

1. Purpose of Charter

- 1.1. The Board charter sets out the role, composition and responsibilities of the Board of directors ("Board") of Altium Limited ("Altium") within the governance structure of Altium and its wholly owned entities ("the Altium Group").
- 1.2. The conduct of the Board is also governed by the Constitution of Altium, a copy of which is located at www.altium.com.

2. Membership and Term

- 2.1. The Altium Constitution provides for a minimum of three directors and a maximum of nine directors.
- 2.2. The Board, with the assistance and advice of the Human Resources Committee, determines the size and composition of the Board subject to the terms of the Altium Constitution. The Human Resources Committee will also provide advice on the mix of skills, expertise and diversity necessary for the Board to carry out its roles and responsibilities.
- 2.3. The Board shall include a majority of independent non-executive directors who:
 - a. is not a substantial shareholder of Altium or an officer of, or otherwise associated directly with, a substantial shareholder of Altium;
 - b. within the last three years has not been employed in an executive capacity by Altium or another group member, or been a director after ceasing to hold any such employment;
 - c. within the last three years has not been a principal of a material professional adviser or a material consultant to Altium or another group member, or an employee materially associated with the service provided;
 - d. is not a material supplier or customer of Altium or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
 - e. has no material contractual relationship with Altium or another group member other than as a director of Altium;
 - f. receives no performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, Altium;
 - g. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Altium; and
 - h. has no personal close ties with any persons or entities referred to under this clause 2.3 and 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 Altium.

A director must disclose to the Board any material personal interest they or any of their associates may have in a matter that relates to the affairs of Altium or any relationship that may affect the director's independence.

- 2.4. The Board has adopted Australian Accounting Standards Board standard 1031 to determine levels of materiality. A relationship is presumed immaterial when it generates less than 5%, and presumed material when it generates more than 10% of revenue over a twelve-month period in the absence of evidence or convincing argument to the contrary. In considering such evidence or argument Altium considers the strategic value and other material, as well as non-quantitative aspects of the relationship in question.
- 2.5. The threshold for materiality for the purpose of assessing the materiality of relationships between an independent non-executive director and Altium (other than as a director) will be judged according to the significance of the relationship to the director in the context of their activities as a whole.
- 2.6. Membership of the Board shall be disclosed in Altium's annual report, including whether a director is independent or not independent. Loss or gain of independence will be disclosed to the market immediately upon being disclosed to Altium or the Board.
- 2.7. New directors are required to undertake induction training, tailored to their existing skills, knowledge and experience on Altium's strategy, operations, culture and key risks.
- 2.8. The Board has not adopted a tenure policy.

3. Board reserved powers

- 3.1. In addition to the matters required by law to be approved by the Board, the matters set out below are Board reserved powers authorising all matters which are within the reserved powers of the Board and responsibility for which has not been delegated to management, which relate to:
 - a. appointment of a Chair;
 - b. appointment, replacement and assessment of the performance of the CEO;
 - c. significant expenditure and acquisition and divestment transactions;
 - d. capital management initiatives including the payment of dividends, share issues, buy-backs and returns of capital;
 - e. related party transactions which may require shareholder approval;
 - f. transactions between an Altium Group entity and any director of Altium (or an entity controlled by a director), unless the transaction is trivial or domestic in nature;
 - g. establishment of Board committees, their membership and delegated authorities;
 - h. matters requiring approval by the Board or one of its committees under the terms of their respective charters;
 - i. transactions imposing personal obligations on directors; and
 - j. any other matters which the CEO considers ought to be approved by the Board or which the Board asks to be brought to it for approval.

4. Responsibilities

- 4.1. The Board has delegated authority for the operations and administration of the Altium Group to the CEO.
- 4.2. The directors are responsible to the shareholders for the performance of Altium. Their focus is to enhance the interests of the shareholders, employees and customers and to ensure Altium and its controlled entities are properly managed. The Board draws on relevant corporate governance best practice principles to assist it to contribute to the performance of Altium.
- 4.3. The Board is responsible for promoting the success of the Altium Group in its role as:
 - a. a leading global developer and supplier of electronics design software for the Microsoft Windows environment; and
 - b. a commercial entity listed on the Australian Stock Exchange, in a way which ensures that the interests of shareholders and stakeholders are promoted and protected.
- 4.4. The Board must monitor the provision of appropriate protection against victimisation and dismissal of employees who make disclosures pursuant to Altium's Whistleblower Policy.
- 4.5. The functions of the Board include:
 - a. review and approval of strategy, budgets, financial plans and changes in capital structure;
 - b. monitoring organisational performance and achievement of Altium's strategic goals and objectives;
 - c. monitoring financial performance including the approval of Altium's annual and half-year financial reports and liaison with Altium's auditors;
 - d. appointment, replacement and assessment of the performance of members of the senior management team (including the CEO);
 - e. ensuring there are effective management processes in place and approving major initiatives;
 - f. enhancing and protecting the reputation of Altium;
 - g. reviewing and ratifying codes of conduct and legal compliance;
 - h. ensuring the risks facing Altium and its controlled entities have been identified and that appropriate controls, monitoring and reporting mechanisms are in place;
 - i. approving any reporting of social, environmental and ethical impacts of business activities and investments, having regard to recommendations from the Audit and Risk Management Committee and the Human Resources Committee
 - j. reporting to shareholders; and
 - k. overseeing the process for Altium to make timely and balanced disclosure of all material information as required by law.
- 4.6. The Board may seek independent professional advice (at the expense of Altium) during

and for the purposes of exercising its functions under clauses 3 and 4. The functions of management delegated by the Board to the CEO and senior executives include:

- a. day to day management of Altium's operations;
- b. the implementation of corporate strategy; and
- l. providing the Board with accurate, timely and clear information on Altium's operations to enable the Board to perform its functions.

5. Board Committees

The Board may from time to time establish committees as it considers necessary or appropriate to assist it in carrying out its responsibilities. The establishment of any Board committee is governed by the Altium Constitution.

6. Chair

- 6.1. The Chair is an independent non-executive director.
- 6.2. Should the Chairman be absent from a meeting, the Deputy Chair (if any) should act as Chair of the meeting. If neither are present, the members of the Board present at the meeting have authority to choose one of their number to chair that particular meeting.

7. Separation of functions between the Chair and CEO

- 7.1. The roles of Chair and CEO are strictly separated.
- 7.2. The Chair is responsible to:
 - a. lead the Board to discharge its duties to the Company and its stakeholders within the governance structure of Altium Limited;
 - b. ensure there are processes and procedures in place to evaluate the performance of the Board, its Committees and individual directors;
 - c. facilitate open, inclusive and effective discussion at Board meetings;
 - d. ensure that there are effective communications with shareholders; and
 - e. manage the conduct of Board meetings, including approving each meeting agenda, as well as meetings of shareholders.
- 7.3. The CEO is responsible for:
 - a. all matters of the Company not specifically set aside for the Board
 - b. the implementation of policies of Altium Limited and its subsidiaries;
 - c. the efficient and effective management of Altium Limited and its subsidiaries;
 - d. the provision of accurate and clear information in a timely manner for Directors to promote effective decision-making by the Board; and

- e. bringing to the attention of the Board all material matters affecting Altium Limited.
- 7.4. The CEO is accountable to the Board for the exercise of his delegated authority and that of the management group of the Company.

8. Secretary

- 8.1. The Company Secretary will be the Secretary of the Board.
- 8.2. The role and function of the Company Secretary include:
- a. assisting the Board and its committees with governance matters;
 - b. monitoring compliance with Board and committee policies and procedures, as well as undertaking regulatory filing requirements.
 - c. coordinating the timely completion and dispatch of Board and committee papers at least three and ideally five working days and one weekend prior to each meeting;
 - d. ensuring that the business at Board and committee meetings is accurately captured in the minutes as required by law; and
 - e. helping to organise and facilitate the induction and professional development of directors.

9. Scope

The activities of the Board are in relation to Altium Limited and its subsidiary companies.

10. Meetings

The Board is structured to facilitate the effective discharge of its duties and therefore will meet as required but will usually schedule at least eight meetings a year.

Non-executive directors should periodically meet without the presence of management to address matters such as succession planning and performance and oversight of the Executive Directors.

11. Reporting

Proceedings of all meetings are minuted and signed by the Chair or the individual acting in the capacity of Chair. Minutes of all Board meetings are circulated to directors and approved by the Board at the subsequent meeting. Minuted actions will include accountabilities and the timing of subsequent reporting.

12. Evaluating Performance

The Board will conduct annual performance evaluations of the Board as a whole, its Committees, the Chairman, individual Directors and the governance processes in place to support the Board.

13. Review of Charter

The Board will review this charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

The charter will be made available on Altium's website.

14. Other Matters

A number of operational matters relating to the Board such as meetings of directors, fees, "fit and proper" requirements, powers and duties of directors, share qualification, notification of interests, appointment and retirement, alternate directors, delegation and appointment of committees and election of directors are governed by the Constitution, available at www.altium.com.

REVIEWED AND APPROVED BY THE BOARD 11 AUGUST 2022

Charter revisions

Date of last Charter revision	Details
14 June 2016	Revised Charter
11 August 2022	Revised Charter