



Board Charter

**Liberty Fiduciary Ltd (ABN 80 119 884 623) as responsible entity for the
Liberty Financial Group Trust (ARSN 644 813 847)**

1. Introduction

- 1.1 This Board Charter sets out the principles for the operation of the board of directors of Liberty Fiduciary Ltd (ABN 80 119 884 623) as the responsible entity for the Liberty Financial Group Trust (**Trust**). The Trust and the RE in its capacity as responsible entity for the Trust and their controlled entities are collectively referred to as the **Trust Group**.
- 1.2 The Board is responsible for the governance of the Trust Group and, accordingly, the Board has elected to adopt this Charter as its Board Charter. This Charter sets out the role and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, as well as the membership and the operation of the Board.
- 1.3 The ordinary shares in Liberty Financial Group Limited (ABN 59 125 511 574) (**Company**) and the ordinary units in the Trust are stapled together and quoted on the ASX.
- 1.4 The Trust Group does not employ any staff. The Company is required to provide management services to the RE and the Trust under an internal Services Agreement to enable the RE to perform its necessary functions as responsible entity for the Trust.

2. Role and responsibilities of the Board

Role

- 2.1 The role of the Board is to provide overall strategic guidance, financial management and controls for the Trust through effective oversight of management.
- 2.2 The Board will ensure that the activities of the RE and the Trust comply with the constitution of RE and the constitution of the Trust, respectively, from which the Board derives its authority to act, and with legal and regulatory requirements. To achieve this role, the Board has reserved to itself the following specific responsibilities.

Responsibilities

- 2.3 The Board is responsible for:
- (a) providing leadership and setting the strategic objectives of the Trust;
 - (b) appointing the Chair (and potentially any Chair of the Audit and Risk Committee);
 - (c) overseeing management's implementation of the Trust's strategic objectives and performance generally;
 - (d) through the Chair, overseeing the role of the Company Secretary;
 - (e) overseeing the integrity of the Trust Group's accounting and corporate reporting systems, including the external audit;

- (f) overseeing the Trust Group's process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company and Trust's securities;
- (g) with the assistance of the Audit and Risk Committee, ensuring that the Trust 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;
- (h) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- (i) whenever required, challenging management and holding it to account;
- (j) approving the Trust's statement of values and code of conduct to underpin the desired culture within the Trust Group;
- (k) reviewing the performance and effectiveness of the Trust Group's governance practices policies and procedures to ensure that the interests of the Trust Group are protected and to ensure all legal and regulatory requirements are met;
- (l) determining the distribution policy, the amount and timing of all distributions and the operation of the Trust's distribution re-investment plan (if any);
- (m) evaluating, approving and monitoring operating budgets, major capital expenditure, capital management and all major acquisitions, divestitures and other corporate transactions, including the issue of securities (in accordance with the constitution of the RE and the Stapling Deed).

Corporate governance

- 2.4 At least once per year the Board will, with the assistance and advice of the Remuneration and Nomination Committee and the Audit and Risk Committee, review the performance and effectiveness of the Trust's corporate governance policies and procedures and, if appropriate, amend those policies and procedures as necessary.
- 2.5 The Board will review and approve all disclosures related to any departures from the ASX Corporate Governance Principles and Recommendations.

Performance evaluation

- 2.6 At least once per year the Board will, with the advice and assistance of the Remuneration and Nomination Committee, review and evaluate the performance of the Board, each Board committee and each individual director against the relevant charters, corporate governance policies, and agreed goals and objectives. If required, the Board may request that an independent external facilitator be utilised to complete a review of the performance of the Board.
- 2.7 Performance of non-executive directors will be determined based on the non-executive director's attendance at Board and committee meetings, contribution to charting direction, strategy and financial objectives, monitoring compliance with regulatory requirements and monitoring management's performance in achieving strategies approved by the Board.

- 2.8 Following each review and evaluation, the Board will consider how to improve its performance.
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3. Structure of the Board

Overview

- 3.1 Subject to section 3.3 below, the Board, with the recommendation of the Remuneration and Nomination Committee, determines the size and composition of the Board subject to the terms of the RE's constitution. The continued tenure of each individual director is subject to re-election from time to time, in accordance with the RE's constitution.
- 3.2 It is intended that the Board should comprise a mix of executive and non-executive directors and comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. In order to identify any gaps in the collective skills of the Board, the Board should, with the assistance and advice of the Remuneration and Nomination Committee, establish a skills matrix setting out the mix of skills and diversity the Board has or is looking to achieve. Any identified gaps will be documented and a strategy developed to close those gaps.

Board composition

- 3.3 The directors will determine the size of the Board, subject to the RE's constitution and the law. Under the constitution, there must be no less than 3 and no more than 10 directors. The number of directors and the composition of the Board must at all times be appropriate to the Company to achieve efficient decision making and adequately discharge its responsibilities and duties.
- 3.4 It is intended that at least half of the Board will be independent non-executive directors.

Appointment and re-election of directors

- 3.5 The process of selection and appointment of new directors to the Board is that when a vacancy arises, the Remuneration and Nomination Committee identifies candidates with appropriate skills, experience and expertise. Candidates with the skills, experience and expertise that best complement the Board's effectiveness will be recommended to the Board. When the Board considers that a suitable candidate has been found, that person may be appointed by the Board to fill a casual vacancy in accordance with the RE's constitution, but must stand for election by shareholders at the next annual general meeting.
- 3.6 Non-executive directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment. Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.
- 3.7 Directors must retire from office in accordance with the constitution. Retiring directors may be eligible for re-election. Before each annual general meeting, the Chair will assess the performance of any director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the director (in the absence of the director involved). The Board (excluding the Chair), will conduct the review of the Chair.

Independence

- 3.8 All directors, whether independent or not, should bring an independent judgement to bear on all Board decisions.
- 3.9 Where this Charter or the charter of a Board committee requires one or more "independent" directors, the following criteria are to be considered by the Board to determine if the relevant person is independent. An "independent" director is a non-executive director who is not a member of management and who 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 judgement. When determining the independent status of a director, the Board will consider whether the director:
- (a) is, represents, or has been within the last three years, an officer or staff member of, or professional adviser to a substantial holder;
 - (b) is employed, or has previously been employed, in an executive capacity by the RE or a member of the Liberty group, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
 - (c) has within the last three years been a partner, director or senior staff member of a material professional adviser or a material consultant to the RE or a member of the Liberty group, or a staff member materially associated with the service provided;
 - (d) is a material supplier or customer of the Trust or a member of the Liberty group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
 - (e) has a material contractual relationship with the RE or a member of the Liberty group other than as a director of the RE;
 - (f) has any close family ties with any person who falls within any of the categories described above; or
 - (g) has been a director of the RE for such a period that his or her independence may have been compromised.
- 3.10 The Board should regularly assess whether a non-executive director is 'independent' in accordance with the above criteria. In certain circumstances a director may be considered by the Board to be independent where the director does not meet the above criteria and the Board reserves the right to make such an assessment.

Directors' responsibilities

- 3.11 Directors are expected to at all times act in accordance with legal and statutory requirements, and discharge all their duties as directors. Directors must:
- (a) discharge their duties in good faith and in the best interests of the Trust Group and for a proper purpose;
 - (b) act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director

- of a major company, including applying an independent and enquiring mind to their responsibilities;
- (c) avoid conflicts of interest except in those circumstances permitted by the *Corporations Act 2001* (Cth) (**Corporations Act**);
 - (d) not make improper use of information gained through their position as a director;
 - (e) not take improper advantage of their position as a director;
 - (f) notify other directors of a material personal interest when a conflict arises;
 - (g) in the case of non-executive directors, disclose to the Board all information that may be relevant for the Board to assess the director's independence;
 - (h) make reasonable enquiries if relying on information or advice provided by others;
 - (i) undertake any necessary enquiries in respect of delegates;
 - (j) give the RE or ASX Limited all the information required by the Corporations Act; and
 - (k) not permit the RE to engage in insolvent trading.
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4. Role and Responsibilities of the Chair and Company Secretary

Chair

- 4.1 The Board has appointed an independent non-executive director as the Chair.
- 4.2 It is intended that any future Chair will also be an independent non-executive director and will be selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Trust Group.
- 4.3 If at any time the RE has a Chair who is not independent, the Board will consider appointing a lead independent director.
- 4.4 The Chairman cannot have been the Chief Executive Officer of the RE at any time during the previous three years.
- 4.5 The Chair is responsible for:
 - (a) leading the Board in reviewing and discussing Board matters;
 - (b) chairing Board meetings and shareholder meetings, including, setting the agenda for Board meetings (in consultation with the other directors and the Company Secretary of the RE) and ensuring that adequate time is available for discussion of all agenda items;
 - (c) ensuring the efficient organisation and conduct of the Board's function;
 - (d) briefing all directors in relation to issues arising at Board meetings;
 - (e) facilitating effective contribution by all directors and monitoring Board performance;

- (f) promoting constructive and respectful relations between Board members and between the Board and management;
- (g) overseeing the role of the Company Secretary of the RE, including, reviewing corporate governance matters with the Company Secretary of the RE and reporting on those matters to the Board; and
- (h) on the advice of the Remuneration and Nomination Committee, establishing and overseeing the implementation of policies and systems for Board performance review and renewal.

Company Secretary of the RE

- 4.6 The Company Secretary of the RE acts as secretary of the Board, attending all meetings of the Board as required. The Company Secretary of the RE is accountable directly to the Board, through the Chair on all matters to do with the proper functioning of the Board.
- 4.7 The Company Secretary of the RE is responsible for:
- (a) advising the Board and its committees on governance matters;
 - (b) monitoring that Board and committee policies and procedures are followed;
 - (c) coordinating the timely completion and despatch of Board and committee papers;
 - (d) ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
 - (e) organising and facilitating the induction and professional development of directors and him or herself.

5. Board committees

- 5.1 Under the constitution, the Board may delegate responsibility to committees to consider certain issues in further detail and then report back to and advise the Board.
- 5.2 The Board has established the following Committees:
- (a) the Audit and Risk Committee; and
 - (b) the Remuneration and Nomination Committee.
- 5.3 The RE may establish other committees from time to time to consider other matters of special importance.
- 5.4 Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties.
- 5.5 Standing committees established by the Board will adopt charters setting out the authority, responsibilities, membership and operation of the committee. These charters will identify the areas in which the Board will be assisted by each committee.

- 5.6 Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The chair of each committee will report back on committee meetings to the Board at the next full Board meeting.
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6. Delegation

Delegation to Chief Executive Officer

- 6.1 Under a Services Agreement, the Board has delegated to the Chief Executive Officer of the Company the authority to manage the day to day affairs of the Trust Group and the authority to control the affairs of the Trust Group in relation to those matters as directed by the Board.
- 6.2 The Board may impose further specific limits on the Chief Executive Officer's delegations. These delegations of authority will be maintained by the RE Secretary and will be reviewed by the Board from time to time.
- 6.3 The Chief Executive Officer of the Company has authority to sub-delegate to senior management.

Role of Chief Executive Officer

- 6.4 The management function is conducted by, or under the supervision of, the Chief Executive Officer of the Company as directed by the Board, and by other officers to whom the management function is properly delegated by the Board or the Chief Executive Officer of the Company.
- 6.5 The Chief Executive Officer of the Company is responsible for implementing strategic objectives, plans and budgets approved by the Board in accordance with the directions of the Board.

Relationship with management

- 6.6 Directors may delegate their powers as they consider it appropriate including to management of the Trust Group under the Management Services Agreement or by direction of the Board. However, ultimate responsibility for strategy and control rests with the directors.
- 6.7 Management are ultimately accountable to the Board.
- 6.8 Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.
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7. Meetings

- 7.1 All Board meetings will be conducted in accordance with the relevant provisions in the RE's constitution and the Corporations Act.
- 7.2 Directors are committed to collective decision making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their

particular skills, experience and knowledge when discussing matters at Board meetings.

- 7.3 Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.
 - 7.4 A meeting of the Board will usually be convened by the Chair, although under the constitution a meeting may be called by any director.
 - 7.5 All directors are expected to diligently prepare for, attend and participate in all Board meetings.
 - 7.6 At a minimum, a quorum of directors under the constitution is two directors. Meetings of the Board may be held or participated in by conference call or other electronic communications as permitted by the constitution. Resolutions of the Board may be passed by circular resolution or in writing in accordance with the constitution.
 - 7.7 The Board should assess the information that it receives and the timing of its distribution to ensure the Board has sufficient time to examine the material provided to it for approval.
 - 7.8 Non-executive directors will periodically meet without executive directors or management present.
 - 7.9 The Board will meet with the appointed auditor and appointed actuary (as the case may be), at least annually and without management or executive directors being present.
 - 7.10 The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable.
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8. Remuneration

- 8.1 The level of non-executive director remuneration will be set by the Remuneration and Nomination Committee.
 - 8.2 The level and nature of remuneration for executive directors and other senior executives of the Company will be set by the Board after receiving and considering the recommendation of the Remuneration and Nomination Committee.
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9. Continuous disclosure

The Board has adopted a policy relating to the continuous disclosure obligations of the Trust Group under the ASX Listing Rules and Corporations Act. The Company Secretary of the RE will oversee the implementation of that policy and will report to the Board on compliance with that policy at each regular meeting of the Board.

10. Confidential information and external communication

The Board has established the following principles to apply in respect of information of the Trust Group:

- (a) all directors are required to keep confidential all information provided to them in their capacity as a director and must not disclose or improperly use such information;
- (b) the Board has appointed the Chair of the Company to speak for the Trust Group in respect of matters relating to the stapled securities. The Board will, from time to time, appoint a representative to speak for the Trust Group in respect of all other matters relating to RE and the Trust; and
- (c) all disclosures of materially price-sensitive information to any person must be approved and made in accordance with the RE's Continuous Disclosure Policy, the ASX Listing Rules and the Corporations Act and as approved by the board of the Company (as required).

11. Conflicts of interest

- 11.1 The directors of the RE are required to act in a manner which is consistent with the best interests of the RE and the Trust as a whole, free of any actual or possible conflicts of interest.
- 11.2 If a director considers that they might be in a position where there is a reasonable possibility of conflict between their personal or business interests, the interests of any associated person, or their duties to any other company and the interests of the Trust Group or their duties to the Trust Group, the Board requires that the director:
 - (a) fully and frankly informs the Board about the circumstances giving rise to the conflict; and
 - (b) unless the Board otherwise determines, abstains from voting on any motion relating to the matter and absents themselves from all Board deliberations relating to the matter, including receipt of board papers bearing on the matter.
- 11.3 If a director believes that they may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the Chair (or, in the case of the Chair, the Chair should immediately consult with the other non-executive directors).

12. Conflict resolution procedure

- 12.1 The Board acknowledges that there is a potential for conflict between the interests of the Trust Group and the Company (**Conflict**).
- 12.2 It is the intention of the Board that each commercial arrangement to be entered into between the Trust Group and the Company will include dispute resolution procedures designed to seek to resolve and mitigate any Conflicts that arise. The dispute resolution procedures will be tailored for each such arrangement.
- 12.3 The Board also considers it appropriate and in the interests of all relevant stakeholders (including security holders and creditors) to adopt a conflict resolution process to apply generally in respect of Conflicts. This is set out as follows:

- (a) if a Conflict has been identified by the Trust Group or the Company, the Conflict should be promptly referred to the Board of the RE and the board of the Company together with details regarding the nature of the Conflict;
- (b) each of the Board and the board of the Company must nominate a director to engage in good faith commercial discussions to seek to resolve the Conflict;
- (c) where the Conflict is not resolved through commercial discussions within a reasonable period of time, the nominated directors should consider referring the Conflict to a formal mediation process; and
- (d) in relevant circumstances, the Board and the board of the Company should consider referring the Conflict to an independent expert (such as an accountant) for a recommendation or a binding determination.

13. Related party transactions

The Board has delegated to the Audit and Risk Committee responsibility for reviewing and monitoring related party transactions and investments involving the directors and the Trust Group.

14. Independent advice

- 14.1 A director is entitled to seek independent professional advice (including, but not limited to, legal, accounting and financial advice) at the RE's expense on any matter connected with the discharge of their responsibilities, in accordance with the procedures and subject to the conditions set out below:
- (a) a director must seek the prior approval of the Chair (or if the Chair is the relevant director, with the approval of the Chair of the Audit and Risk Committee);
 - (b) in seeking the prior approval, the director must provide the Chair or the Chair of the Audit and Risk Committee (as applicable) with details of:
 - (i) the nature of the independent professional advice;
 - (ii) the likely cost of seeking the independent professional advice; and
 - (iii) details of the independent adviser they propose to instruct;
 - (c) the Chair or the Chair of the Audit and Risk Committee (as applicable) may set a reasonable limit on the amount that the Company will contribute towards the cost of obtaining such advice;
 - (d) all documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the Company and the director in their personal capacity. However, the right to advice does not extend to advice concerning matters of a personal or private nature, including for example, matters relating to the director's contract of employment with the Company (in the case of an executive director) or any dispute between the director and the Company; and

- (e) unless the Chair or the Chair of the Audit and Risk Committee (as applicable) otherwise determines, any advice received by an individual director will be circulated to the remainder of the Board.

14.2 All directors are entitled to the benefit of the RE's standard Deed of Access, Indemnity and Insurance which provides ongoing access to Board papers and, at the RE's expense, Directors and Officers insurance for seven years after the director leaves the Board.

15. Access to management

The directors have complete and open access to management following consultation with the Chair and Chief Executive Officer of the Company.

16. Board Charter

The Board is responsible for reviewing the effectiveness of this Charter to determine its appropriateness to the needs of the Trust Group from time to time and approving any amendments to this Charter.