

Abacus Property Group

Board Charter

Adopted:

Amended: 26 August 2009; 30 April 2015

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1 Purpose of Charter

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

2 Membership and Term

- 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 APG (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

- 3.1 The board has delegated authority for the operations and administration of APG to the Managing Director.
- 3.2 The board is responsible for promoting the success of APG in a way which ensures that the interests of securityholders and stakeholders are promoted and protected.
- 3.3 Specifically, the board is responsible for:
- setting the strategic direction of APG and monitoring management’s performance within that framework;
 - determining key policies and procedures governing the operations of APG;
 - approving acquisitions, disposals and expenditures in excess of designated limits;
 - ensuring there are adequate resources available to meet APG’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;
 - ensuring that adequate risk management procedures exist and are being used;
 - ensuring that APG 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.

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 APG;
- 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 securityholders.

3.8 The Managing Director is responsible for:

- the policy direction of the operations of APG;
- the efficient and effective operation of APG;
- 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 APG 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

4.1 APG values the experience and perspective brought to the board by board members who are involved with stakeholders of APG or with companies and organisations that have commercial relationships with APG. 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 APG. 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 APG 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 APG is detailed in the Conflicts of Interest Policy and the APG Conflicts Register.

5 Scope and Access

- 5.1 The activities of the board are in relation to APG.
- 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 APG's expense.

6 Reporting

- 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

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

8 Other Matters

- 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 APG and are not reproduced here.