

# Board Charter

Approved by the Board: 2 August 2022



**PENGANA INTERNATIONAL EQUITIES LIMITED (ASX: PIA)**

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**[PENGANA.COM/PIA](https://www.pengana.com/pia)**

# BOARD CHARTER

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## 1. PURPOSE

Pengana International Equities Limited (ASX: **PIA**) is an ASX listed investment company.

The powers, duties and responsibilities of the Board are prescribed by the Corporations Act, the Company's Constitution and all other applicable Laws. This Board Charter sets out the role, responsibilities, structure and processes of the board of directors (**Board**) of PIA.

The purpose of this Charter is to:

- promote high standards of corporate governance across PIA;
- clarify the roles and responsibilities of the Board; and
- provide an overview of the structures and processes supporting the Board

## 2. SIZE AND COMPOSITION

The size of the Board will be determined in accordance with the Constitution.

Collectively, the Board members should have a broad range of financial, investment and other skills, experience and knowledge necessary to guide the business of PIA.

Directors will be engaged through a letter of appointment.

## 3. ROLE AND RESPONSIBILITIES

The role of the Board is to provide leadership and strategic guidance for the Company. The Board is accountable to shareholders for the performance of PIA's business.

The Board is responsible to PIA's shareholders for the overall governance and performance of the Company. In performing its role, the Board aspires to excellence in governance standards and has regard to the interests of PIA's shareholders, investors and regulators.

This Charter operates in conjunction with the Constitution and relevant Laws.

The key responsibilities of the Board include:

### 3.1 STRATEGY

- demonstrating leadership
- defining PIA's purpose and setting its strategic objectives;
- approving PIA's statement of values and code of conduct;

### **3.2 CAPITAL MANAGEMENT**

- determining and monitoring the capital management of the Company;
- determining dividend policy and the amount, nature and timing of dividends to be paid;

### **3.3 INVESTMENT MANAGEMENT AGREEMENT**

- appointing the Company's Investment Manager and negotiating and approving the terms of the appointment;
- monitoring the Investment Manager's performance;
- overseeing the Investment Manager in its implementation of PIA's strategic objectives, instilling of PIA's values and performance generally;
- whenever required, challenging the Investment Manager and holding it to account;

### **3.4 FINANCIAL REPORTING**

- monitoring the performance and financial position of the Company;
- approving annual targets, budgets and monitoring financial performance against forecasts and prior periods;
- approving the interim and final financial statements and related reports and various other communications to the ASX and shareholders that the Board deems material;
- monitoring the performance of the Risk, Audit and Compliance Committee;
- overseeing the integrity of PIA's accounting and corporate reporting systems, including the external audit
- selecting, appointing and terminating the external auditor (including associated recommendations to shareholders for approval) and evaluation of auditor's performance and ongoing independence;

### **3.5 RISK MANAGEMENT**

- satisfying itself that PIA has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the board expects management to operate;
- satisfying itself that an appropriate framework exists for relevant information to be reported by management to the board;

### **3.6 GOVERNANCE AND COMPLIANCE**

- appointing the chair;
- appointing and replacing the Managing Director;
- approving the appointment and replacement of the company secretary;

- The overall corporate governance of PIA, including, monitoring the effectiveness of PIA's governance practices and overseeing regulatory compliance;
- overseeing and approving the Company's corporate governance model;
- monitoring the effectiveness committees established with delegated authority of the Board;
- Overseeing PIA's process for making timely and balanced disclosure of all material information concerning PIA that a reasonable person would expect to have a material effect on the price or value of its securities.
- monitoring the effectiveness of PIA's governance practices

### **3.7 REMUNERATION**

- satisfying itself that PIA's remuneration policies are aligned with PIA's purpose, values, strategic objectives and risk appetite;

### **3.8 GENERAL**

- convening meetings of shareholders (including the Annual General Meeting);
- Some of these matters may be delegated to a committee of the board, with the board retaining the ultimate oversight and decision-making power in respect of the matters so delegated.

## **4. ROLE OF THE CHAIR**

The Board will appoint one of its members to be the Chair in accordance with the Constitution.

The Chair represents the Board to the shareholders and communicates the Board's position.

The Chair is responsible for leading the Board. This includes:

- facilitating the effective contribution of all directors;
- promoting constructive and respectful relations between directors and between the board and the Investment Manager;
- approving board agendas;
- ensuring that adequate time is available for discussion of all agenda items, including strategic issues; and
- overseeing the processes and procedures in place to evaluate the performance of the Board and individual directors.

The Chair should be an independent, non-executive Director.

## **5. ROLE OF DIRECTORS**

Directors are expected to attend and participate in Board meetings and meetings of committees on which they serve. They are expected to review meeting materials before Board and Committee meetings. In addition, Directors are required to question, request information, raise any issue which is of concern to them and cast their vote on any resolution according to their own judgment.

Directors must keep Board and Committee information, discussions, deliberations and decisions that are not publicly known confidential.

Directors are required to comply with their legal duties when discharging their responsibilities as directors.

Directors are able to access any information they consider necessary to fulfil their responsibilities and to exercise independent judgement when making decisions. Directors also have access to the Investment Manager and the auditors in order to seek explanations and information.

## **6. DELEGATION TO THE INVESTMENT MANAGER**

The Managing Director is responsible for the management and operation of the PIA. The Managing Director manages the PIA in accordance with the strategy, plans, risk appetite and policies approved by the Board.

Management of the PIA's day to day operations is undertaken by the Managing Director and the Investment Manager's senior executive team, subject to specified delegations of authority approved by the Board.

The Investment Manager's senior executive team is responsible for implementing PIA's strategic objectives and instilling and reinforcing its values, all while operating within the values, code of conduct, budget and risk appetite set by the Board.

The senior executive team is responsible for providing the Board with accurate, timely and clear information on Pengana's operations to enable the Board to perform its responsibilities. This is not just limited to information about the financial performance of PIA, but also its compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or code of conduct of PIA. In particular, material breaches of PIA's code of conduct, material incidents under PIA's whistleblower policy and material breaches of PIA's anti-bribery and corruption policy to be reported to the Board or the relevant committee of the Board.

Any matters or transactions outside the delegations of authority must be referred to the appropriate Board or Committee for approval.

## **7. COMPANY SECRETARY**

The Company Secretary is responsible for the co-ordination of all Board business, including agendas, board papers and minutes; communication with regulatory bodies, the ASX Limited, for all statutory and other filings and for monitoring that Board policies and procedures are followed.

The Board will appoint at least one Company Secretary. Appointment and removal of a Company Secretary will be subject to Board approval.

All Directors shall have direct access to the Company Secretary.

## **8. BOARD COMMITTEES**

The Board has established a number of Committees to assist the Board in exercising its authority and to consider certain matters.

There is currently one standing Committee:

- the PIA Audit, Risk and Compliance Committee.

The Board may establish ad hoc committees from time to time to consider matters of special importance or to exercise the delegated authority of the Board.

The Board will determine the charters of standing and ad hoc Committees, which will set out the roles and responsibilities of each Committee.

The Board will determine the membership and composition of Committees, having regard to workload, skills and experience, and any regulatory requirements.

## **9. BOARD MEETINGS**

The Chair is responsible for the conduct of all Board meetings. This includes being satisfied that the agendas are comprehensive, that all agenda items are appropriate and that recommendations fit within the broad strategic direction set by the Board.

The Board has unrestricted access to relevant Investment Manager staff and all relevant PIA records it considers necessary to fulfil its obligations and has the right to seek explanations and additional information from the Investment Manager and auditors.

The Board may invite members of the Investment Manager, representatives of the external auditor or other external advisors to attend Board meetings.

The Board shall meet as often as is necessary to fulfil its responsibilities.

## **10. DIRECTOR INDEPENDENCE**

The Board has adopted a definition of independence based on the requirements and recommendations of the ASX Listing Rules and including relating to the interests and relationships to be considered by the Board in assessing the independence of each Director.

The Board assesses independence of Directors upon appointment and annually through an attestation by each Director.

The Board collectively, and each Director individually, has the right (in connection with their duties and responsibilities) to seek independent professional advice at PIA's expense, subject to the approval of the Chair, or in the Chair's absence, the Board. The Board will review the estimated costs for reasonableness, but will not impede the seeking of advice, whenever Directors, especially non-executive Directors, judge such advice necessary for them to discharge their responsibilities as Directors.

## **11. BOARD PERFORMANCE**

The Board will undertake ongoing assessment and review of performance of the Board, its Committees and individual Directors.

The Board will develop and implement a performance evaluation process and determine and regularly review the composition of the Board having regard to the optimum number and skills, experience, diversity and expertise mix of Directors, subject to the limits imposed by the Constitution and the terms served by existing Directors.

## **12. ETHICAL STANDARDS**

Board members are expected to observe the highest standards of ethical behavior.

PIA has developed a Code of Conduct that outlines the standards of personal and corporate behaviour that is required of Directors. Directors are expected to act lawfully, in a professional manner and to observe high standards of personal integrity and display honesty and objectivity in their dealings.

## **13. CONFLICTS OF INTEREST**

Directors are expected to be alert to and avoid any action, position or interest that conflicts with an interest of PIA or gives the appearance of a conflict. In particular, Directors must:

- disclose to the Board any actual or potential conflicts of interest that may exist as soon as the situation arises;
- take necessary and reasonable steps to resolve or avoid any actual or potential conflict of interest, and
- comply with all relevant Laws in relation to disclosing interests and restrictions on participation and voting.

A Director that has a material personal interest in a matter that relates to the affairs of PIA must give the other Directors notice of such interest.

The Company Secretary will maintain a register of dealings in securities and declarations of interest by Directors and report them to the Board as necessary.

## 14. REVIEW

Board and Committee Charters will be reviewed every two years or as required.

## 15. DEFINITIONS

In this Charter, unless the context otherwise indicates:

TERM	DEFINITION
<b>ASX Listing Rules</b>	means the listing rules of the ASX Limited.
<b>Board</b>	means the full board of directors of the Company.
<b>Chair</b>	means the chair of the Board, as appointed by the Board.
<b>Company</b>	means Pengana International Equities Limited.
<b>Company Secretary</b>	means the company secretary of the Company from time to time.
<b>Constitution</b>	means the constitution of the Company, as amended from time to time.
<b>Designated Officer</b>	means each Director, Officer, employee and contractor of the Company and their associates.
<b>Director</b>	means a member of the Board.
<b>Independent Director</b>	means a Director who has been determined by the Board to be independent in accordance with the requirements and recommendations of the ASX Listing Rules.
<b>Investment Manager</b>	means Pengana Investment Management Pty Ltd ACN 063 081 612.
<b>Laws</b>	means all applicable laws in place in the relevant jurisdiction including but not limited to regulatory guides and the ASX Listing Rules.
<b>Officer</b>	has the meaning set out in the Corporations Act and includes a director, secretary or senior manager of PIA.