



**Aspen Group Ltd**

**Board Charter**

**Approval by the Board (26 June  
2020)**



## Introduction

The Aspen Group Limited (AGL) Board of Directors is responsible for the governance and management of AGL. Evolution Trustees Limited (ETL) is the Responsible Entity (RE) of Aspen Property Trust (APT). Aspen Group Limited and Aspen Property Trust (Group) are governed and managed as a group and their securities are stapled.

This Charter sets out the roles, responsibilities, structures and processes adopted by the Board of Aspen Group Limited.

### 1. Role and Responsibilities of the Board

The Board's primary role is to ensure securityholders' interests are protected and the value of their investment is maximised within acceptable risk parameters.

To fulfil this role, the Board has adopted the following mandate:

- the Board should comprise at least three directors with a maximum of ten directors in accordance with the Aspen Group Limited Constitution;
- the Chairman of the Board should be an independent non-executive director;
- the Board should have a majority of independent directors;
- the directors should possess a broad range of skills, qualifications and experience;
- the Board should meet on a regular basis and at least 6 times per annum; and
- all available information in connection with items to be discussed at a meeting of the Board shall be provided to each director prior to that meeting with appropriate notice.

The responsibilities of the Board include:

- to act in the best interests of securityholders at all times;
- establish and set the strategic direction for the Group;
- establish a framework for the proper governance of the Group;
- provide input and approval to the business plan adopted (recommended?) by the Investment Manager to achieve the Group's strategy;
- appointment and removal of the Investment Manager who shall be responsible for the investment of funds on behalf of the Company);
- appointment and removal of Senior Executives and the Company Secretary
- ;
- oversight and approval of the internal control systems, risk management measures and codes of conduct, and setting the risk appetite within which the board expects management to operate;;
- review and approval of the annual budget and forecasts;
- monitor the performance of the Investment Manager in implementing the Group's strategy, business plan and annual budgets;
- approve acquisitions and disposals of significant assets and capital expenditure programs and monitor regularly where necessary; and

- approval of financial reports as required by the Corporations Act or ASX Listing Rules.
- approving the entity's statement of values and code of conduct to underpin the desired culture within the entity;
- appointing the chair;
- appointing and replacing the CEO;
- overseeing the integrity of the entity's accounting and corporate reporting systems, including the external audit;
- overseeing the entity's process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have a material effect on the price or value of the entity's securities;
- satisfying itself that the entity's remuneration policies are aligned with the entity's purpose, values, strategic objectives and risk appetite; and
- monitoring the effectiveness of the entity's governance practices.<sup>1</sup>

## **2. Board processes**

To assist in the execution of its responsibilities, the Board has established an Audit, Risk and Compliance Committee (ARCC).

The ARCC has a written charter, which is reviewed on a regular basis and can be viewed on the Group's website within the Corporate Governance section.

The Board from time to time may establish and delegate powers to any committee of the Board.

## **3. Delegation to Management**

The following responsibilities are delegated to Senior Management:

- implementing the strategic objectives of the Company and operating within the risk appetite set by the Board;
- developing strategies to deliver a strong market presence and build Shareholder wealth over the long term;
- recommending appropriate strategic and operating plans;
- maintaining effective control of operations;
- effectively managing risk within the Company's risk management framework and reporting to the Board in connection with the management of risk and including emerging risks;
- providing strong and ethical leadership;
- assuring sound succession planning and management development;
- providing sound organisational structure;
- informing the Board regularly regarding the status of key initiatives; and
- providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities and ensuring full disclosure of all relevant matters to the Board.

## **4. Role of Chair**

The Chair will be selected on the basis of relevant experience, skill and leadership abilities that the Board recognises from time to time. The Chair will:

- be responsible for leadership of the Board, and for the efficient organisation and conduct of the Board;
- chair Board Meetings including setting the agenda, style and format to promote effective decision-making and constructive debate;

- encourage active engagement by all Board members;
- ensure effective time management for the Board to consider items on the Board's agenda;
- ensure effective implementation of Board decisions;
- promote effective relationships and open communication between the Board, the RE and the Investment Manager;
- chair meetings of Securityholders, including the Annual General Meeting;
- ensure effective communication with Securityholders and promoting Board awareness of the views of major Securityholders;
- establish a close working relationship with the RE and the Investment Manager, providing support and advice in developing the Group's strategy and overseeing its implementation subject to the approval and oversight of the Board as a whole;
- ensure annual performance reviews are conducted of the Board, its committees and its individuals;
- ensure that succession planning for key roles within the Group is considered; and
- promote the highest standards of corporate governance.

## **5. Role of the RE**

ETL is required to operate the Aspen Property Trust (Trust) in a manner consistent with the Corporations Act, the Trust's Compliance Plan and the Trust's Constitution.

In accordance with this role, ETL must ensure the Trust is operated in accordance with the stapling provisions of its constitution.

## **6. Role of the Investment Manager**

Day to day management of the Group is the responsibility of the Investment Manager.

The Investment Manager is responsible for running the affairs of the Group under delegated authority from the Board and implementing policies and strategy set by the Board. In particular these include:

- being the primary conduit through which the Board is provided with timely, accurate and relevant information;
- making recommendations and reporting to the Board regarding the development of strategies for, and the management and performance of, the business and operations;
- implementing and managing the strategic plans, business plans, budgets, costs, acquisitions, divestments and decisions of the Board;
- ensuring the Group's organisational functions are effective;
- assessment of new initiatives / business opportunities of potential benefit to the Group;
- undertaking the role of key Group spokesperson;
- keeping the Board informed, at an appropriate level, of the activities of the Group; and
- ensuring compliance with the Group's policies.

## **7. Role of Company Secretary**

The Company Secretary is accountable to the Board, through the Chair, on all governance and legal compliance matters. The Company Secretary is charged with facilitating the Group's corporate governance processes ensuring that the Board policies and procedures run efficiently and effectively. All directors have direct access to the

Company Secretary. The role of Company Secretary also includes the following responsibilities:

- coordinating the timely completion and dispatch of Board agenda and briefing material;
- recording, maintaining and distributing the minutes of all Board, Committee and general meetings of the Group;
- maintaining a complete set of Board papers at the Group's main office;
- preparing for and attending all general meetings of the Group;
- ensuring all company legislative, stock exchange and any other regulatory body obligations are met;
- maintaining a Register of Company Policies as approved by the Board; and
- maintaining and updating all corporate governance documentation.

## **8. Composition and structure of the Board**

The Board will have a minimum of three directors and a maximum of ten directors.

One third of the directors must retire from office at the annual general meeting each year. A retiring director may be eligible for re-election. The Board, if so decided, may recommend the re-election of a retiring director to the securityholders.

Directors appointed to fill casual vacancies are required to submit to election at the next general meeting.

A process has been developed and adopted by the Board for the identification of persons suitable for consideration as a member of the Board. Key components of the process are:

- consideration as to the range of skills, expertise, experience, background and competencies required to enhance Board diversity;
- the extent of the candidate's other commitments in both executive and non-executive roles; and
- conducting suitable reference checking of the candidate to determine suitability for the role.

## **9. Independent Directors**

The majority of the Board should be independent. The Group will regularly review whether each non-executive director is independent and each non-executive director should provide to the Board in a timely manner all information that may be relevant to this assessment. If a director's independence status changes this must be disclosed to the Board and notified to the market in a timely manner.

The criteria to be adopted in determining the independence of directors follows the definition as prescribed in the ASX best practice guidelines. That the director:

- is not directly or indirectly a substantial securityholder in the Group;
- has not within the last three years been employed in an executive capacity by the Group;
- has not within the last three years been an adviser, consultant or material supplier to the Group;
- has no material contractual relationship with the Group other than the appointment as director; and
- has no other interest or relationship that could interfere with the director's ability to act in the best interests of the Group and independently of management.

## **10. Independence of Chair**

The Chair should be an independent director and the roles of Chair and CEO must not be exercised by the same individual.

The Chair's other positions should not be such that they are likely to hinder the effective performance as Chair of the Group.

## **11. Independent decision making**

All directors, whether independent or not, should bring an independent judgment to bear on Board decisions. Non-executive directors are encouraged to confer regularly without management present. Their discussions are to be facilitated by the Chair.

To facilitate independent decision making, the Board and any committees it convenes may from time to time seek advice from independent experts whenever it is considered appropriate. With the consent of the Chair, individual directors may seek independent professional advice, at the expense of the Group, on any matter connected with the proper discharge of their responsibilities.

A copy of the advice received by the director must be made available to all other members of the Board.

## **12. Access to information**

The Board has the right to obtain all information from within the Group which it needs to effectively discharge its responsibilities.

The Investment Manager must on request from the Board supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively.

Directors are entitled to request additional information where they consider such information is necessary to make informed decisions.

## **13. Code of Conduct**

Each director shall abide by the terms of the Group's Code of Conduct and is expected to act to a high standard of ethical and moral behavior.

## **14. Dealing in Securities**

Directors must abide by the Group's Securities Trading Policy.

## **15. Orientation and education**

The Board provides material to new directors to assist them in gaining an understanding of:

- the Group's financial, strategic, operational and risk management position;
- the rights, duties and responsibilities of the directors;
- the roles and responsibilities of the RE and the Investment Manager; and
- the role of any Board committees in operation.

Directors are encouraged to undertake continuing education to update and enhance their skills and knowledge. A record of this continuing education is maintained by the Company Secretary.

## **16. Board and executive performance evaluation**

### **15.1. Board performance evaluation**

The Board ensures that there is an effective on-going performance evaluation process in place for directors.

On an annual basis, the Board and its committees must adopt a review process, overseen by the Chair.

### **15.2. Investment Manager evaluation**

The Investment Manager must participate in a review process, which assesses performance against predetermined objectives, to be conducted by the Chair.

The process evaluates the Investment Manager's contribution to the organisation, gains feedback on enhancing performance and insight into future aspirations. Outcomes of the performance reviews are communicated to the Board and the RE.

## **17. Revision to the Charter**

The Board will review the Charter at least every two years to ensure it meets best practice standards which comply with the ASX Corporate Governance Principles and Recommendations and meets the needs of the Group and the Board.