



Board Charter

Vicinity Centres

February 2019

Board Charter

1. Role of the Board

- 1.1 The Board is responsible for the strategic direction, performance and governance of Vicinity. In doing so, the Board will act in the best interests of Vicinity's securityholders and investors, having regard to the interests of Vicinity's other stakeholders and the communities in which Vicinity operates.

2. Functions and reserved powers

The Board is responsible for and has the following powers reserved to it:

Corporate governance

- 2.1 Overseeing Vicinity's corporate governance framework, including approving significant policies that affect Vicinity as a whole.
- 2.2 Establishing Committees necessary to support the Board in the discharge of its obligations and approving the Committees' charters.
- 2.3 Setting Vicinity's values and standards of conduct and safeguarding the reputation of Vicinity.
- 2.4 Determining Board remuneration.
- 2.5 Reviewing the Board's composition and succession and developing and approving the Board skills matrix.
- 2.6 Calling meetings of securityholders.
- 2.7 Overseeing timely and balanced disclosure of material information concerning Vicinity to securityholders.

Strategy

- 2.8 Setting Vicinity's strategy, purpose and vision, and monitoring performance against strategic objectives.
- 2.9 Setting Vicinity's risk appetite, approving the risk appetite statement and monitoring the effectiveness of systems of risk management.
- 2.10 Approving the annual budget.
- 2.11 Approving material business matters in excess of management approval thresholds in the delegations of authority (including major capital expenditure, acquisitions and divestments).

Financial

- 2.12 Approving Vicinity's full year and half year financial reports and associated results releases.
- 2.13 Approving strategies for the management of tax and capital, including debt and associated hedging.
- 2.14 Monitoring management processes designed to ensure the integrity of financial reporting.
- 2.15 Approving earnings guidance to securityholders.
- 2.16 Approving the appointment and removal of the external auditor.
- 2.17 Approving the dividend and distribution policy and determining dividends and distributions to securityholders.

People

- 2.18 Appointing, removing and planning the succession of the Chief Executive Officer and Managing Director (CEO) and determining all aspects of the CEO's employment performance and remuneration.
- 2.19 Appointing, removing and planning the succession of the members of the Executive Committee (EC) and determining EC performance outcomes and remuneration based upon recommendations from the CEO.

- 2.20 Approving the appointment or removal of the Company Secretary.
- 2.21 Approving the reward principles and remuneration framework and human resources strategy for Vicinity.
- 2.22 Approving measurable objectives for achieving gender diversity at Vicinity.

Other

- 2.23 Performing other functions prescribed by governing constitutions, the law and regulations.

3. Board structure

Composition

- 3.1 It is intended that all Directors of the Company are also Directors of the Responsible Entity and VFRE subject to the provisions of relevant constitutions and trust deeds.
- 3.2 A majority of the Directors will be Independent Non-executive Directors.
- 3.3 Collectively, Board members will have a broad range of skills and perspectives to guide and oversee the business of Vicinity.
- 3.4 The Board will regularly review the composition of the Board and its Committees having regard to the Board skills matrix, independence, diversity and Vicinity's strategy.

Appointment

- 3.5 The Boards of the Responsible Entity and VFRE are appointed by the Board of the Company as the ultimate holding company.
- 3.6 The Board has established a policy and procedure for the selection, appointment and induction of new Directors. Directors are engaged through letters of appointment setting out Vicinity's expectations for Directors and the terms of appointment.
- 3.7 The Board will provide securityholders with material information in its possession relevant to the election or re-election of a Director.
- 3.8 Non-executive Directors who are required to retire by rotation in accordance with constitutions and the Listing Rules will take into account the views of the other Non-executive Directors when deciding whether to stand for re-election.

Independence

- 3.9 The independence of each Non-executive Director will be assessed by the Board prior to appointment and then annually. In conducting these assessments, the Board considers the factors relevant to assessing the independence of a director set out in the ASX Recommendations.
- 3.10 If a Director becomes aware of any information which may affect that Director's independence, the Director must immediately disclose all relevant details in writing to the Chairman and Company Secretary. The Board will then consider whether the Director's independence status should be re-assessed.

4. Committees

- 4.1 The Board has established Committees to support it in the discharge of its duties.
- 4.2 The standing Committees established by the Board are as set out below:
 - a. Audit Committee;
 - b. Risk and Compliance Committee;
 - c. Remuneration and Human Resources Committee; and
 - d. Nominations Committee.
- 4.3 The Board has approved charters for each of the above Committees setting out matters delegated to, and other responsibilities of, the Committees.
- 4.4 The Board appoints the Chairman and members of each Committee. All Directors are entitled to attend Committee meetings and receive Committee papers.

- 4.5 The Committee Chairmen will report to the Board on the Committees' deliberations at the next Board meeting following a meeting of the Committee. Any significant issues or material risks to Vicinity that a Committee becomes aware of will be notified to the Board as soon as practicable.
- 4.6 Directors may request information from members of a Committee at any time.
- 4.7 The Board may also establish ad hoc Committees on an 'as needs' basis to deal with specific matters. The powers delegated to ad hoc Committees are set out in Board resolutions and associated Committee charters.

5. Chairman

- 5.1 The Board will appoint one of its members as Chairman.
- 5.2 The Chairman will be an Independent Non-executive Director and will not be the same person as the CEO.
- 5.3 The Chairman is responsible for:
- a. leading the Board and ensuring that it functions effectively by:
 - i. setting the Board's agenda in consultation with the CEO and Company Secretary (including ensuring that adequate time is available for discussion on all agenda items, in particular strategic issues); and
 - ii. leading the Board's consideration of matters coming before it and facilitating open, frank and constructive discussions;
 - b. encouraging effective relations between Board members and between the Board and management;
 - c. maintaining an open and regular dialogue with the CEO;
 - d. facilitating the Board's evaluation of the performance of the CEO with input from the Remuneration and Human Resources Committee;
 - e. representing the Board to external stakeholders including securityholders; and
 - f. chairing the annual general meeting and any other meetings of Vicinity's securityholders.
- 5.4 The Board will develop a plan for succession of the Chairman and periodically evaluate the plan.

6. CEO and management

- 6.1 The Board has approved delegations of authority that apply to the CEO and management. Subject to the reserved powers of the Board as set out in this charter and the delegations of authority, authority is delegated to the CEO to implement Vicinity's strategy and for the day-to-day management of Vicinity.
- 6.2 The CEO is accountable to the Board for the exercise of this authority and Vicinity's performance in implementing the strategy.
- 6.3 The CEO may sub-delegate authority to management subject to any limitations imposed by Board and Committee approved policies or the law.
- 6.4 The CEO must consult with the Chairman and with the Board regarding matters which the CEO considers are of such a sensitive, extraordinary or strategic nature as to warrant the attention of the Board regardless of value.
- 6.5 The Board is reliant on management for the provision of accurate, timely and transparent information to enable the Board to perform its responsibilities.
- 6.6 Directors are entitled to access senior management to support the performance of their duties (within and outside of Board and Committee meetings).

7. Company Secretary

- 7.1 The Company Secretary of the Company and the Responsible Entity will be the same person.
- 7.2 The Company Secretary is accountable to the Board, through the Chairman, for all matters to do with the proper functioning of the Board.

8. Meetings, access and advice

- 8.1 It is intended that the Board will meet at least six times throughout the year and hold other meetings as required.
- 8.2 Directors will use all reasonable endeavours to attend each Board meeting. Attendance at meetings of the Board may be in person or by electronic means agreed by the Board.
- 8.3 The Board may meet periodically without the Executive Directors or other management present.
- 8.4 A record of papers, together with minutes of meetings, is maintained and held by the Company Secretary.
- 8.5 The Board may seek independent professional advice on any matter relevant to the Board's performance of its functions and the discharge of its duties, at Vicinity's cost.
- 8.6 Each Director may seek independent professional advice, on any matter relevant to the performance of the Director's role and the discharge of the Director's duties, with the prior written approval of the Chairman (or, in the case of the Chairman, the Chairman of the Audit Committee). The costs of obtaining that advice are to be met by Vicinity in accordance with arrangements agreed between each Director and Vicinity.

9. Performance and development

- 9.1 The performance of the Board, Committees, the Chairman and individual Directors will be evaluated each year. The form of this process is recommended by the Nominations Committee.
- 9.2 Vicinity expects Directors to maintain relevant skills and hold memberships of relevant professional organisations. Vicinity will cover the directly attributable costs of these qualifications and memberships (e.g. AICD) for Directors.

10. Ethics and conflicts of interest

- 10.1 Directors must act in accordance with all applicable laws and Vicinity's policies and procedures, including the Code of Conduct Guidelines, which have been established to support Directors, employees and contractors in upholding the highest ethical standards, and Directors' terms of appointment.
- 10.2 In addition to the Directors legal obligation regarding material personal interests in the Corporations Act and requirements to declare external interests where conflicts may arise at each meeting of the Directors, if any actual or potential conflict of interest between a Director's duty to Vicinity and another person arises, the Director must notify the Chairman and Company Secretary. The Board will determine whether the Director should participate in any discussions or decisions in relation to the matter.

11. Review of charter

- 11.1 The Board will review this charter annually to ensure its continuing appropriateness having regard to relevant corporate governance standards and practices.

12. Glossary

ASX Recommendations	ASX Corporate Governance Council Corporate Governance Principles and Recommendations, 3 rd Edition
Board	the Boards of the Company, Responsible Entity and VFRE
Company	Vicinity Limited ACN 114 757 783
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Independent Non-Executive Director	a Non-Executive Director of Vicinity assessed as independent by the Board in accordance with clause 3.9 of this charter
Responsible Entity	Vicinity Centres RE Ltd ACN 149 781 322, the responsible entity of the Trust
Trust	Vicinity Centres Trust ARSN 104 931 928
VFRE	Vicinity Funds RE Ltd ACN 084 098 180, the responsible entity of the Wholesale Funds managed by Vicinity
Vicinity	the Company, the Trust, the Responsible Entity, VFRE and each of their respective controlled or managed entities