



# Risk, Compliance and ESG Committee Charter

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Vicinity Centres

August 2023

# Risk, Compliance and ESG Committee Charter

## 1. Purpose

- 1.1 The purpose of the Committee is to assist the Board in fulfilling its corporate governance responsibilities in relation to Vicinity's risk and compliance management frameworks having regard to both financial and non-financial risk, and approach to ESG and sustainability.
- 1.2 The Committee will primarily fulfil these responsibilities (and any other matters, powers or responsibilities delegated to the Committee by the Board from time to time) by carrying out the activities outlined in the Responsibilities section of this Charter.

In this Charter:

**Board** means the Boards of the Company, the Responsible Entity and VFRE

**Company** means Vicinity Limited ACN 114 757 783

**ESG** means Environmental, Social and Governance

**Responsible Entity** means Vicinity Centres RE Ltd ACN 149 781 322, the responsible entity of the Trust

**Trust** means Vicinity Centres Trust ARSN 104 931 928

**VFRE** means Vicinity Funds RE Ltd ACN 084 098 180, the responsible entity of the Wholesale Funds managed by Vicinity

**Vicinity** means the Company, the Trust, the Responsible Entity, VFRE and each of their respective controlled or managed entities

## 2. Composition

- 2.1 The Committee will comprise at least three members, the majority of whom are independent non-executive Directors.
- 2.2 The Committee Chairman must be an independent non-executive Director who is not the Chairman of the Board.
- 2.3 The Committee as a whole must have the necessary knowledge and sufficient understanding of Vicinity's business and industry to be able to discharge the Committee's mandate effectively.
- 2.4 Committee membership and the Committee Chairman will be determined by the Board from time to time. Committee members may withdraw from membership by written notification to the Board.
- 2.5 The Secretary of the Committee will be the Company Secretary, unless otherwise determined by the Committee.

## 3. Meeting Procedures

- 3.1 The Committee will meet at least four times a year or more frequently as required.
- 3.2 The provisions of the Company's Constitution dealing with Directors' meetings and written resolutions apply to meetings of the Committee.
- 3.3 The quorum for meetings of the Committee will be two members.
- 3.4 If the Committee Chairman is absent from any Committee meeting, the Committee members present at that meeting will appoint one of their number to be Chairman of that meeting.

## 4. Advice and Resourcing

- 4.1 The Committee has free and unfettered access to Vicinity's management, risk, compliance and sustainability personnel, external and internal auditors, and any other relevant internal or external party and information, to the extent necessary to perform its role. The Committee may meet with those persons with or without management being present. These persons also have direct access to the Committee.
- 4.2 The Chief Executive Officer, Chief Financial Officer and Chief Legal, Risk & ESG Officer have a standing invitation to attend all Committee meetings and will be provided with relevant meeting materials. The External Compliance Plan Auditor will have a standing invitation to attend for relevant items of business.
- 4.3 All Directors have access to relevant meeting materials (including minutes or written resolutions of the Committee which Directors may inspect at any time) and may attend Committee meetings.
- 4.4 The Committee may initiate special investigations as it sees fit, or as directed by the Board, in relation to matters set out in this Charter, or any other matter referred to the Committee by the Board.

## 5. Responsibilities

The responsibilities of the Committee are as follows:

### 5.1 Risk

- 5.1.1 Oversee the risk management framework to ensure that it is operating effectively.
- 5.1.2 Review at least annually the risk appetite statement for recommendation to the Board.
- 5.1.3 Review material risks identified in Vicinity's risk profile, monitor changes in the risk profile, challenge the risk profile in light of the risk appetite set by the Board and draw the Board's attention to material risks where required, including where Vicinity is at risk of or is operating outside of risk appetite.
- 5.1.4 Consider the implications and monitor the management of new and emerging risks.
- 5.1.5 Review and approve, or recommend to the Board for approval where appropriate, the key frameworks and policies which support the risk management framework.
- 5.1.6 Assess Vicinity's risk culture through reporting from, and dialogue with, management and report any significant or systemic issues or concerns to the Board.
- 5.1.7 Oversee the adequacy of Vicinity's insurance program.
- 5.1.8 Monitor the management of Vicinity's health, safety and environment, data governance and information security risks.
- 5.1.9 Review reports in relation to material risk incidents or issues (including matters raised by whistleblowers), review the lessons learned, consider causes and trends, and monitor resolution and implementation of remedial actions as appropriate.

### 5.2 Compliance

- 5.2.1 Oversee the compliance management framework to ensure that it is operating effectively having regard to compliance risks.
- 5.2.2 Review and approve, or recommend to the Board for approval where appropriate, the key frameworks and policies which support the compliance management framework.
- 5.2.3 Review reports in relation to material incidents involving compliance matters, violations of laws or regulatory requirements (including matters raised by whistleblowers), review the lessons learned, consider causes and trends, and monitor resolution and implementation of remedial actions as appropriate.



- 5.2.4 Oversee compliance with applicable laws by Vicinity and obtain regular updates from management regarding compliance matters that may have a material impact on Vicinity.
- 5.2.5 Review and recommend to the relevant Board for approval the compliance plans in respect of each managed investment scheme for which a Vicinity entity is the responsible entity.
- 5.2.6 Monitor Vicinity's compliance with requirements under its Australian Financial Services Licences.

### 5.3 **ESG and sustainability**

- 5.3.1 Oversee Vicinity's approach to ESG and sustainability.
- 5.3.2 Review and approve, or recommend to the Board for approval where appropriate, key sustainability policies.
- 5.3.3 Review and recommend publicly disclosed sustainability targets to the Board for approval and monitor progress against those targets.
- 5.3.4 Review and recommend sustainability disclosures to the Board for approval.

## 6. **Interaction with the Board and other Committees**

- 6.1 The Committee only has responsibility for matters set out in the Board Charter that are included in section 5 of this Charter or additional responsibilities or powers that are delegated to the Committee by the Board from time to time. The Committee's role does not extend to any of the responsibilities set out in the Charters of the Audit Committee and the Remuneration and Human Resources Committee.
- 6.2 The Committee will, in discharging its duties, seek to co-ordinate its activities with the other Board Committees where appropriate, including but not limited to:
  - 6.2.1 the Committee Chairman will liaise with the Audit Committee Chairman on an ongoing basis to ensure that no material matter is overlooked by the two Committees and to avoid duplication, noting that financial controls, accounting risks and assurance of sustainability disclosures are matters considered by the Audit Committee;
  - 6.2.2 the Committee Chairman will consult with the Audit Committee Chairman with respect to the scope of the internal audit plan and to agree accountability for the oversight and monitoring of internal audit matters, including the management and timely resolution of any internal control deficiencies identified; and
  - 6.2.3 the Committee Chairman will report to the Remuneration and Human Resources Committee any risk, conduct or compliance matter relevant to the determination of variable remuneration outcomes for members of the Executive Leadership Team, including the Chief Executive Officer.

## 7. **Reporting**

- 7.1 If required, the Committee Chairman will provide a verbal report of the considerations of the Committee to the Board at the next Board meeting following a meeting of the Committee (including any approvals granted outside a meeting of the Committee), and including recommendations on any specific decisions or actions the Board should consider.
- 7.2 Any significant issues or material risks to Vicinity that the Committee becomes aware of will be notified to the Board.

## 8. **Performance and Charter Review**

- 8.1 The Board or Committee will assess the Committee's performance annually as part of the Board evaluation process having regard to the principles and requirements of this Charter and any relevant findings and agreed actions will be considered by the Board in a timely manner.
- 8.2 The Committee will review the Committee Charter from time to time as required and will recommend proposed amendments to the Board for approval.