



## **BOARD CHARTER**

### **1 PURPOSE OF CHARTER**

- 1.1 This Board Charter sets out the role, composition, responsibilities and operations of the Board of the Centuria Capital Limited (“Centuria”).
- 1.2 The conduct of the Board is also governed by the Constitution of Centuria.

### **2 BOARD COMPOSITION**

- 2.1 The Centuria Constitution provides for a minimum of 5 directors and a maximum of 13 directors.
- 2.2 Directors should be selected for their ability to contribute to setting strategic direction and for their awareness of the broad strategic trends impacting on the company.
- 2.3 Directors should have a practical knowledge of the way the business works and the ability to take a broad view.
- 2.4 The Board should be comprised so that there is diversity of directors in terms of skills and experience.
- 2.5 The Board should be comprised so that the skills required to undertake the responsibilities for compliance are represented.
- 2.6 The Board shall consist of a majority of independent non-executive directors. A director will be deemed an independent director if:
- 2.6.1 They are not a substantial shareholder in any member of Centuria or an associated person of a substantial shareholder (a shareholder who holds an interest in more than 5% of the shares on issue);
- 2.6.2 They do not participate in share, option or performance-based plans;
- 2.6.3 They have not had a material relationship with any of the Group companies in the last 5 years. A relationship is considered material if:
- The director is an employee of Centuria or any of its related body corporates;
  - A family member of the director is an employee of Centuria or a related body corporate;
  - The director is an executive officer of a related body corporate;
  - The director is employed by, or a family member is an executive officer of, or the director or an associate has an interest in, an entity which has material business dealings with the Group (see materiality thresholds);
  - The director is a principle of a material professional advisor or is a material consultant to the company;
- 2.6.4 They have not served on the board for a period which could reasonably be perceived to interfere with the director’s ability to act in the best interests of the company.
- 2.7 The Board has adopted AASB standard 1031 to determine levels of materiality of a business relationship. A business relationship is presumed to be immaterial when it generates less than 5% of gross revenue for the Group and material when it generates 10% or more of gross revenue over

a 12 month period. Further, a business relationship with a supplier/service provider is presumed immaterial where the relationship generates less than 5 % of gross revenue of the supplier/ service provider and material when it generates more that 10% of the supplier/service provider's gross revenue over a 12 month period.

2.8 In considering materiality, consideration is also to be given to the strategic value and other material but non-quantitative aspects of the relationship in question including the significance of the relationship to the director in the context of their activities as a whole.

### **3 TERM**

3.1 A director must retire from office at the conclusion of the third AGM after the director was last elected, or three years, whichever is longer. Subject to the Constitution and the Corporations Law, a retiring director shall be eligible for re-election.

3.2 All directors are expected to continue as directors only for so long as they have the confidence of their fellow Board members and the confidence of Centuria shareholders.

3.3 Directors are to retire at age 72.

### **4 ROLE AND RESPONSIBILITIES**

4.1 The role of the Board is to set the strategic direction of Centuria and to ensure that management is continually striving to achieve above average performance taking into account risk.

4.2 The specific responsibilities of the Board are:

4.2.1 the appointment and removal of the Chief Executive Officer;

4.2.2 to participate with management in setting the goals, strategies and performance targets for the enterprise and to monitor their achievement;

4.2.3 to make available to management the resources to achieve the strategic plan including financial, management, manpower and material resources;

4.2.4 to ensure there are processes in place to conform with legal requirements and corporate governance standards, and that risk exposures are adequately managed;

4.2.5 to approve and monitor the progress of major capital expenditure, capital management, and acquisitions and divestments;

4.2.6 to oversee the financial position of Centuria;

4.2.7 Approve the annual and half-yearly financial reports;

4.2.8 to report progress to the shareholders as their appointed representatives, and seek to align the collective interests of shareholders, boards and management.

### **5 BOARD COMMITTEES**

5.1 Whilst at all times the board retains full responsibility for guiding and monitoring the company, in discharging its stewardship it makes use of sub-committees.

5.2 To this end the Board has established three committees to consider issues and strategies, within common areas, in order to advise and guide the Board. The Board has established an Audit, Compliance & Risk Management Committee, a Nomination and Remuneration Committee and an Investment and Lending Committee.

5.3 Each committee has its own charter which is reviewed at least annually.

### **6 CHAIRMAN**

6.1 The Chairman shall be an independent non-executive director.

6.2 Should the Chairman be absent from a meeting, the Board present at the meeting have authority to choose one of their number to chair that particular meeting.

## **7 DELEGATION TO MANAGEMENT**

- 7.1 The Board delegates to the Chief Executive Officer the authority and power to manage the day to day operations and administration of Centuria. The Chief Executive Officer has the authority to sub-delegate to the executive management team.

## **8 ACCESS TO INDEPENDENT PROFESSIONAL ADVICE**

- 8.1 The Board has the authority to seek external professional advice as considered necessary in the performance of its duties, at Centuria's expense.
- 8.2 Each director may seek independent professional advice, at Centuria's expense, in relation to the performance of their duties as a director.

## **9 BOARD MEETINGS**

- 9.1 Ordinarily the Board shall meet monthly. Additional meetings may be held as required.
- 9.2 The proceedings of all meetings are minuted. Minutes of Centuria Board meetings will be reviewed by the Board at the next following meeting. If the Board approves the form of the minutes, the Chairman shall then sign them.
- 9.3 Agendas for a Board meeting are set using a standard Agenda approved by the Chairman. Suggestions for inclusions on the agenda for a meeting are received from management and the Board. A draft agenda is referred to the Chairman before finalisation. Any director may have an item added to the agenda.
- 9.4 Board papers are circulated in advance of the board meeting so as to give directors adequate time to review the papers prior to the meeting. Board papers are circulated in either electronic or hard copy form. With the consent of the Chairman, papers may be tabled at the board meeting.
- 9.5 The CEO will generally be invited to attend Board meetings along with Senior Management as required. The Board will, however, meet regularly without management present to discuss management issues or matters of a particularly sensitive nature.
- 9.6 Directors who have a conflict of interest in relation to an item of business to be discussed in a board meeting must disclose that conflict to the Chairman and absent themselves from the meeting prior to, and for the duration of any discussion on that subject.
- 9.7 Directors should endeavour to attend all meetings and should only be absent due to illness or other unavoidable circumstances.

## **10 COMPANY SECRETARY**

- 10.1 All directors will have direct access to the Company Secretary.
- 10.2 The Company Secretary is accountable to the Board, through the Chairman, on all corporate governance matters.
- 10.3 Any proposed appointment or removal of the Company Secretary is a matter that is presented to the Board for consideration.

## **11 PERFORMANCE EVALUATION**

- 11.1 The Board shall undertake an annual performance evaluation of itself
- 11.2 The performance evaluation shall be in a manner the Board deems appropriate.

## **12 REVIEW OF CHARTER**

- 12.1 The Board will review this charter as required to ensure that it remains consistent with the Board's objectives and responsibilities.