements for each of the trusts of the Community Enterprise Foundation.
- Full year financial statements for the Harper Bernays Charitable Trust (in the capacity of co-trustee).
- Reviewing full year superannuation financial statements and annual APRA returns.

## 2.9 Risk

Oversee Sandhurst's risk management frameworks taking into account the Group's risk appetite, including:

- Promote a sound risk culture that supports Sandhurst's ability to operate consistently within its risk appetite.
- Approving the Sandhurst Risk Management Framework (RMF) document, including Sandhurst's risk appetite, risk management strategy, and risk rating matrices identified in the RMF.
- Approving risks, risk treatment (acceptance/treat) and receive reporting on risks and risk events in accordance with the escalation matrix.
- Monitoring the operation and effectiveness of the Sandhurst's risk management, including satisfying itself that appropriate internal control mechanisms are in place and implemented.
- Reporting to APRA in accordance with the Sandhurst Risk Management Framework.

Consider recommendations of the Audit Risk and Compliance Committee and the Investment Governance Committee on risk management

Maintain a relationship with the external auditor.

## 3. Procedural matters

### 3.1 Composition and independence

The constitution provides that the number of directors is to be not less than the number required by the Corporations Act, which is currently three (including the Chair) or any greater number required by the Corporations Act, the SIS Act, the SIS Regulations or any other Commonwealth, State or Territory Law as set out in the constitution. Independence is assessed by reference to the Sandhurst Board Governance Policy.

### 3.2 Appointment and term

BEN may appoint any person to be a director to fill a vacancy or as an addition to the existing directors or remove a director from office.

The appointment or removal must be in writing. It will take effect immediately on delivery of the instrument of appointment or removal to the registered office of Sandhurst. Terms of appointment are governed by the terms set in the Sandhurst Board Governance Policy.

### 3.3 Chair

The Chair of the board must be a non-executive director and is appointed by the directors with the approval of BEN.

### 3.4 Voting

Matters are to be decided by a majority of the votes of the directors present and voting.

In the case of an equality of votes the Chair of the meeting has a casting vote in addition to the Chair's deliberative vote as written in the organisation's Constitution clause 29(b): Directors' Voting Rights and Exercise of Powers.

### 3.5 Meeting frequency

The board must meet at least four times per annum.

### 3.6 Meeting Planner

Each year the board approves a meeting planner setting out the standing items of business and reports to be considered during the year. The planner includes items of business and reports applicable to the responsibilities reserved for the board under this charter.

### 3.7 Agenda and access to information

The Chair is responsible for setting the agenda, with the Executive, Office of the Superannuation Trustee (where relevant) and Company Secretary, and ensuring sufficient time is available for discussion. Any director may request that an item be added to the agenda.

If papers are tabled at a Board meeting, every possible effort is to be made so that papers are available to all directors attending, regardless of location. If this is not possible, a director who has not received a paper may abstain from voting. The Chair may defer consideration until papers are available to all directors.

### 3.8 Board meeting attendees

The board is entitled to seek any information it requires from any Group employee or from any other source. The board may meet with employees and third parties without the presence of management. The board may, by invitation, request employees and third parties to attend board meetings.

### 3.9 Regulators

The Chair and other members of the board must be available to meet with a regulator on request.

### 3.10 External auditor

The Board and the Audit Risk and Compliance Committee Chair must be available to meet with the external auditor on request.

## 4. Consent

### 4.1 Group Managing Director consent

Nothing in this section restricts the ability of any director to carry out that director's statutory and fiduciary duties imposed by law. The requirements in this section are to be read subject to those obligations in each case.

The board must not undertake any activity set out below without first obtaining the consent of the Group managing director and/or delegate:

- The establishment or winding up of corporate or charitable trusts, managed investment schemes, superannuation products and other products.
- Trustee (in respect of charitable trusts, superannuation and corporate services) and responsible entity appointments and resignations.
- Offers of securities to the public.
- Suspension of redemptions in relation to a managed investment scheme or RSE.

- The commencement or ending of any litigation or the defense to any action.
- Purchasing or divesting any business or assets of Sandhurst
- Any material change in the nature of the business of Sandhurst.
- Any other activity that may adversely affect the reputation of BEN or may adversely affect the Group as a whole.
- Any significant changes in the organisational structure of Sandhurst.
- The declaration of dividends to be paid to BEN as shareholder.

Current composition	
This section does not form part of the charter. It sets out the composition current at the last date of review of the charter.	
<b>Composition</b>	<p><b>Non-executive directors</b></p> <p>Ms Jenny Dawson (Chair) Mr Richard Baker Ms Alexandra Tullio</p> <p><b>Executive directors</b></p> <p>Mr Paul Rohan</p>
<b>Attendees</b>	<p>Head of Sandhurst Trustees Head of the Office of the Superannuation Trustee Company Secretary Assistant Company Secretary</p>

Notes

See also:

- *Board Governance Policy*

Document Approval

Name & Version	Board Approval Date	Next Review Date
Sandhurst Trustees Limited board charter	20 December 2010	
Sandhurst Trustees Limited board charter	19 September 2011	
Sandhurst Trustees Limited board charter	28 June 2013	June 2014
Sandhurst Trustees Limited board charter	June 2014	June 2015
Sandhurst Trustees Limited board charter	December 2015	July 2017
Sandhurst Trustees Limited board charter	September 2017	July 2019
Sandhurst Trustees Limited board charter	September 2019	July 2021
Sandhurst Trustees Limited board charter	August 2021	July 2023