

Board Charter

Adopted by the board on 28 August 2008

I. Introduction

The Board of Directors (“the Board”) will at all times:

- act honestly, fairly, diligently and in accordance with the law in serving the interests of Sequoia Financial Group and its subsidiary companies (“the Company”), its employees, customers and the community; and
- work to promote and maintain an environment within the Company that establishes the principles above as basic guidelines for all its employees and representatives.

2. Role and purpose

2.1 Responsibilities of the Board

The key responsibilities of the Board include:

- (a) setting the direction, financial objectives and goals for management;
- (b) reviewing and approving strategies for the Company;
- (c) monitoring management’s performance against these goals and objectives;
- (d) ensuring there are appropriate standards of Corporate Governance and ethical standards;
- (e) evaluating the performance and determining the remuneration of the senior executive officers of the Company;
- (f) ensuring appropriate risk management systems, internal control, reporting systems and compliance frameworks are in place and operating effectively; and
- (g) ensuring there are plans and procedures for recruitment, training, remuneration and succession planning for senior executives.

2.2 Chief Executive Officer

- (a) The Board delegates authority for the day to day management of the Company to the Chief Executive Officer (“CEO”), or in the absence of a CEO, the responsibilities may be discharged by an authorised executive officer, such as the Chief Operating Officer, or an executive director.
- (b) The CEO, or authorised executive officer must refer to the Board, matters that are sensitive, extraordinary or of a strategic nature.
- (c) The Board is ultimately responsible for ensuring compliance of directors and employees with Company policies, including:
 - i. Code of Ethics;
 - ii. Continuous Disclosure Policy;
 - iii. Communication Policy;
 - iv. Risk Management Guidelines;
 - v. Delegations Manual;
 - vi. Treasury Policy;
 - vii. Capital Expenditure Policy;
 - viii. Share Trading Policy; and
 - ix. Occupational Health and Safety, Equal Opportunity and other Human Resources policies.

2.3 Powers of the Board

Powers specifically reserved for the Board, in addition to any expressly required by law, are as follows:

- (a) appointment of the Chairman and if applicable, the Deputy Chairman;
- (b) selection, appointment and removal of the Chief Executive Officer, and the determination of terms and conditions of service (including remuneration);
- (c) membership and terms of reference of Board committees, and matters referred to the Board by its committees;
- (d) any matters in excess of limits delegated to the executive management;
- (e) approving the following:
 - i. appointment and removal of members of senior management reporting to the CEO;
 - ii. appointment and removal of the Company Secretary;
 - iii. strategic plan and budget, at least annually;
 - iv. significant changes to the organisational structure;
 - v. the acquisition, establishment, disposal or cessation of any significant business of the Company;
 - vi. major capital projects and related expenditure;

- vii. land and building leases;
- viii. capital management including the issue of any shares, options, equity instruments or other securities in the Company;
- ix. major financing facilities and the giving of security over group assets;
- x. approval of the half year and year end financial statements;
- xi. any public statements which reflect decisions by the Board, significant issues of Company policy or strategy;
- xii. key Company policies as determined by the Board;
- xiii. any changes to the powers delegated by the Board;
- xiv. employee share and option plans, short term and long term incentive plans;
- xv. appointment of external auditors and their respective annual audit fees;
- xvi. major litigation; and
- xvii. any changes to the powers specifically reserved for the Board.

Subject to law, the Board may delegate to its committees, a director or any other person, authority to perform any of its functions and exercise any of its powers.

3. Structure of the Board

3.1 Composition

- (a) The Board aims to be comprised of both executive and non-executive directors, with a majority of non-executive directors who are independent, as described in 3.2 below. The directors shall be from different backgrounds with complimentary skills and experience.
- (b) The Company's Constitution governs the regulation of the meetings and proceedings of the Board, as far as the Constitution can be applicable.
- (c) The Board aims to have an independent non-executive director as Chairman. The Chairman and/or Deputy Chairman or such other non-executive director as agreed by the Board is responsible for leading the Board, ensuring that Board activities are organised and efficiently conducted and for ensuring directors are properly briefed for meetings.
- (d) The Chairman or Deputy Chairman must not also exercise the role of CEO.

3.2 Independence

A director is considered to be independent when not a member of management (a non-executive director) and:

- (a) not a substantial shareholder of the Company or an office of or otherwise associated directly with a substantial shareholder of the Company;
- (b) has not within the last three years been employed in an executive capacity by the Company or another group member or been a director after ceasing to hold any such employment;
- (c) is not a principal of a professional adviser to the Company or another group member;
- (d) is not a significant supplier or customer of the Company or another group member, or an officer of, or otherwise associated directly or indirectly with a significant supplier or customer;
- (e) has no significant contractual relationship with the entity or another group member other than as a director of the entity; and
- (f) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the entity.

All directors shall bring an independent judgement to bear in decision making. To facilitate this the Board shall adopt a policy that permits each director to take independent professional advice, if necessary, at the Company's expense.

The Board shall have processes in place to regularly assess the independence of each director in light of interests disclosed by them.

4. Meetings

- (a) The Board shall meet not less than eleven (11) times per year and may, at the discretion of the Chairman, meet more frequently in order to fulfil its duties.
- (b) The agenda for Board meetings shall be prepared by the Company Secretary in conjunction with the Chairman and the Chief Executive Officer, or in the absence of a CEO, the responsibilities may be discharged by an authorised executive officer, such as the Chief Operating Officer, or an executive director.

Standing items shall include:

- i. Disclosures of director's interests;

- ii. reports from Board committees.
- (c) Board papers shall, where possible, be provided to the directors at least one week prior to the relevant meeting.

5. Board committees

- (a) The Board may from time to time establish committees to assist in the execution of its responsibilities, and each committee, with the approval of the Board, shall adopt written charters setting out the roles and responsibilities, composition, structure, membership requirements and the manner in which they are to operate.
- (b) Subject to any delegation by the Board to a committee, all matters determined by committees are to be submitted to the Board as recommendations for Board decisions, and minutes of committee meetings are to be tabled at the immediately subsequent Board meeting.
- (c) The Chairman of any Board committee should be an independent non-executive director.

6. Performance evaluation

- (a) The Board shall undertake regular performance evaluation of itself that:
 - i. evaluates the effectiveness of the Board with the requirements of its Charter;
 - ii. compares the performance of the Board with the requirements of its Charter;
 - iii. sets the goals and objectives of the Board for the upcoming year; and
 - iv. effects any improvements to the Board charter deemed necessary or desirable.
- (b) The performance evaluation shall be conducted in such manner as the Board deems appropriate and may involve the use of an external contractor.