

## **BOARD CHARTER**

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### **1. ROLE**

The Board is accountable to shareholders for the performance of Milton. It oversees the activities and performance of management and provides an independent and objective view to Milton's decisions.

### **2. RESPONSIBILITIES**

The Board's responsibilities are:

- Defining Milton's purpose and setting its corporate objective;
- Approving the investment philosophy and corporate strategy;
- Approving Milton's statement of values and code of conduct;
- Oversee management in its implementation of Milton's corporate objective, instilling of the company's values and performance;
- Approving the business plan and budget;
- Approving the financial reports, shareholder communications and other public documents;
- Declaring dividends;
- Capital management including approval of all share issue offers such as the share purchase plan and dividend reinvestment plan and as consideration for company acquisitions;
- Approving portfolio movement recommendations above pre set limits;
- Reviewing of the internal control systems and satisfying that Milton has in place an appropriate risk management framework and setting the risk appetite within which the board expects management to operate;
- Monitoring the effectiveness of the corporate governance practices;
- Appointing the chair;
- Reviewing the performance of management and the Board itself;
- Approving the remuneration of the senior executives;
- Approving the appointment of senior executives; and
- Making recommendations regarding the election of directors.

Other than the responsibilities specifically reserved for the Board and its committees, responsibility for management of Milton's day to day business activities are delegated to the CEO, who is accountable to the Board. The senior executive team reports to the CEO and their specific roles and responsibilities are detailed in their respective written agreements with Milton along with the details of their terms of appointment.

### **3. COMPOSITION OF THE BOARD**

The Board will have a majority of independent directors. Refer 'Board Composition and Independence' in the Corporate Governance Statement for the details of the current board of directors of Milton.

### **4. BOARD COMMITTEES**

The Constitution enables the Board to establish Committees to assist in carrying out its responsibilities. These Committees, whose charters have been approved by the Board, report to the Board regularly.

The Committees are:

- Audit & Risk Committee, consisting of at least three independent non-executive directors, is responsible for considering the effectiveness of the systems of risk management and internal controls, financial reporting and any other matters at the request of the Board. To assist in this function, the managing director, external auditor and senior executives attend by invitation to report to meetings;
- Investment Committee, consisting of three non executive directors and the managing director, meets regularly to review the investment portfolio and to make investment decisions within defined limits. All directors may attend the Investment Committee meetings;

- Nomination Committee, consisting of those directors that are not retiring and seeking re-election at the next annual general meeting. This committee reviews the composition of the Board and makes recommendations on the appropriate skill mix, personal qualities, expertise and diversity; and
- Remuneration Committee, consisting of three non-executive directors, advises the Board on remuneration policies and practices generally, and makes specific recommendations to the Board annually on remuneration packages and other terms of employment for senior executives and directors.

## **5. OPERATION OF THE BOARD**

The Investment Committee and the Audit & Risk Committee meet regularly throughout the year whilst the other committees meet as required.

The Board meets formally at least five times a year to monitor Milton's performance and to receive reports from its various committees and senior executives.

Additional Board meetings are held when necessary to deal with specific matters as they arise.

Special committees may be established by the board to deal with specific business.

The Board papers, which include comprehensive reports on the investment portfolio and on operational and financial performance, are circulated in advance of meetings.

Independent professional advice may be sought by a director at Milton's expense with the prior approval of the chairman. A copy of advice received by the director is made available to the chairman to be dealt with at his discretion.

## **6. DIRECTOR APPOINTMENT AND INDUCTION**

The board is responsible for the selection and appointment of new directors after the appropriate background checks have been made.

All directors are subject to re-election at least every three years. Any director (except the Managing Director) who has been appointed during the year must stand for election at the next annual general meeting (AGM).

In accordance with Milton's induction programme new directors are provided with a formal letter of Appointment, Deed of Indemnity, Insurance and Access agreement, Constitution, Corporate Governance Statement and related charters and policies. Milton has written agreements with each of its directors which detail their terms of appointment.

New directors are encouraged to meet with management and attend all committee meetings to develop a deep understanding of the operation of the company.

Ongoing director professional development is facilitated through regular management presentations on key business functions as well as statutory and regulatory updates. Services of external consultants are engaged to cover specific topics of interest as and when required.

Independent professional advice may be sought by a director at Milton's expense with the prior approval of the chairman. A copy of advice received by the director is made available to the chairman to be dealt with at his discretion.

## **7. BOARD POLICIES**

The Board has adopted the following policies, which are reviewed at least annually:

- Code of Conduct,
- Risk Management Policy,
- Communication Policy,
- Disclosure Policy,
- Performance Evaluation Policy,
- Share Trading Policy in Relation to Listed Securities;

- Diversity Policy
- Privacy Policy
- Tax Risk Management Policy
- Whistleblower Policy

The Board reviews each of these policies at least annually.