

## **Board Charter**

### **Centro Properties Limited**

The Board of Centro Properties Limited has the powers and responsibilities set out in this document.

#### **1 Background**

Centro Properties Group is a “stapled” vehicle that combines the Company with Centro Properties Trust (collectively the **Group**).

Centro Properties Trust (**Trust**) is a managed investment scheme that is registered under the Corporations Act 2001 (the **Act**). CPT Manager Limited, a wholly owned subsidiary of the Company, is the responsible entity of the Trust.

In general, the Board of the Company is responsible for the management, administration and overall corporate governance of the Company, including the protection of security holders’ interests, developing strategic direction, establishing goals for management and monitoring the achievement of these goals.

#### **2 Composition**

Group policy stipulates that (except in limited circumstances) the board of directors of all subsidiaries will be the same as that of the parent entity. Accordingly, all directors of the Company are also directors of the Responsible Entity.

It is intended that the composition of the Board of the Company be determined using the following principles:

- The Board should comprise at least five directors (this number may be increased by the Board where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified) and in any event, the Board shall determine the number of directors from time to time;
- The chair of the Board should be an independent non-executive director;
- The Board should comprise a majority of independent directors; and
- The Board should have enough directors to serve on various committees of the Board without overburdening the directors or making it difficult for them to fully discharge their responsibilities.

The Board of the Company supports the appointment of directors who bring a range of business skills and experience relevant to the Group.

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## 3 Independence

The Board considers that an 'independent director' is a non-executive director (ie. not a member of management) who:

- (a) is not a substantial shareholder or an officer of, or otherwise associated directly with, a substantial shareholder;
- (b) within the last 3 years has not been employed in an executive capacity or been a director after ceasing to hold such employment;
- (c) within the last 3 years has not been a principal of a material professional adviser or a material consultant to the company, or an employee materially associated with the service provided;
- (d) is not a material supplier/customer, or an officer of or otherwise associated directly or indirectly with a material supplier/customer;
- (e) has no material contractual relationship with the company other than as a director of the company;
- (f) has not served on the board for a period which could, or could be reasonably by perceived to, materially interfere with the director's ability to act in the best interests of the company; and
- (g) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.

## 4 Role

### 4.1 Board

The Board of the Company has the responsibility to plan and run the business and affairs of the Company for the benefit of the stapled security holders of the Company. The Board is accountable to those stapled security holders for the performance of the Company.

The Board of the Company has the following responsibilities and functions:

- reviewing and approving corporate strategies, budgets, annual business plans and Group policies;
- evaluating the performance of the Company against strategies and business plans in order to:
  - monitor the performance of functions delegated to senior management; and
  - assess the suitability of the Company's overall strategies, business plans and resource allocation;
- evaluating the performance of senior management and ensuring executive succession planning;
- monitoring the Company's financial position and business results (including the audit process) to understand at all times the health of the Company;
- ensuring that there is continuing education and information provided to directors regarding:

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- the Company's various businesses; and
- the role of the Board and its functions and obligations;
- considering management recommendations on major investments and strategic commitments;
- ensuring regulatory compliance and maintaining adequate risk management processes;
- reviewing and approving policies, procedures and systems covering the management of business risks, legal risks, corporate governance, privacy, community, environmental and other issues; and
- ensuring a high level of transparency reporting to security holders and compliance with the highest ethical standards and business practices.

### **4.2 Delegation to management**

The Board of the Company has retained responsibility for the strategic direction and control of the Company, whilst delegating the responsibility for the day to day operation and administration of the Company to the Executive Committee.

A key function of the Board of the Company is to monitor the performance of the Company, the Executive Committee and senior management in discharging their responsibilities. The Board conducts a formal executive resources review each year to assess the performance of management.

## **5 Administrative matters**

The Board of the Company meets on a regular basis and is required to review pertinent business developments and issues and approve all strategic decisions relating to the operations, future direction and performance of the Company.

## **6 Review**

The Board of the Company will, at least once in each year review the membership and charter of the Board to determine its adequacy for current circumstances and to determine that the Board's processes are adequate to ensure it is able to carry out its functions in the most effective manner.

Where necessary the Board may by resolution, alter the charters or advise of changes required to the membership to the Board.