



## Board Charter

H&G High Conviction Limited  
ACN 660 009 165  
(Company)

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## 1 Purpose of this charter

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The purpose of this charter is to specify how the Company is governed so as to promote the Company and protect the interests of shareholders.

The Board is responsible for the governance of the Company. 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.

## 2 Definitions

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General terms and abbreviations used in this Policy have the meanings set out below:

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or the securities market operated by ASX Limited, as the case may be.

**ASX Listing Rules** means the listing rules of the ASX, as amended from time to time.

**Board** means the board of Directors of the Company.

**Chairperson** means the chairperson of the Board.

**Company** means H&G High Conviction Limited ACN 660 009 165.

**Confidential Information** means all sensitive, non-public information about the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Executive Director** means a Director that is responsible for the management and administration of the Company.

**Investment Manager** means the investment manager engaged by the Company to manage its investment portfolio from time to time.

**Secretary** means the company secretary of the Company.

## 3 Role and responsibilities of the Board

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### 3.1 Role

On behalf of the shareholders of the Company, the role of the Board is to provide overall strategic guidance and financial management and controls for the Company through effective oversight of management. The Board ensures that the activities of the Company comply with its constitution, 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.

### 3.2 Responsibilities

The Board is responsible for:

- (a) providing leadership and setting the strategic objectives of the Company;
- (b) appointing the Chairperson (and potentially any deputy Chairperson);

- (c) appointing and when necessary replacing the Investment Manager;
- (d) approving the appointment and when necessary replacement of executives of the Company or external service providers;
- (e) overseeing the Investment Manager's implementation of the Company's strategic objectives and its performance generally;
- (f) through the Chairperson, overseeing the role of the Secretary;
- (g) approving operating budgets and major capital expenditure;
- (h) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (i) overseeing the Company'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's securities;
- (j) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;
- (k) approving the Company's remuneration framework; and
- (l) monitoring the effectiveness of the Company's governance practices.

## **4 Role and responsibilities of Chairperson and Secretary**

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### **4.1 Chairperson**

The Chairperson is an independent and non-executive Director appointed by the Board. The Chairperson 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 and ensuring that adequate time is available for discussion of all agenda items (in particular, strategic issues);
- (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) overseeing that membership of the Board is skilled and appropriate for the Company's needs;
- (g) promoting constructive and respectful relations between Board members and between the Board and management, including the Investment Manager;
- (h) overseeing the role of the Secretary, including, reviewing corporate governance matters with the Secretary and reporting on those matters to the Board; and
- (i) establishing and overseeing the implementation of policies and systems for Board performance review and renewal.

### **4.2 Secretary**

The Secretary acts as secretary of the Board, attending all meetings of the Board as required. The Secretary is accountable directly to the Board, through the Chairperson on all matters to do with the proper functioning of the Board. The Secretary is responsible for:

- (a) advising the Board on governance matters;
- (b) monitoring that Board policy and procedures are followed;
- (c) coordinating the timely completion and despatch of Board papers;
- (d) ensuring that the business at Board meetings is accurately captured in the minutes; and
- (e) helping to organise and facilitate the induction and professional development of Directors and the Secretary.

## **5 Delegations of authority**

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### **5.1 Delegation to committees**

The Board may delegate responsibility to committees to consider certain issues in further detail and then report back to and advise the Board. Standing committees established by the Board will adopt charters setting out the authority, responsibilities, membership and operation of the committee.

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 chairperson of each committee will report back on committee meetings to the Board at the next full Board meeting.

To the extent the Board considers that no formal sub-committees are required, the Board will at a minimum convene from time to time as appropriate or required under the following Charters to ensure it deals with the matters that would otherwise be dealt with by separate committees: Audit & Risk Committee Charter, and Nomination & Remuneration Committee Charter.

### **5.2 Delegation to Executive Director**

The Board has delegated to the Executive Directors the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those responsibilities reserved to itself in this charter.

The Board may impose further specific limits on the Executive Directors delegations. These delegations of authority will be recorded by the company secretary and will be reviewed by the Board as appropriate from time to time.

## **6 Membership**

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### **6.1 Composition and size**

The Board will be of such size and competence necessary to understand properly and deal with the current and emerging issues of the business of the Company.

The Board aims to consist of an independent Chairperson, but may depart from this objective if it is considered to be in the best interests of the Company and the shareholders as a whole notwithstanding that majority is not considered to be independent.

The Directors will determine the size of the Board, subject to the Company's constitution, which provides that there can be no less than three 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.

The Company will seek to have Directors with an appropriate range of skills, experience and expertise and an understanding of and competence to deal with current and emerging issues of the business.

## 6.2 Independence

All Directors – whether independent or not – should bring an independent judgement to bear on all Board decisions.

In determining whether or not the Directors are independent, the Board applies as a benchmark the criteria as set out in the ASX Corporate Governance Principles and Recommendations, as amended from time to time (**Principles and Recommendations**).

The Board will regularly assess the independence of each Director in light of the interests disclosed by them. That assessment will be made at least annually at, or around the time, that the Board considers candidates for election to the Board. Each independent Director must provide the Board with all relevant information for this process.

The Board may consider a Director to be independent notwithstanding that the Director does not strictly meet all of the independence criteria set out in the Principles and Recommendations.

The outcome of the Board's assessment of independence will be reflected in the corporate governance section of the annual report. If the Board determines that a Director's independence status has changed, that determination will be disclosed to the market in a timely fashion.

## 6.3 Conduct of individual Directors

Directors must at all times:

- (a) act in accordance with legal and statutory requirements;
- (b) discharge their duties in good faith and in the best interests of the Company and for a proper purpose;
- (c) 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;
- (d) avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
- (e) not make improper use of information gained through their position as a Director;
- (f) not take improper advantage of their position as a Director;
- (g) notify other Directors of a material personal interest when a conflict arises;
- (h) make reasonable enquiries if relying on information or advice provided by others;
- (i) undertake any necessary inquiries in respect of delegates;
- (j) give the Company or ASX all the information required by the Corporations Act; and
- (k) not permit the Company to engage in insolvent trading.

## 7 Board process

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### 7.1 Meetings

All Board meetings will be conducted in accordance with the Company's constitution and the Corporations Act.

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.

Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.

All Directors are generally expected to prepare adequately, attend and participate at each Board meeting. All Directors should actively consider the sufficiency of the contents of the board papers that they have been provided for consideration. 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.

The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable.

The Board may conduct meetings by telephone or video conference, or any other suitable method.

#### **7.2 Independent professional advice**

Following consultation with the Chairperson, Directors may seek independent professional advice at the Company's expense.

#### **7.3 Access to management**

The Directors have complete and open access to the Investment Manager following consultation with the Chairperson.

### **8 Review and publication of charter**

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The Board is responsible for reviewing this charter and the division of functions and responsibilities in the Company to determine its appropriateness to the needs of the Company from time to time. The charter may be amended by resolution of the Board.

The charter is available on the Company's website. Key features are published in:

- (a) either the annual report or on the Company's website; and
- (b) in the Appendix 4G to be lodged with the ASX at the same time as lodgement of the annual report.

**Adopted by the Board on 8 August 2022**