

**Abacus Property Group**

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# **Board Charter**

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**Adopted:**

**Amended:** 26 August 2009; 30 April 2015; 15 February 2018

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# **1 Purpose of Charter**

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- 1.1 The Board charter sets out the role, composition and responsibilities of the Board of Abacus Property Group (“Abacus”) within the governance structure of Abacus.

# **2 Membership and Term**

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- 2.1 The board shall consist of a minimum of three directors and a maximum of ten directors.
- 2.2 The board shall consist of a majority of non-executive directors, which is disclosed in the annual report.
- 2.3 The threshold for materiality for the purpose of assessing the materiality of relationships between a non-executive director and Abacus (other than as a director) will be judged according to the significance of the relationship to the director in the context of their activities as a whole.
- 2.4 The board has not adopted a tenure policy.

# **3 Responsibilities**

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- 3.1 The board has delegated authority for the operations and administration of Abacus to the Managing Director.
- 3.2 The board is responsible for promoting the success of Abacus in a way which ensures that the interests of security holders and stakeholders are promoted and protected.
- 3.3 Specifically, the board is responsible for:
- setting the strategic direction of Abacus and monitoring management’s performance within that framework;
  - determining key policies and procedures governing the operations of Abacus;
  - approving acquisitions, disposals and expenditures in excess of designated limits;
  - ensuring there are adequate resources available to meet Abacus’s objectives;
  - appointing and removing the Managing Director and overseeing succession plans for the management team;
  - approving and monitoring financial reporting and capital management;
  - approving operating and capital budgets;
  - approving and monitoring the progress of business objectives;
  - approving the Risk Management Framework and ensuring that adequate risk management procedures exist and are being used
  - approving the Risk Appetite Statement which determines the overarching risk appetite for the Group;
  - ensuring that Abacus has appropriate corporate governance structures in place including standards of ethical behaviour and a culture of corporate and social responsibility;
  - ensuring compliance with all regulatory requirements; and
  - ensuring that the board is and remains appropriately skilled to meet the changing needs of the company.

- reviewing the Abacus insurance program at least annually having regard to the Group's business and the insurable risks associated with the Group's business.
- Reviewing management compliance with the Abacus Workplace Health and Safety Policy.

### **Chairman**

- 3.4 The Chairman is an independent non-executive director.
- 3.5 Should the Chairman be absent from a meeting, the members of the board present at the meeting have authority to choose one of their number to chair that particular meeting.

### **Separation of functions between the Chairman and the Managing Director**

- 3.6 The roles of the Chairman and Managing Director are strictly separated.
- 3.7 The Chairman is responsible for:
- leading the board in its duties to Abacus;
  - ensuring there are processes and procedures in place to evaluate the performance of the board, its committees and individual directors;
  - facilitating effective discussions at board meetings; and
  - ensuring effective communications with security holders.
- 3.8 The Managing Director is responsible for:
- the policy direction of the operations of Abacus;
  - the efficient and effective operation of Abacus;
  - ensuring directors are provided with accurate and clear information in a timely manner to promote effective decision-making by the board; and
  - ensuring all material matters affecting Abacus are brought to the board's attention.

### **Secretary**

- 3.9 The Company Secretary will be the secretary of the board.
- 3.10 The secretary is responsible for:
- advising the board and its committees on governance matters;
  - monitoring that board and committee policy and procedures are followed;
  - coordinating the timely completion and despatch of board and committee papers;
  - ensuring that the business at board and committee meetings is accurately captured in the minutes; and
  - helping to organise and facilitate the induction and professional development of directors.
- 3.11 Each director may communicate directly with the company secretary and vice versa.
- 3.12 The decision to appoint or remove a company secretary must be approved by the board or otherwise permitted under the Corporations Act 2001 (Cth).

## **4 Conflicts of Interest**

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- 4.1 Abacus values the experience and perspective brought to the board by board members who are involved with stakeholders of Abacus or with companies and organisations that have commercial relationships with Abacus. The involvement with such a company or organisation is in no way perceived to diminish a director's ability to act as an independent director of Abacus. Nevertheless, any director on the board of another entity is ordinarily expected to seek to be excused from any part of a meeting where that entity's commercial relationship with Abacus is directly or indirectly discussed.
- 4.2 Should the Chairman be directly or indirectly involved with an entity being discussed by the board, the Chairman shall excuse himself from the meeting and the members of the board present at the meeting have authority to choose one of their number to chair that section of the meeting.
- 4.3 In accordance with the Conflicts of Interest Policy, Directors must:
- disclose to the board any actual or potential conflicts of interest which may exist as soon as they become aware of the issue;
  - take any necessary and reasonable measures to try to resolve the conflict; and
  - comply with the Corporations Act provisions on disclosing interests and restrictions on voting, which generally will involve the conflicted director being absent from the meeting while the board discusses the matter, and not voting on the matter.
- 4.4 The management of conflicts of interests that may arise within Abacus is detailed in the Conflicts of Interest Policy and the Abacus Conflicts Register.

## **5 Scope and Access**

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- 5.1 The activities of the board are in relation to Abacus.
- 5.2 Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgment in decision making.
- 5.3 In addition to the normal receipt of board papers and other board presentations, directors will be entitled to:
- access members of management and staff at any time to request relevant and additional information or seek explanations;
  - have access to internal and external auditors, without management present, to seek explanations or additional information; and
  - seek independent professional advice with the Chairman's consent, which will not be unreasonably withheld or delayed, and which advice will be at Abacus's expense.

## **6 Reporting**

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- 6.1 Proceedings of all meetings are minuted and signed by the Chairman or the chairman of the meeting.
- 6.2 Minutes of all board meetings are circulated to directors and approved by the board at the subsequent meeting.

## **7 Review of Charter**

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- 7.1 The Board Charter will be reviewed annually to ensure it remains consistent with the board's objectives and responsibilities.

## **8 Other Matters**

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- 8.1 A number of operational matters relating to the board such as meetings of directors, fees, powers and duties of directors, share qualification, notification of interests, appointment and retirement, alternate directors, delegation and appointment of committees and election of directors are governed by the Constitutions of the entities comprising Abacus and are not reproduced here.