



# Risk and Compliance Committee Charter

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Vicinity Centres

February 2019

# Risk and Compliance Committee Charter

## 1. Purpose

- 1.1 The purpose of the Committee is to assist the Board in fulfilling its corporate governance responsibilities by monitoring and providing an objective, non-executive review of Vicinity's risk management and compliance management frameworks.

## 2. Membership

- 2.1 The Committee will comprise:
- a. at least three members;
  - b. only non-executive Directors;
  - c. a majority of independent Directors (as assessed by the Board);
  - d. an independent Chairman (as assessed by the Board); and
  - e. the Chairman of the Audit Committee.
- 2.2 The Board may appoint or remove Committee members. Committee members may withdraw from membership by written notification to the Board.
- 2.3 The Secretary of the Committee will be the Company Secretary, unless otherwise determined by the Committee.

## 3. Procedures

- 3.1 The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. It is intended that the Committee will normally meet quarterly.
- 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 The Committee has access to Vicinity's management, risk and compliance personnel and external and internal auditors to the extent necessary to perform its role. The Committee may meet with those persons with or without management (or particular members of management) being present. These persons have direct access to the Committee. The Chief Executive Officer, Chief Financial Officer, General Counsel, External Compliance Plan Auditor and Directors who are not members of the Committee will be invited to attend all Committee meetings by standing invitation and shall be provided with relevant meeting materials.
- 3.5 The Committee may seek the advice of independent legal, accounting, or other advisers to the extent necessary to carry out its duties.
- 3.6 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.
- 3.7 Minutes or written resolutions of the Committee may be inspected at all times by any Director.
- 3.8 The Board or Committee will periodically assess the Committee's performance.

## 4. Responsibilities

The responsibilities of the Committee are as follows:

### 4.1 Risk Management

#### 4.1.1 Oversee and review:

- a. the risk management framework and risk appetite statement for recommendation to the Board; and
- b. the processes to ensure continuing identification, assessment and prioritisation of strategic, operational and compliance risks (working in conjunction with the Audit Committee with respect to financial risk).

4.1.2 Oversee, review and approve as required the policies, procedures, systems and controls established by management dealing with risk oversight and risk appetite which support the risk management framework.

4.1.3 Assess Vicinity's risk culture through reporting from, and dialogue with, management and report any significant or systemic issues or concerns to the Board.

4.1.4 Consider the implications of new and emerging risks and risks associated with organisational change and major initiatives to enable appropriate oversight and monitoring.

4.1.5 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 and draw the Board's attention to material risks where required.

4.1.6 In consultation with the Audit Committee, recommend internal audit procedures relating to the risk management framework.

4.1.7 Report to the Audit Committee risks identified with respect to Vicinity's systems of financial control such that those risks can be overseen by the Audit Committee.

4.1.8 Review and provide input to management in relation to Vicinity's insurance strategy.

4.1.9 Monitor Vicinity's work health and safety, and environmental and sustainability practices.

4.1.10 Oversee investigations of fraud, ethical matters and failure of internal control systems or risk management and compliance frameworks (including matters raised by whistleblowers) and ensure management's proposed responses are acted upon.

### 4.2 Group Compliance

4.2.1 Oversee and review the compliance management framework for recommendation to the Board.

4.2.2 Oversee and approve as required the policies, procedures, systems and controls established by management to support the compliance management framework.

4.2.3 Review the compliance management framework at least annually and recommend any amendments to the Board.

4.2.4 Oversee compliance with applicable laws by Vicinity.

4.2.5 Obtain regular updates from management regarding compliance matters that may have a material impact on Vicinity.

4.2.6 Review any findings of examinations by regulatory agencies and consider any reports concerning material violations of laws and regulatory requirements of Vicinity, monitor management's responses and make any necessary recommendations to the Board.

#### 4.3 Australian Financial Services Licence (AFSL) Compliance

- 4.3.1 Monitor the compliance plans in respect of each managed investment scheme for which a Vicinity entity is the responsible entity and recommend to the responsible entity Board for approval any amendments that the Committee considers necessary.
- 4.3.2 Monitor management's compliance with requirements under Vicinity's AFSLs.
- 4.3.3 Review and approve policies to support Vicinity's AFSL compliance.

### 5. Interaction with the Board and other Committees

- 5.1 The Committee does not have responsibility for matters set out in the Board Charter that are not included in section 4 of this Charter, nor does the Committee's role extend to risk management in respect of the responsibilities that are set out in the Charters of the Audit Committee and the Remuneration and Human Resources Committee.
- 5.2 The Committee will, in discharging its duties, seek to co-ordinate its activities with the Audit Committee where appropriate. The Chairman of the Committee must liaise with the Chairman of the Audit Committee on an ongoing basis to ensure that no material matter is overlooked by the two Committees.
- 5.3 Financial controls and accounting risks are matters considered by the Audit Committee.
- 5.4 The Board is ultimately responsible for deciding the nature and extent of the risks it is prepared to take in delivering Vicinity's strategy.

### 6. Reporting

- 6.1 The Committee Chair 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. Any significant issues or material risks to Vicinity that the Committee becomes aware of will be notified to the Board.

### 7. Review

- 7.1 The Committee will review the Committee Charter at least annually and recommend proposed amendments to the Board for approval.

### 8. Glossary

<b>Board</b>	the Boards of the Company, the Responsible Entity and VFRE
<b>Company</b>	Vicinity Limited ACN 114 757 783
<b>Responsible Entity</b>	Vicinity Centres RE Ltd ACN 149 781 322, the responsible entity of the Trust
<b>Trust</b>	Vicinity Centres Trust ARSN 104 931 928
<b>VFRE</b>	Vicinity Funds RE Ltd ACN 084 098 180, the responsible entity of the Wholesale Funds managed by Vicinity
<b>Vicinity</b>	the Company, the Trust, the Responsible Entity, VFRE and each of their respective controlled or managed entities