

# Policy 20 – Board Charter

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## 1 Introduction

This Charter applies to the Board of Placer Property Limited and officers specifically referred to by position title within this Charter.

Placer Property Limited holds an Australian Financial Services License (No. 442806). References to Placer throughout this document refer to the Responsible Entity, Placer Property Limited.

The Directors are responsible for the corporate governance practices of the Responsible Entity. The governance framework which sets out the obligations of the Board of the Responsible Entity is embedded in the Funds' compliance plans.

## 2 Purpose of charter

The purpose of this Board Charter is to:

- set out the composition of the Placer board of directors (Board)
- confirm the functions and responsibilities of the Board, and
- establish the corporate governance structure of Placer.

The Board must conduct itself within the requirements of the Corporations Act. The conduct of the Board is also governed by the constitution of Placer (Constitution) and relevant corporate governance policies (as amended from time to time).

## 3 Board roles and responsibilities

The role of the Board of the Responsible Entity is to ensure that the Funds are managed in a manner, which protects and enhances the interests of managed funds Unitholders and takes into account the interests of officers of the Responsible Entities, customers, suppliers, lenders and the wider community. The Board has overall responsibility for corporate governance, including setting the strategic direction, establishing goals for management and monitoring the achievement of these goals.

This entails:

- reviewing the investment objectives for the Funds to ensure they are consistent with each Fund's strategic direction
- adopting annual operating budgets for the Funds and the Responsible Entity and monitoring progress against budgets
- monitoring and overseeing the Fund and Responsible Entity's financial positions
- ensuring compliance with Chapter 2M of the Corporations Act 2001(the Act), (financial reporting)
- ensuring compliance with Part 5C.7 and Chapter 2E of the Act (related party matters)
- determining the net income of the Funds available for distribution, the distribution amount per Unit
- evaluating the performance of the senior executives
- determining that satisfactory arrangements are in place for auditing the Fund and Responsible Entity's financial affairs
- approving the Responsible Entity's risk management strategy
- ensuring that appropriate policies and compliance systems are in place, and that the Responsible Entity and its officers act legally, ethically and responsibly on all matters, and
- complying with the statutory duties and obligations as imposed by the law.

In protecting the rights and interests of Unitholders, the Board is responsible for ensuring that the Responsible Entity:

- acts honestly
- exercise the degree of care and diligence that a reasonable person would exercise if they were in the Responsible Entity position and role
- act in the best interests of Unitholders and, if there is a conflict between the interests of Unitholders and its own interests, give priority to the interests of the Unitholders
- treat Unitholders who hold Units of the same class equally and Unitholders who hold Units of different classes, fairly

- do not make use of information acquired through being the Responsible Entity in order to gain an improper advantage for itself or any other person, or cause detriment to the Unitholders
- ensure at all times that the Fund and Trust Constitutions meet the requirements of Part 5C.3 of the Act and that the Compliance Plans also meet the requirements of Part 5C.4 of the Act
- comply with the Compliance Plans
- ensure that Fund assets are clearly identified as 'Fund property' and held separately from property owned or controlled by the Responsible Entity and the property of any other managed investment scheme
- ensure that Fund properties are valued at regular intervals
- ensure all payments out of Fund properties are made strictly in accordance with the Constitution and the Act, and
- as soon as practical after it becomes aware of any breach of the Act or Constitution that relates to the Funds and that has had or is likely to have a materially adverse effect on the interests of Unitholders, report that breach to the ASIC.

## 4 Board composition

The Board of the Responsible Entity is required to comprise a sufficient number of Directors (but not less than three), to ensure the balance of skills, knowledge and experience required. If at any time the number of Directors falls below the minimum, the Board will endeavour to return the number to the minimum in a reasonable period of time.

It is the Responsible Entity intention that the Board should be two of non-executive Directors and that not less than two of the Directors are external (as defined in section 601JA of the Act). The Directors appoint as Chairman of the Board one of the non-executive, external Directors. The role of the Chairman and Executive Director should not be exercised by the same individual.

Persons nominated as non-executive Directors shall be expected to:

- have qualifications, experience and expertise of benefit to the Responsible Entity
- evaluate continually their other commitments to ensure they have sufficient time to fulfil their duties and responsibilities as Directors of the Responsible Entities
- undertake continuing professional development to the extent necessary to ensure they maintain the skills required to discharge their obligations, and
- be of sufficient stature and security of employment to express independent views on any matter.

In the absence of a majority of external directors, an Audit, Risk and Compliance Committee is required.

## 5 Director independence

Directors of the Responsible Entity are expected to bring an independent view to the Boards' deliberations. A majority of non-executive Directors are required to be 'independent'. Under the regulations applicable to managed investment schemes, that 'independence' is determined according to the definition of 'external Directors' in section 601JA of the Corporations Act (the Act).

Under section 601JA of the Act, Directors of the Responsible Entity are external Directors if they:

- are not, and have not been in the previous two years, an employee of the Responsible Entity or a related body corporate
- are not, and have not been in the previous two years, a senior manager of a related body corporate
- are not, and have not been in the previous two years, substantially involved in business dealings, or in a professional capacity, with the Responsible Entities or a related body corporate
- are not a member of a partnership that is, or has been in the previous two years, substantially involved in business dealings, or in a professional capacity, with the Responsible Entities or a related body corporate
- do not have a material interest in the Responsible Entities or a related body corporate, and
- are not a relative of a person who has a material interest in the Responsible Entities or a related body corporate.

The Boards regularly assesses those relationships that may affect independence.

## 6 Delegation to management

The Board has delegated the day to day management of the business of Placer and its associated entities to the Executive Directors subject to agreed authority limits.

The Executive Director delegates a number of the functions, activities and duties required to be performed by the Responsible Entity to Managers, KordaMentha and external service providers.

## 7 Role of the Chairman

The Chairman is appointed by the Board.

The roles of the Chairman and the Executive Directors must remain separate.

In addition to the Chairman's responsibilities as a Director, the Chairman is responsible for:

- leading the Board in discharging its duties of the Placer group
- the efficient organisation and conduct of the Board's functioning
- chairing Board meetings and directing Board discussions so that there is an effective use of time and critical issues are discussed
- facilitate the effective contribution of all Directors and promoting constructive and respectful relations between Board and management
- ensuring the Board is participating in setting the aims, strategies and policies of the Placer group, and
- ensuring that the Board is kept properly informed of the financial position and performance of the Placer group.

## 8 Company Secretary

The company secretary supports the effectiveness of the Board by monitoring that Board policy and procedures are followed. The appointment and removal of the company secretary is a matter for decision by the Boards of the Responsible Entity. All Directors have access to the company secretary. The company secretary is accountable to the Board of the Responsible Entity on all governance matters.

The Company Secretary should:

- monitor compliance with Board policies and procedures
- coordinate the completion and dispatch of the Board agenda and supporting papers in a timely manner
- in conjunction with the Chairman, organise Board meetings
- prepare agendas with the input of the Chairman and other Directors
- coordinate the preparation of Board papers, and
- organise Director's attendance at Board and committee meetings.

## 9 Group policies

Directors are subject to Placer's and KordaMentha's policies as relevant in the circumstances. Any conflict of interest in a matter being considered by the Board must be declared by a Director.

## 10 Independent professional advice

Subject to prior approval of the Chairman, Directors may obtain independent professional advice at the expense of the Responsible Entity on matters arising in the course of their Board duties.

## 11 Committees and other delegations

The Board may from time to time establish committees to assist it in carrying out their responsibilities, and shall adopt charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the Board may consider appropriate.

The Board has appointed an Audit, Risk and Compliance Committee which has adopted a charter setting out matters relevant to composition, responsibilities, administration and other matters.

Due to the small size of the Board, the duties of a Nominations Committee relevant to the Responsible Entity are met by the full Board.

The Board considers that the establishment of a Remuneration Committee is currently not necessary given that the Board are not of a size sufficient to justify the formation of a separate remuneration committee and as Directors and Officers of the Responsible Entities are not remunerated by the Fund, Unitholders have no direct exposure to those remuneration expenses.

## 12 Meetings

The Board should hold a minimum of nine meetings each year. A meeting timetable is to be prepared at the start of each calendar year and distributed to members highlighting key meetings such as the annual planning meeting and approving financial accounts and statements. A draft meeting agenda is provided as Appendix A.

A quorum for Board is three members with at least one non-executive Director.

Along with matters of strategic importance, the agenda for regular meetings of the Directors comprises 'standard' business items designed to assist in the process of ensuring that the Responsible Entity is complying with Fund Compliance Plans, their Constitutions and the Act.

The agenda also includes regular reports relating to property investment performance, valuation reports, fund performance, income distributions, funding issues, borrowing levels, liquidity, hedging arrangements, compliance with banking covenants and budgets.

Board papers are required to be circulated to Directors in accordance with Board approved procedures. Minutes of meetings and resolutions are required to be circulated to Directors for approval and entered into the minute books in accordance with Board approved procedures.

The Boards may make site visits to selected Fund properties as necessary. A Board planning meeting is held at least annually at which the Board reviews and endorses strategies designed to ensure the continued profitable growth of the Funds and Trusts.

## 13 Board performance

The Board of the Responsible Entity review their performance and that of their committees on average once every two years. Performance is reviewed against the Board Charter and any other Board responsibilities.

## 14 Board Charter review

The Compliance Plans are reviewed annually and any corresponding amendments are made to the Board Charter where appropriate. Notwithstanding the above review, this Charter is reviewed separately by the Board at least once every two years.

## Appendix A – Board meeting agenda example

**Date:** XXXXX

**Location:** Rialto South Tower, Level 31, 525 Collins Street Melbourne 3000

**Attendees (Directors):** Jim Walsh (Chairman), Janette Kendall, Tom Davis, David Omond and Mario Papaleo

**Attendees (Guests)**

**Apologies:**

**Board meeting number:** 201X No. XX

### *Board meeting agenda*

1. Review of the minutes from the meeting held on ## ### 20##
2. Conflicts of interest
3. Acquisitions
4. The Stables Property Fund
5. NewActon East Property Fund
6. 333 Exhibition St Property Fund
7. Placer Marketing and Development
8. Accounting paper
  - a. PPL, PPM, NAEPF, The Stables and 333 Exhibition
9. Compliance
  - a. compliance Board paper
  - b. compliance meeting report.
10. People, Culture and Conduct
11. Policy Reviews
12. Risk and Business Plan Actions
13. Other Matters