



**MACARTHURCOOK**

A Member of AIMS Financial Group

## Board Charter

### Role of the Board of Directors

The primary role of the Board is to protect and promote the interests of unitholders in achieving sustainable returns and the long term success of the Fund by:

- setting and monitoring the strategic objectives goals and business direction for management, with a view to maximizing shareholder value and achieving best practice in meeting other shareholder and stakeholder expectations (eg ethical, environmental and regulatory);
- ensuring the supply of the requisite resources, both financial and human, to achieve those objectives and goals;
- recognising and promoting a focus upon a “triple bottom line” comprised of earnings, societal and environmental measures; developing a set of corporate governance principles and guidelines for the Fund and providing for processes which will achieve conformance with such;
- approving annual, half-yearly and quarterly financial reports upon recommendation from the Audit, Risk and Compliance Committee, a sub-committee of the Board;
- through the Audit, Risk and Compliance Committee, ensuring adequate internal controls exist and are appropriately monitored for compliance;
- through the Audit, Risk and Compliance Committee, appointing and assessing the performance of the Fund’s auditor;
- ensuring that the executive management team is appropriately qualified and experienced to discharge their responsibilities;
- adopting an annual budget and monitoring financial performance by the establishment and reporting of both financial and non-financial KPIs for both the Fund and its senior executives.
- reviewing the performance of the Directors and the senior management team;
- through the Audit, Risk and Compliance Committee, ensuring significant business risks are identified and appropriately managed;
- establishing guidelines for the selection, appointment and ongoing education of Directors and monitoring the performance of the Board;
- setting the highest business standards and code for ethical behaviour;
- promoting and maintaining the Fund’s reputation;
- promoting the well being of the Fund’s staff and ensuring that they receive ongoing training and support.

## **Board Structure**

Since good governance principles require independence, transparency and flexibility, the Board acknowledges the importance of board structure and, as a consequence, the Board seeks to use the following provisions as guidance when implementing an effective governance structure.

### **Number of Directors**

In accordance with the Constitution, the Board may comprise up to ten (10) individual Directors with a minimum of three (3). Directors will be classified as independent, non-executive or executive.

#### Independent Director

An Independent Director is one who is not or has not within the last three years been an executive, is not a nominee of a substantial shareholder, is not involved in the value chain of the organisation either upstream or downstream and is not, and has not within the last three years been, an adviser to the Fund for fees or some other benefit.

For the purposes of this definition 'substantial shareholder' is one who owns equal to or greater than 5% of the issued capital of the Fund (i.e. Corporations Act definition)

#### Non-executive Director

A Non-executive Director is not a current executive but can be a previous executive (so long as he has not been employed by the Fund for a period of 2 years), a nominee of a major shareholder, involved in the value chain of the organisation or an adviser to the Fund for fees.

#### Executive Directors

The Board recognises that there may be multiple Executive Director roles within the Fund, from time to time. It is envisaged that the Executive Directors will hold substantially wider delegations than other Directors, in line with their particular management functions within the Fund.

### **Attributes of Board**

The attributes the Board should be able to offer the Fund include: business and financial management; capital raising and legal experience; property, lending and financial services industry knowledge and compliance orientation.

### **Board Vacancies**

When a vacancy exists, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board, selects a candidate with the appropriate experience and expertise.

### **Rotation of Directors**

Non-executive Directors must retire every three years and they are eligible for re-election at the Annual General Meeting. The Board also has the responsibility of reviewing the performance of Directors.

### **Independent advice**

Each Director has the right to seek independent advice at the consolidated entity's expense. However, prior approval of the Chairman is required, which will not be unreasonably withheld.

### **Board sub-committees**

The Board is supported by the Audit, Risk and Compliance Committee.