

BOARD CHARTER

1. ROLE

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 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:

- Commercial Lending (and limited consumer credit activities)
- Corporate trustee services
- Charitable trusts
- Managed investment schemes
- 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

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:

- a) Corporate governance.
- b) Responsibilities required to be exercised by the Board (or its committees) under the constitution or by legal or regulatory requirements.
- c) Responsibilities reserved to the Board under this charter.
- d) Responsibilities delegated by the Board to a committee.
- e) Matters above specific delegation limits (refer to 2.7)
- f) The determination and declaration of dividends to be paid to BEN as shareholder, with timing of the declaration to be in consultation with the Group Managing Director.
- g) 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:

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

2.3 Committees

- a) Decide the standing committees of the board and any ad hoc board or management committees.
- b) Decide the membership, charters, and terms of operation for the standing committees and terms of reference for any ad hoc committees.
- c) Receive and consider the minutes from each standing Sandhurst board committee meeting.
- d) Receive reports from standing committees as set out in the committees' charters.
- e) On an annual basis the board:
 - (i) Performs a high-level assessment of the performance and membership of its standing board committees.
 - (ii) Approves the recommended improvement actions of each committee for the coming years as identified from the annual Committee performance review.
- f) On a biennial basis, the board reviews the charters of each standing committee and makes any amendments considered necessary or desirable.
- g) At the date of this charter, the following are standing board committees:
 - (i) Audit Risk and Compliance Committee.
 - (ii) Investment Governance Committee.

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

2.4 Governance – director selection, appointment, and removal

- a) Approve the Sandhurst Board Governance Policy and adhere to policy in respect of:
 - (i) Composition and appointment.
 - (ii) Independence.
 - (iii) Renewal (board review and director tenure).
 - (iv) Performance assessment procedures.
 - (v) Remuneration of Non-Executive Directors.
- b) On a biennial basis, review and approve recommended amendments to this charter. An out-of-cycle review can also be triggered where there is a significant change to Sandhurst's business operations.
- c) Approve the use of the Group Responsible Persons Policy.
- d) 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

Note recommendations of remuneration arrangements from the BEN People, Culture and Transformation 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:

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

2.7 Governance – Products and Services

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

- a) Deciding on application for any licence and the variation of any existing licence.
- b) Deciding on establishment or winding up of corporate or charitable trusts, managed investment schemes, and other products.
- c) Deciding on trustee (in respect of charitable trusts, and corporate services) and responsible entity appointments and resignations.
- d) Deciding on appointments of external administrators and liquidators of debenture issuers.
- e) Deciding on material outsourcing and insourcing arrangements.
- f) Deciding on instituting litigation proceedings and monitoring proceedings instituted by or against Sandhurst.
- g) Making an annual determination on whether to perform self-custody for each of managed investment scheme.
- h) Approving product constitutions, scheme constitutions/trust deeds, and charitable trust deeds.
- i) Approving policies not delegated to standing Board committees.
- j) Approving any financial services guides and product disclosure statements.
- k) Approving the managed investment scheme compliance plans.
- l) Approving product governance framework documents.
- m) Deciding on delegations in respect of:
 - (i) Scheme and other trusts' expenditure.
 - (ii) Lending authorities and mortgage funding limits.
 - (iii) Charitable trust fund raising appeals (establishment and winding-up) and grant making.

- (iv) Breach assessments and treatment of escalated breaches.

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

2.8 Reporting and Financial Statements

- a) At least every two months monitor the following through the review of reports from management:
 - (i) Financial and trading performance of Sandhurst and business units including variance analysis and management actions.
 - (ii) Capital requirements (including NTA).
 - (iii) Key developments and business overviews, including business unit updates.
- b) Receive quarterly service performance reporting in respect of Mildura College Lands (insourced activity).
- c) Receive and consider recommendations from the Audit, Risk and Compliance committee in respect to:
 - (i) The full year company financial statements and annual report.
 - (ii) Half year (if applicable) and full year financial statements for each managed investment scheme.
 - (iii) Full year financial statements for each of the trusts of the Community Enterprise Foundation.
 - (iv) Full year financial statements for the Harper Bernays Charitable Trust (in the capacity of co-trustee).

2.9 Risk

- a) Oversee Sandhurst's risk management frameworks taking into account the Group's risk appetite, including:
 - (i) Promote a sound risk culture that supports Sandhurst's ability to operate consistently within its risk appetite.
 - (ii) Approving the Sandhurst Risk Management Framework (RMF) document, including Sandhurst's risk appetite, risk management strategy, and risk rating matrices identified in the RMF.
 - (iii) Approving risks, risk treatment (acceptance/treat) and receive reporting on risks and risk events in accordance with the escalation matrix.
 - (iv) Monitoring the operation and effectiveness of the Sandhurst's risk management, including satisfying itself that appropriate internal control mechanisms are in place and implemented.
- b) Consider recommendations of the Audit Risk and Compliance Committee and the Investment Governance Committee on risk management.
- c) Maintain a relationship with the external auditor.

3. TERMS OF OPERATION

3.1 Composition and independence

- a) 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, or any other Commonwealth, State or Territory Law as set out in the constitution.
- b) Independence is assessed by reference to the Sandhurst Board Governance Policy.

3.2 Appointment and term

The 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 BEN Board.

3.4 Voting

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

- a) The Chair is responsible for setting the agenda, with the Executive, and Company Secretary, and ensuring sufficient time is available for discussion. Any director may request that an item be added to the agenda.
- b) 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 Meeting Protocols

Meetings will be conducted in accordance with the Group's Board and Committee Meeting Protocols and Meeting Paper guidelines.

3.10 Regulators

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

3.11 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:

- a) The establishment or winding up of corporate or charitable trusts, managed investment schemes, and other products.
- b) Trustee (in respect of charitable trusts, and corporate services) and responsible entity appointments and resignations.
- c) Offers of securities to the public.
- d) Suspension of redemptions in relation to a managed investment scheme.
- e) The commencement or ending of any litigation or the defense to any action.
- f) Purchasing or divesting any business or assets of Sandhurst.
- g) Any material change in the nature of the business of Sandhurst.
- h) Any other activity that may adversely affect the reputation of BEN or may adversely affect the Group as a whole.
- i) Any significant changes in the organisational structure of Sandhurst.
- j) The timing for when the declaration of dividends to be paid to BEN as shareholder.

Notes

See also:

- *Board Governance Policy*
- *Board and Committee Meeting Protocols and Meeting Paper guidelines*

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
Sandhurst Trustees Limited board charter	27 October 2022	August 2024
Sandhurst Trustees Limited board charter	21 February 2023	August 2024
Sandhurst Trustees Limited board charter	24 August 2023	August 2024