

**APN** | Property Group

# APN Property Group Limited Board Charter

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## 1 Introduction

APN Property Group Limited (**APN PG**) is a public company admitted to the official list of the Australian Securities Exchange (**ASX**).

APN PG is also the sole shareholder in:

- (a) APN Funds Management Limited (**APN FM**), which manages APN's listed and unlisted real estate investment trusts in its role as responsible entity and/or trustee; and
- (b) APN RE Limited (**APN RE**), which is the responsible entity of the APD Trust ARSN 629 330 007.

## 2 Purpose of the Board Charter

- (a) The purpose of this charter (**Board Charter**) is to:
  - (i) set out the composition of the board of directors (**Board**) of APN PG;
  - (ii) confirm the functions and responsibilities of the Board; and
  - (iii) establish the corporate governance structure of APN PG.
- (b) The Board must conduct itself within the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**) and the listing rules of the ASX (**Listing Rules**)
- (c) The Board must either comply with the ASX Corporate Governance Principles and Recommendations (**Recommendations**) or, where the Board does not comply with any Recommendations for the whole or part of the relevant period, it must ensure that the reasons for such non-compliance is disclosed in the annual report or corporate governance statement of APN PG.
- (d) The conduct of the Board is also governed by:
  - (i) the constitution of APN PG (**Constitution**);
  - (ii) the APN Property Group Code of Conduct;
  - (iii) the APN Property Group Securities Trading Policy;
  - (iv) the APN Property Group Conflicts of Interest and Related Party Transactions Policy;
  - (v) the APN Property Group Communication and Continuous Disclosure Policy;
  - (vi) the APN Property Group Diversity Policy;
  - (vii) the APN Property Group Privacy Policy;
  - (viii) the APN Property Group Whistleblower Policy; and
  - (ix) the APN Property Group Anti-Bribery and Corruption Policy,each as amended from time to time.

All directors must be familiar with the terms of, and ensure that they comply with, each of the above governance documents.

### **3 Membership and term of Board**

- (a) In accordance with the Constitution:
  - (i) There will be a minimum of three directors (not counting alternate directors). The maximum number of directors is ten unless APN PG in general meeting resolves otherwise. The Board may review this requirement from time to time.
  - (ii) APN PG may appoint a director by a resolution passed in a general meeting. The directors may also appoint a person as a director by resolution of the Board (please refer to clause 4.2 of the Constitution).
  - (iii) Directors hold office until they die, vacate the office in accordance with the Constitution or their letter of appointment, or the term for which they have been appointed or elected expires (please refer to clause 4.3 of the Constitution).
  - (iv) A director may appoint an alternate director, approved by a majority of the other directors, to attend Board meetings in his or her place, together with any other rights conferred upon an alternate director in accordance with the terms of appointment approved by the other directors (please refer to clause 4.5 of the Constitution).
- (b) In accordance with the Recommendations, the appointment of all directors will be confirmed by a formal letter of appointment.

### **4 Responsibilities**

#### **4.1 General responsibilities**

Without limitation to the duties and responsibilities of directors under the Corporations Act, the Constitution and all applicable laws, the Board is responsible for:

- (a) oversight of the APN Group, including its control and accountability systems;
- (b) setting the aims, strategies and policies of the APN Group, in particular in respect of:
  - (i) the direction of the APN Group's funds management business (including the establishment of new funds from time to time); and
  - (ii) the direction of the APN Group's development and delivery business;
- (c) without limiting the Board's responsibilities under clause 4.3:
  - (i) appointing and removing the managing director of APN PG (or equivalent);
  - (ii) where appropriate, ratifying the appointment and the removal of senior executives of APN PG including, but not limited to, the chief financial officer (or equivalent) and company secretary;
- (d) providing input into and final approval of management's development of corporate strategy and performance objectives for the APN Group;

- (e) reviewing, ratifying and monitoring systems of risk management and internal compliance and control, codes of conduct and legal compliance for the APN Group;
- (f) monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available (including where appropriate challenging management and holding management accountable);
- (g) approving and monitoring the progress of major capital expenditure, financial reporting, capital management and acquisitions and divestitures within the APN Group;
- (h) monitoring the remuneration practices of APN PG to ensure that they are aligned with APN PG's purpose, values, strategic objectives and risk appetite;
- (i) approving APN PG's Code of Conduct and statement of values to ensure that they reflect the desired culture within APN PG; and
- (j) without limiting the Board's responsibilities under clause 4.2, approving and monitoring financial and other reporting obligations of entities within the APN Group.

#### **4.2 Audit and risk management**

The Board has appointed an audit and risk management committee, to which it has delegated the audit and risk management functions in respect of APN PG. The roles and responsibilities of the committee are set out in the APN PG Audit and Risk Management Committee Charter.

#### **4.3 Nomination and remuneration**

The Board has appointed a nomination and remuneration committee, to which it has delegated the nomination and remuneration functions in respect of APN PG. The roles and responsibilities of the committee are set out in the APN PG Nomination and Remuneration Committee Charter.

#### **4.4 Reservation and delegation of power**

The Board has expressly reserved its powers in relation to certain matters and has delegated its powers in relation to other matters to management. Any delegations by the Board to management are done in accordance with a formal Delegated Authority Policy or otherwise by way of a resolution of the Board.

The Board reserves its powers and responsibilities in relation to matters including, but not limited to:

- (a) providing leadership and setting the strategic objectives of the APN Group;
- (b) appointing senior officers of APN PG;
- (c) approving operational budgets and major capital expenditure; and
- (d) overseeing management,

The Board delegates its powers and responsibilities in relation to matters including, but not limited to:

- (a) the day-to-day operation of the APN Group; and
- (b) implementing the decisions and determinations of the Board.

## 5 The function of the Chairman

- (a) The Chairman is appointed by the Board.
- (b) Unless the Board determines otherwise, the roles of the Chairman and the managing director must remain separate.
- (c) In addition to the Chairman's responsibilities as a director, the Chairman is responsible for:
  - (i) leading the Board in discharging its duties to APN PG and the APN Group;
  - (ii) the efficient organisation and conduct of the Board's functioning;
  - (iii) chairing Board meetings and directing Board discussions so that there is an effective use of time and that critical and strategic issues are discussed;
  - (iv) facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between the Board and management;
  - (v) ensuring the Board is participating in setting the aims, strategies and policies of the APN Group;
  - (vi) ensuring there is adequate monitoring, pursuit and performance of the aims, strategies and policies of the APN Group;
  - (vii) briefing all directors in relation to issues arising at meetings of the Board;
  - (viii) ensuring that the Board is kept properly informed of the financial position and performance of APN PG; and
  - (ix) chairing general meetings of APN PG in accordance with the Constitution.
- (d) The Chairman is required to commit sufficient time in order to properly discharge the role of chairman.

## 6 Board meetings

- (a) In accordance with the Constitution:
  - (i) A director may at any time, and the company secretary must upon the request of a director, convene a Board meeting.
  - (ii) A quorum for Board meetings is two directors unless the Board determines otherwise. Each director has one vote.
  - (iii) Decisions of the Board are decided by a majority of votes of directors present and entitled to vote.
  - (iv) In the case of an equality of votes on a resolution at a Board meeting, the Chairman will have a second or casting vote on that resolution in addition to any vote the Chairman has in his or her capacity as a director in respect of that resolution, other than in the case where there are only two directors competent to vote on the resolution at issue.



- (v) The proceedings of all Board meetings are to be minuted and the minutes be circulated to, and approved by, directors prior to or at the next successive meeting. In accordance with the Corporations Act, the minutes of all Board meetings must be signed by the chair of the meeting within a reasonable time after the meeting.
- (b) In accordance with the Corporations Act, minutes of all Board meetings must be lodged in the Company's minute book within one month of each Board meeting being held.

## 7 Directors

### 7.1 Responsibilities

Without limitation to the duties and responsibilities of directors under the Corporations Act, the Constitution and all applicable laws, each director has the following responsibilities in addition to the responsibilities of the Board as a whole:

- (a) directors must attend Board meetings and meetings of any committees upon which they sit;
- (b) directors must apply their minds to any matters raised at Board meetings or in relation to the business of APN PG and raise any issues or questions, or make any enquiries, which they believe are material to the effective operation of APN PG;
- (c) directors must comply with this Board Charter, the Constitution and the Corporations Act in relation to voting at Board meetings; and
- (d) directors have an ongoing obligation to disclose conflicts of interest that may arise in the course of carrying out their duties as a director of APN PG. In accordance with the Corporations Act:
  - (i) each director must give the other directors notice of any conflict which may arise in respect of matters being considered by the Board; and
  - (ii) if the conflict is a material personal interest in the matter (as defined in the Corporations Act), that director must not:
    - (A) be present while the matter is being considered at a Board meeting; or
    - (B) vote on the matter.

### 7.2 Independence of directors

- (a) Details of the membership of the Board will be disclosed in the annual report of APN PG, including whether a director is independent or not independent.
- (b) There are several factors the Board should take in to account when determining the independent status of a director, including those set out in the Recommendations.
- (c) The Board will assess the independence of each non-executive director at least annually, and as soon as reasonably practicable after the Board is notified that such a director's interests, positions or relationships have changed.

### 7.3 Right to seek independent professional advice

Each director is entitled to seek independent professional advice in relation to the performance of their duties as a director of APN PG. This advice should be sought by a director where such advice is necessary for them to discharge their duties and obligations as a director.

APN PG will reimburse each director for all reasonable expenses incurred in obtaining such advice and, where appropriate, a copy of the advice will be made available to the Board.

## 8 Review of Board Charter

The Board will review this Board Charter from time to time to ensure it remains consistent with the Board's objectives and responsibilities.

## 9 Other matters

Various matters relating to the Board are governed by the Constitution and are not reproduced here.

## 10 Definitions

In this Board Charter, unless the context otherwise requires:

**APN FM** means APN Funds Management Limited.

**APN Group** means APN PG and any of its controlled or related entities (which includes APN FM and APN RE).

**APN PG** means APN Property Group Limited.

**APN RE** means APN RE Limited.

**ASX** means the Australian Securities Exchange.

**Board Charter** means this board charter adopted by the directors of APN PG.

**Constitution** means the constitution of APN PG (as amended from time to time).

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Listing Rules** means the listing rules of ASX.

**Recommendations** means ASX Corporate Governance Principles and Recommendations in effect from time to time.