

# AUSTRALIAN UNITY INVESTMENT REAL ESTATE LIMITED

## BOARD CHARTER

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### 1. INTRODUCTION

- 1.1 Australian Unity Investment Real Estate Limited (the Company) is responsible entity of the Australian Unity Office Fund (the Fund). The Company is part of the Australian Unity Group (Group).
- 1.2 The below also sets out the role, composition, responsibilities and operations of the Board of the Company.

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### 2. ROLES AND RESPONSIBILITY OF THE BOARD

- 2.1 The role of the board of the Company is to promote and protect the interests of the Company. It does so by strategically directing and soundly governing the Company's activities, by demanding the highest standards of ethical conduct and service and by having due regard to all relevant stakeholders.
- 2.2 When acting in its capacity as Responsible Entity of the Fund, the Company must act in the best interests of the unitholders of the Fund. In the event that there is a conflict between the interest unitholders and the Company, then Directors must give priority to the interests of unitholders.
- 2.3 Approve and oversee the implementation of the overall strategy for the Company and the Fund, ensure reporting and monitoring against the strategy;
- 2.4 Oversee the integrity of the financial reporting systems (including external audit);
- 2.5 Approve and monitor the risk management strategy applicable to the Company and the Fund, including determining its risk tolerance;
- 2.6 Review the performance of the Investment Manager and Property Manager of the Fund as appointed under the Investment Management Agreement and Property Management Agreement respectively;
- 2.7 Approve major investments, divestments and material capital commitments;
- 2.8 Determine the scope of delegated authority to be granted to the Investment Manager and Property Manager;
- 2.9 Ensure compliance with the Corporations Act, ASX Listing Rules, Conditions of the Company's Australian Financial Services Licence and other statutory duties and obligations as imposed by Law;
- 2.10 Review and ratify the governance and other Company policies.

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### 3. BOARD COMPOSITION

- 3.1 The board will have at least two independent directors one of whom is to be the Chairman of the board.
- 3.2 Independence of directors will be assessed by applying the ASX Corporate Governance Council Recommendations as set out in Principle 2.

- 3.3 The personal qualities for directors are: honesty and integrity, strategic insight, capacity to relevantly question, probe and challenge, exercise independent thinking and judgment in the discharge of their responsibilities and a commitment to both the values of the Company, the strategy of the Fund, and the highest standards of corporate governance. The personal qualities for directors also include the ability to appropriately identify and manage conflicts of interest.
- 3.4 Each director must possess particular skills or experience relevant to the business operations of the Company, the Fund and those required by law and applicable standards.
- 3.5 The board, led by the Chairman, will review the skills represented by the directors on the board from time to time to ensure that the mix of skills remains appropriate to achieve the Company's and the Fund's objectives. It is intended that the board will be made up of directors with a broad range of skills, expertise and experience and from a diverse range of backgrounds, including gender.
- 3.6 Directors are expected to maintain knowledge and skills appropriate to their role. They should participate in induction or orientation programs, and any continuing education, training or professional development arranged for them.
- 3.7 Directors may be appointed by the holding Company, Australian Unity Limited, or by the board.

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#### **4. CHAIRMAN**

- 4.1 The board elects the Chairman. The Chairman must be an independent director.
- 4.2 The Chairman is responsible for the efficient conduct of the board's meetings. The Chairman will facilitate the work of the board at its meetings and ensure that the procedures and standards of the board are observed.
- 4.3 The Chairman will set the agenda for each board meeting in consultation with relevant management, the Company Secretary/delegate and any matters raised by Directors.

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#### **5. COMPANY SECRETARY**

- 5.1 The Company Secretary of the Company is accountable to the board.
- 5.2 The Company Secretary will advise the Chairman and the board on all matters of governance and will inform the board of all relevant matters not otherwise brought to the attention of the board.
- 5.3 The Company Secretary will retain independent advisory services at the request of the board or its committees.

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## 6. COMMITTEES OF THE BOARD

- 6.1 The board will establish such committees as are necessary to assist it in monitoring, and where relevant advising, the management of the Company and maintaining appropriate standards.
- 6.2 The board will be advised and assisted by committees including the Audit and Risk Committee and the Wealth & Capital Markets Compliance Committee.
- 6.3 Each committee will have the role, responsibilities, composition and procedures set in its charter and approved by the board.
- 6.4 Each committee will be composed of individuals suited to fulfil the committee's terms of reference. The Chairman will be an *ex-officio* member of each committee.
- 6.5 The committees will have access to sufficient resources to carry out their terms of reference effectively.
- 6.6 The Chairman of each committee will regularly report to the board about the activities of the committee. The minutes of the committee will be tabled at the following board meeting, even if those minutes have not yet been confirmed by the committee Chairman.

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## 7. INVESTMENT MANAGER AND PROPERTY MANAGER

- 7.1 The Investment Manager and Property Manager are appointed by the Company to provide services to the Fund.
- 7.2 The Investment Manager will be responsible under the Investment Management Agreement for developing and implementing Fund strategies in line with those approved by the board and which may include investment management, fund analyst services and transactional services, and other items as delegated by the board from time to time.
- 7.3 The Property Manager will be responsible under the Property Management Agreement for the overall performance of the properties and which may include property, management, financial management and leasing services.

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## 8. MEETINGS

- 8.1 The board will establish an annual program of meetings and other activities. Additional special meetings may be convened as required.
- 8.2 The agenda and supporting papers for each meeting should generally be distributed to directors at least five working days before the meeting.
- 8.3 Minutes will be kept of all board meetings. Draft minutes will generally be approved by circulation prior to and ratified at the next meeting of the board.

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## 9. CONDUCT

- 9.1 Each director will observe the Company's Code of Conduct in all dealings with and on behalf of the Company and as the Responsible Entity of the Fund.

- 9.2 Directors will, in addition to their standing notices, declare any specific conflicts of interest arising from the business of a particular meeting. Any conflicts declared will be recorded in the minutes of the meeting.
- 9.3 The Chairman will recommend to the board whether any action is required in response to a director's conflict of interest and what specific action is required, such as the conflicted director abstaining from voting, absenting him or herself from the meeting or being excluded from further information and deliberations on the matter or the subject matter giving rise to the conflict of interest being referred to a committee of the board that does not include the conflicted director. The board will then determine its position. The conflicted director should respect the board's determination.
- 9.4 Each director will use reasonable endeavours to attend board meetings in person or by electronic means, if not possible to be physically present. Directors who are unable to attend board meetings should seek leave of absence from the board.
- 9.5 Each director will use his or her range of skills, knowledge and experience in the promotion of the best interests of the Company and the unitholders of the Fund.
- 9.6 Each director commits to a collective decision-making process. Directors will debate issues openly and constructively and be free to express their individual judgments and perspectives. Directors will, however, respect the contributions of other directors and strive to appreciate differing points of view. Once a decision is made, directors are bound by the decision and should refrain from expressing public dissent.
- 9.7 Directors will maintain strict confidentiality in respect of all matters considered by the board.

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## **10. SUPPORT**

- 10.1 Directors may, with the consent of the Chairman and the assistance of the Company Secretary, seek independent professional advice at the expense of the Company or the Fund (as appropriate) on any matter connected with the discharge of their responsibilities. A copy of any such advice will be made available to the Chairman, who may distribute it to all directors.

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## **11. SELECTION AND TERMS OF APPOINTMENT**

- 11.1 Each director will be provided with a letter setting out the terms of their appointment including: remuneration, provision for a deed of access and indemnity, term of appointment, expectations regarding meetings and committees.
- 11.2 Directors will have full and free access to Australian Unity Wealth & Capital Markets Executives and the General Manager of Business Services, Product & Legal /Company Secretary.
- 11.3 Directors are indemnified by the Company in accordance with the Company's constitution and will have the benefit of appropriate directors' and officers' insurance cover at the expense of the Company.

- 11.4 All directors are expected to adhere to the Australian Unity Group Fit & Proper Policy and complete the fit and proper assessment including police and bankruptcy background checks and the provision of business references.

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## **12. BOARD EVALUATION**

- 12.1 Each year a performance assessment of the board, its committees, Chairman and individual directors shall be undertaken, in a manner determined by the Chairman.
- 12.2 Evaluations will have regard to:
- (a) the goals of ensuring that the board effectively discharges its role and responsibilities and is comprised of individuals who are able collectively to discharge the responsibilities of directors of the Company, having regard to the law and good governance;
  - (b) the skills, experience and attributes required having regard to the strategic direction of the Company and the Fund;
  - (c) the collective nature of board work in addition to individual contributions and the matters set out on section 2 of this charter; and
  - (d) in relation to individual directors, whether the director demonstrates the required expertise for their role, attendance and participation at board meetings and contribution to board deliberations and the overall direction of the Company and the Fund.
- 12.3 The board shall have regard to and respond to changing business circumstances, the needs and circumstances of the Company, external regulatory developments and all other relevant matters and will conduct its review by whatever means it considers appropriate in view of this, including using external advisers as appropriate and assessment of performance by peers and self.

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## **13. REVIEW**

- 13.1 This charter and the board's governance processes shall be reviewed on an annual basis or whenever circumstances require. This Charter may only be varied by resolution of the Board.

<b>Policy Owner</b>	Australian Unity Wealth & Capital Markets Business Enablement & Assurance
<b>Date of Board Approval</b>	18 July 2018
<b>Superseded Charter</b>	4 July 2017