



Board Charter

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1. INTRODUCTION

This Charter sets out the key roles and responsibilities of the Board of Directors (*Board*) of MyState Limited (*MYS* – the listed entity) and its subsidiary companies (together, the *Group*) within the legal and regulatory framework within which it operates.

The *Board* has approved a suite of policies and documents, a number of which provide more specific detail in support of this Charter and are contained in the Corporate Governance section of the MyState Limited website.

2. ROLE OF THE BOARD

The *Board* is committed to upholding the highest levels of corporate governance and ethical standards and subscribes to the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council in order to promote investor confidence in the company and within the broader market.

The role of the *Board* is to:

- a. Provide overall leadership, setting the purpose and values;
- b. Set the strategic direction and risk profile of the Group;
- c. Oversee key policies and compliance management; and
- d. Monitor the culture and performance.

3. RESPONSIBILITIES OF THE BOARD

In overseeing and evaluating the performance of the *Group*, the *Board* has the following broad, key responsibilities:

Strategic and Corporate Objectives

- a) Set and review the strategic direction of the *Group*;
- b) Maintain effective governance and regularly review reporting frameworks and practices;
- c) Approve the corporate objectives of the Group and oversee management's implementation of the strategic initiatives;
- d) Approve annual targets including budgets and key performance indicators;
- e) Evaluate and oversee any merger and acquisition proposals;

Shareholders and other stakeholders

- f) Approve the financial statements in accordance with applicable laws and accounting standards;

- g) Recommend appointment or removal of the External Auditor to shareholders and monitor the scope of audits;
- h) Determine the dividend policy including the amount, nature and timing of dividends to be paid;
- i) Report the affairs of the company to the shareholders and the market in accordance with the ASX continuous disclosure requirements;
- j) Arrange for an annual general meeting of shareholders to be held in compliance with all relevant obligations;

Risk Management

- k) Determine the risk appetite for the Group and oversee the policies, procedures and systems that exist to identify, monitor and mitigate financial and non financial risks within the approved framework;
- l) Monitor compliance across the Group with all applicable laws and regulations;
- m) Set the values and standards for risk culture and oversee organisational conduct and reputation;

Chief Executive Officer and Executive Management

- n) Appoint the Chief Executive Officer (CEO) and delegate appropriate operating authority, set CEO remuneration and monitor performance annually;
- o) Approve the Executive structure for the Group including the appointment and remuneration of Executives reporting to the CEO and monitor their performance annually in accordance with the Banking Executive Accountability Regime;
- p) Monitor succession planning for the CEO and Executives within the Group;
- q) Approve the succession plan of the Board;
- r) Approve the remuneration policy for the Group in alignment with the Group's purpose, values, strategic objectives and risk appetite;

Board Functions

- s) To set meeting frequencies that are appropriate to the needs of the Group;
- t) Annually review the performance of the Board;
- u) Establish appropriate Board committees with Charters to meet legal and regulatory requirements and the needs of the Group, and, annually review the Charter and performance of each committee;
- v) Be available to meet with regulators if and when required;

- w) Determine the level of remuneration paid to Directors within the limit approved by shareholders; and
- x) Appointment of the Company Secretary.

4. BOARD COMPOSITION

The composition of the *Board* is based on the following:

- a) The *Board* shall comprise Directors with a range of backgrounds and experience;
- b) The *Board* will always have a majority of Directors who are non-executive and are evaluated by the *Board* to be independent of judgement and character and free from material relationships with the *Group* and other entities and people that might influence or would be perceived by shareholders to influence such judgements;
- c) The individual qualities for all Directors of the *Group* shall be:
 - i. Deemed fit and proper to hold the position of Director in accordance with MyState's Fit and Proper policy;
 - ii. Unquestioned honesty and integrity;
 - iii. A proven track record of creating value for shareholders;
 - iv. Time available to undertake the responsibilities. Directors should devote the necessary time to the tasks entrusted to them and should consider the number and nature of their directorships and calls on their time from other commitments;
 - v. An ability to apply strategic thought to matters in issue;
 - vi. A preparedness to question, challenge and critique; and
 - vii. A willingness to understand and commit to the highest standards of governance of the *Group*;
- d) The Board will review the skills, expertise and diversity represented by Directors on the Board and determine whether the composition and mix remains appropriate to achieve the Group objectives;
- e) Non-executive Directors will be engaged through a letter of appointment; and
- f) The Board considers that diversity includes differences that relate to gender, age, ethnicity, disability, sexual orientation and cultural background. It also includes differences in background and life experience, communication styles, interpersonal skills, education, functional expertise and problem solving skills.

5. CHAIRMAN

The *Board* will appoint one of its members to be the Chairman in accordance with the Constitution to represent the *Board* to the shareholders and, in conjunction with the CEO as appropriate, the market.

The Chairman must be an independent Non-executive Director and cannot have been the CEO of MyState at any time during the previous three years.

The Chairman's role is to:

Leadership

- a) Be primarily responsible for the direction and effectiveness of the Board and lead the annual assessment of the Board performance;
- b) Maintain a productive working relationship with the CEO;
- c) Communicate the Board's expectations of the CEO and facilitate the annual performance review of the CEO;
- d) Develop and maintain appropriate relationships between the Board and the Executive team;
- e) Oversee and where appropriate participate directly in, the relationship between the company and its shareholders;

Chairing the Board

- f) Bring appropriate matters before the Board for information, discussion, deliberation and decision, including matters which Directors may wish to raise;
- g) Chair Board meetings in a manner which results in clear and unambiguous Board decisions;
- h) Facilitate Board discussions such that they effectively address the matters before the Board, with a key focus on the strategic and other significant issues facing the business;
- i) Foster a climate of openness, common purpose and debate where contributions from all members are encouraged and valued; and
- j) Ensure Board minutes properly record decisions and the business conducted at the meeting.

6. DIRECTORS

The statutory responsibilities of a Director are far reaching. There is a wide range of legislation that affects the duties and obligations of directors. Co-existing with the statutory obligations, a director also has a general law fiduciary responsibility to the *Group* and a general law duty to use due care and diligence in fulfilling the functions of the office.

Broadly, the Director's role is to:

General

- a) Use the powers of office with the level of skill and care required to discharge duties in good faith, honestly and for a proper purpose in the best interests of the Group;
- b) Understand the business of the Group and to act with the necessary care, diligence and commercial reasonableness in the decision making process;
- c) Make reasonable enquiries to monitor that the Group is operating efficiently, effectively and legally in all of its activities and that timely and adequate information is being provided to the Board;
- d) Maintain an adequate understanding of legal responsibilities and knowledge of legislation and regulation governing the operations of the Group;
- e) Where appropriate, with the Chairman's approval, obtain at the expense of the Group, independent professional advice and assistance in carrying out their duties and responsibilities;
- f) Adhere to the values and policies of the Group at all times in dealings with all stakeholders;

Performance

- g) Where practicable, attend all meetings of the Board or Committees of the Board to which membership is applicable;
- h) Prepare for meetings of the Board and relevant Committees of the Board by thoroughly reviewing all papers;
- i) Analyse, question, request information, raise matters of concern and fully canvas all aspects of any issue confronting the Group;
- j) Be independent in judgement and actions and take all reasonable steps to be satisfied as to the soundness of decisions taken by the Board;
- k) Vote on any resolution of the Board according to their own judgement and decision;
- l) Bring forward for discussion in a constructive and creative way suggestions and ideas in connection with the development, growth and improvement of the

Group including prospective new business opportunities which are consistent with the strategic plan;

- m) Take all reasonable opportunities to represent, promote and demonstrate a commitment to the Group to shareholders, clients, and the wider business community and to the public at large;
- n) Scrutinise the performance of management in meeting agreed goals and objectives, and monitor the reporting of performance; and
- o) Be aware of the external, financial and regulatory environment and bring this knowledge to the Board to foster discussion and make informed decisions in the understanding of the external environment.

7. BOARD COMMITTEES

The *Board* has established Committees to assist the *Board* in exercising its obligations. The standing *Board* Committees are:

- *Group* Audit Committee;
- *Group* Risk Committee;
- *Group* Nominations and Corporate Governance Committee;
- *Group* People and Remuneration Committee; and
- *Group* Digital Business Committee.

The *Board* has approved a charter for each Committee which sets out the role and responsibilities of that Committee.

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

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

8. REVIEW PROCESS

The *Group* Nominations and Corporate Governance Committee shall review this Charter annually and recommend any changes to the *Board*.