

LANDER
& ROGERS

**BOARD
CHARTER**



BOARD CHARTER

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This Charter is subject to any contrary decision made from time to time by the Equity Partners of the firm.

Purpose

1. To lead and initiate the strategy designed to achieve profitable growth and the development of the firm. To ensure that the firm's agreed strategies are implemented effectively and that the firm has effective and coordinated procedures, practices and administrative resources to support the Practice Groups to achieve their business objectives. To preserve and enhance the firm's reputation and culture.

Board Composition

2. The members of the Board shall be determined by the Equity Partners.
3. There shall be six representatives on the Board, comprised of the firm's Chief Executive Partner, three other Equity Partners of the business plus two external members.
4. Selection of Equity Partner Board members shall be by a ballot elimination process.
5. The Board will appoint one of its members who is an equity partner (other than the Chief Executive Partner), to be Chair for 12 months or such period as the Board determines.
6. In addition to these members of the Board, if the firm's Chief Executive Partner elect is not a Board member at the time of their election, they will be appointed as a member of the Board from the time of their election.

Meetings

7. Meetings of the Board shall take place monthly and at such other times as the Board may determine.
8. The quorum for a Board meeting will comprise four members of the Board, of whom at least two are Equity Partners being present at the appointed date and time for the meeting.
9. Each member of the Board shall have one equal vote at Board meetings.
10. Should any member of the Board not be able to attend a Board meeting, the Chief Executive Partner may request another Equity Partner of the business to attend in their place.
11. In the event of a tied vote, the Chair shall have the casting vote.

Tenure

12. The Chief Executive Partner shall hold office for a period of three years or for such other term as the Equity Partners shall determine. The Chief Executive Partner may be appointed for successive terms, but the maximum tenure must not exceed six years.
13. Equity Partner Board members will be appointed for a period of three years with one Equity Partner retiring from the Board and being eligible for re-election, in rotation on 30 June each year. A Board member may be appointed to the Board

for successive terms. Appointments should be staggered over time to ensure overlap in retirements/appointments.

14. Upon the expiry of each term of appointment of a Board member or Chief Executive Partner, the Equity Partners shall consider whether the appointment of each Board member and the Chief Executive Partner should continue for a further term.
15. The Equity Partners may at any time determine to remove a member of the Board or Chief Executive Partner from their position upon a resolution being passed by a simple majority of all the Equity Partners at that time.
16. The appointment of external Board members shall be for three years and require a resolution of a simple majority of Equity Partners. External Board member may be reappointed, but their maximum tenure must not exceed five years.

Powers

17. The Board may make decisions for the benefit and improvement of the business, its functions and operations, but does not have power to decide on any of the following matters without the approval of the Equity Partners:
 - (a) adoption of the annual budget;
 - (b) admission and termination of partners;
 - (c) appointments to the Board;
 - (d) any increase in the borrowings of the business which would result in:
 - (i) a debt/equity ratio which exceeds 50:50 for all loan facilities other than those mentioned in (ii), other than on a temporary basis for a period not exceeding six months (provided that no such temporary increase may not exceed a debt/equity ratio of 55:45); or
 - (ii) an increase in the total limit approved by the firm's bankers for term loan facilities relating to the funding of the acquisition of equipment, technology, office fit outs or other firm infrastructure;
 - (e) any unbudgeted capital expenditure in excess of \$250,000;
 - (f) any increase or reduction in the premises occupied by the firm, other than of a temporary nature;
 - (g) any significant change in the firm's strategy or direction;
 - (h) the establishment or alteration in the firm's core values, vision or purpose;
 - (i) any other matter the Board or Chief Executive Partner considers should be determined by the Equity Partners, any Equity Partners or Practice Group leaders.

Functions

18. The role of the Board will be to consider and where appropriate make and implement decisions to achieve the following:
 - (a) Strategy Formulation

- (i) To ensure that the firm has an adopted business strategy in place that articulates (i) where the firm should compete in the legal market, in terms of breadth and depth of services required to meet the needs of its clients, and (ii) how the firm can most effectively compete in its chosen markets;
 - (ii) To direct the development of a strategic plan with specific objectives which must be attained to achieve (i) and (ii) above.
- (b) Client Growth and Business Development
- (i) To ensure that the firm implements effective client growth and business development plans;
 - (ii) To ensure that detailed plans are developed and implemented (client management and development) which are consistent with the firm's strategic objectives.
- (c) Organisation
- (i) To be responsible to the partnership for ensuring that the firm is organized, structured and resourced to be able to best support the operating departments in achieving their fee and profit targets.
- (d) Operating Practices and Procedures
- (i) To ensure that effective practices and procedures are developed and implemented on a coordinated firm-wide basis that supports the firm's agreed policies and strategies;
 - (ii) To ensure that effective methods of communicating these practices and procedures are developed and implemented across both the professional and administrative departments in the management of clients, people and profitability.
- (e) People Management
- (i) To be responsible to the partnership for ensuring that the firm develops and implements a People development plan that develops individuals with the required skills, capabilities and motivation to meet the firm's strategic objectives.
- (f) Standards of Performance
- (i) To ensure that the firm has in place articulated quality standards, both for technical quality and quality of service delivery;
 - (ii) To ensure that these standards are regularly monitored, reviewed and updated.
- (g) Financial
- (i) To be responsible to the partnership for all major financial matters, including having an overview of:
 - (A) Preparation of the annual firm-wide budget and reviewing practice group budgets;
 - (B) Allocation of overhead costs;

- (C) Monitoring practice group and firm performance against budget e.g. revenue, profit, lawyer costs, overhead and support staff costs etc.;
- (D) Approval of capital expenditure outside the annual budget;
- (E) Approval of significant non budgeted practice group expenditure;
- (F) Approval of remuneration of Fixed Share Partners and senior professional management;
- (G) Monitoring the firm's funding, borrowings and prudential ratios;
- (H) Agreeing practice group and firm-wide standards, financial procedures, systems and policies.

Accountability

19. The Board shall be accountable through the Chair to the Equity Partnership.
20. The Chair/nominee shall circulate a monthly report to the Equity Partners and as appropriate to FSPs and the Chair/nominee shall verbally report on Board business as required, at regular meetings of all partners.

Updated 21 September 2023.