



# Board Charter

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CLIME INVESTMENT MANAGEMENT LIMITED



The Board has adopted a formal Board Charter which details the functions and responsibilities of the Board and distinguishes such functions and responsibilities from those which have been delegated to management.

## Structure and Composition

The composition of the Board is determined in accordance with the following principles:

- the Board shall comprise of not less than three members;
- the Board shall comprise of a mix of Non-Executive and Executive Directors;
- a Director need not be a member;
- the Board shall comprise of Directors with an appropriate range of qualifications and experience;
- in recognition of the importance of independent views and the Board's role in supervising the activities of management, the Chairman must be an independent non-executive Director; and
- the Chairman is elected by the full Board and is required to meet regularly with the Managing Director.

The Board seeks to ensure that:

- at any point in time, its membership represents an appropriate balance between Directors with experience and knowledge of the Group and Directors with an external or fresh perspective; and
- the size of the Board is conducive to effective discussion and efficient decision-making.

## Director's Independence

The Board has adopted specific principles in relation to Directors' independence. These state that to be deemed independent, a Director must be a Non-Executive and must:

- not be a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years, not have been employed in an executive capacity by the Company or any other group member, or been a Director after ceasing to hold any such employment;
- within the last three years not have been a principal of a material professional adviser or a material consultant to the Company or any other group member, or an employee materially associated with the service provided;
- not be a material supplier or customer of the Company or any other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- have no material contractual relationship with the Company or a controlled entity other than as a Director of the Group;
- not have been on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount of over 5% of annual turnover of the Company or Group or 5% of the individual Director's net worth is considered material for these purposes. In addition, a transaction of any amount or a relationship is deemed material if knowledge of it may impact the shareholders' understanding of the Director's performance.

## Responsibilities of the Board

The Board is responsible for the management of the affairs of the Group, including:

- The overall strategic direction and leadership of the Group;
- Approving and monitoring the implementation by management of the Group's objectives and strategies;
- Reviewing the Group's performance against its stated objectives, by receiving regular management reports on its business situation, opportunities and risk profile;
- Monitoring financial performance on a monthly basis in comparison with the budget;
- Approval of the annual and half-year financial reports and liaison with the Group's auditors through its Audit Committee;
- Appointing and assessing the performance of the Executive Directors;
- Ensuring compliance with licensing requirements and risk management procedures;
- Establishing and ensuring compliance with ethical standards and determining the Group's code of conduct; and
- Reviewing investment strategies, investment decisions and establishing executive authority limits (refer below).

## Board Investment Authority

The Board has specific authority to review and approve investment decisions which exceed authority limits for management. These meetings are conducted concurrently with Board Meetings on matters relating to investment decisions.

The charter for the Board in respect of investment decisions is as follows:

- Review investment strategies recommended by management for the Company;
- Review management strategies for existing investments including provision of additional capital, acquisition and exit strategies;
- Authorise individual investment proposals where such investments are of an amount requiring Investment Committee approval;
- Set delegated investment and trading limits for management;
- Ensure delegated investment and trading limits are adhered to by management;
- Review risk / return objectives set by management on individual investments to ensure these fit with the overall Company objectives; and
- Review performance of individual investments to ensure these are in accordance with established budgets.

## Chairman and Chief Operating Officer

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives.

The Chief Operating Officer is responsible for implementing Group strategies and policies.



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