

# Board Charter

## 1. Introduction

- 1.1 This Charter sets out the functions and responsibilities of the Board of Mustera Property Group Ltd (**Company**), together with its controlled entities (**Group**). The role of the Board is to provide overall strategic guidance and effective oversight of management and it derives its authority to act from the Company's Constitution
- 1.2 A copy of this charter is available on the Company's website: [www.mustera.com.au](http://www.mustera.com.au).
- 1.3 To the extent practicable, the Company has followed the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (4<sup>th</sup> Edition) (**Recommendations**).

## 2. The Board's relationship with Management

- 2.1 The Board shall delegate the day-to-day operations and administration of the Company to the Managing Director (or equivalent).
- 2.2 Specific limits on the authority delegated to the Managing Director (or equivalent) and the team of executives as appointed by the Company must be set out in the delegated authorities approved by the Board.
- 2.3 The role of management is to support the Managing Director (or equivalent) and implement the running of the general operations and financial business of the Company including instilling and reinforcing the Company's values, in accordance with the delegated authority of the Board.
- 2.4 In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the effective carrying out of their duties as directors.

## 3. Functions of the Board

- 3.1 The Board is accountable to shareholders for the performance of the Company. Board members also have a responsibility to protect the rights and interests of the Company and to create shareholder wealth having due regard to the interests of other stakeholders.
- 3.2 The responsibilities of the Board include:
  - a. driving the strategic direction of the Company and defining the Company's purpose, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
  - b. approving the Company's statement of values and Code of Conduct to ensure the desired culture within the Company is maintained and monitoring the implementation of such values and culture at all times;
  - c. ensuring that an appropriate framework exists for relevant information to be reported by management to the Board;
  - d. when required, challenging management and holding it to account;
  - e. appointment and replacement of the Managing Director (or equivalent), other senior executives and the Company Secretary and the determination of the terms and conditions of their employment including, remuneration and termination;
  - f. approving the Company's remuneration framework and ensuring it is aligned with the Company's purpose, values, strategic objectives and risk appetite;
  - g. monitoring the timeliness and effectiveness of reporting to shareholders;
  - h. reviewing and ratifying systems of audit, risk management (for both financial and non-financial risk) and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters;
  - i. approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;

- j. approving and monitoring the budget and the adequacy and integrity of financial and other reporting such that the financial performance of the Company has sufficient clarity to be actively monitored;
- k. approving the annual, half-yearly and quarterly reports;
- l. approving significant changes to the organisational structure;
- m. approving decisions affecting the Company's capital, including determining the Company's dividend policy and declaring dividends;
- n. recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the Corporations Act 2001 (Cth) and ASX Listing Rules if applicable);
- o. ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making; and
- p. procuring appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively and to deal with new and emerging business and governance issues.

#### 4. Composition of the Board

- 4.1 The Board should comprise of directors with a mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.
- 4.2 In appointing new members to the Board, consideration must be given to the demonstrated ability and also future potential of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.
- 4.3 The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction and to deal with new and emerging business and governance issues.
- 4.4 Where practical, the majority of the Board should be comprised of non-executive directors who can challenge management and hold them to account as well as represent the best interests of the Company and its shareholders as a whole rather than those of individual shareholders or interest groups. Where practical, at least 50% of the Board should be independent.
  - a. An independent director is a director who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.
  - b. In considering whether a director is independent, the Board should consider the definition of what constitutes independence as detailed in Box 2.3 of the Recommendations as set out in Annexure A (**Independence Tests**).
- 4.5 Prior to the Board proposing re-election of non-executive directors, their performance will be evaluated by the nomination and remuneration committee to ensure that they continue to contribute effectively to the Board.
- 4.6 The Company must disclose the length of service of each director, their independence, the relevant qualifications and experience of each member of the Board in, or in conjunction with, its annual report.

#### 5. Induction Programme

- 5.1 When appointed to the Board, a new director will receive an induction appropriate to their experience. The induction programme will be designed to enable a new director to gain an understanding of:

- a. the Company's operations and the industry in which it operates;
- b. the Company's financial, strategic, operational and risk management position;
- c. their rights, duties and responsibilities;
- d. any other relevant information.

## **6. Director Responsibilities**

- 6.1 Where a director has an interest, position or relationship of the type described in the Independence Tests, but the Board is of the opinion that it does not compromise the independence of the director, the Company must disclose the nature of the interest or relationship in question and an explanation of why the Board is of that opinion.
- 6.2 Directors must disclose their interests, positions or relationships. The independence of the directors should be regularly assessed by the Board in light of the interests disclosed by them.
- 6.3 Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.
- 6.4 Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- 6.5 Directors are expected to maintain the skills required to discharge their obligations to the Company and should undertake continuing professional development to the extent necessary.
- 6.6 No member of the Board (other than a Managing Director) may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.

## **7. Board Committees**

- 7.1 The Board may establish committees to assist in the execution of its responsibilities. The members of the committees are appointed by the Board. The Board may appoint additional directors to committees or remove and replace members of committees by resolution.
- 7.2 The primary purpose of the Board's committees is to facilitate appropriate involvement by directors, ensure contestability of opinion and raise the level of interaction between the Board and management.
- 7.3 The Board has established an Audit and Risk Committee to assist and advise the Board on specific matters set out in the charter of that committee. However, the Company has not established a separate Nomination and Remuneration Committee at this stage; as such, the full Board of the Company currently undertakes the roles and responsibility of that committee as set out in its charter.
- 7.4 The Company must disclose the members and chairman of each committee in, or in conjunction with, its annual report.
- 7.5 The minutes of each committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such committee meeting.

## **8. Role of Chairman**

- 8.1 The Board may appoint a Chairman of the Board who should be a non-executive director and whose responsibilities may include:
  - a. providing leadership to the Board;
  - b. ensuring the efficient organisation of the Board and conduct of its functions;
  - c. chairing Board and shareholder meetings. In the event that the Chairman of the Board is absent from a Board meeting, then the Board shall appoint a Chairman for that meeting in an acting capacity;

- d. ensuring all directors are briefed on material matters arising at or between Board meetings;
- e. facilitating effective contributions by all directors;
- f. promoting constructive and respectful relations among board members and between board and management.

8.2 The roles of the Chairman and Managing Director should be separate.

## **9. Role of Managing Director**

9.1 The Board may appoint a Managing Director (or equivalent) whose responsibilities may include the overall operational and business management and profit performance of the Company, whilst also managing the Company in accordance with the strategy, plans and policies approved by the Board to achieve agreed goals.

## **10. Board Meetings**

10.1 The directors may determine the quorum necessary for the transaction of business at a meeting, however, until otherwise determined, there must be two directors present at a meeting to constitute a quorum.

10.2 The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required

10.3 Non-executive directors may confer at scheduled times without management being present.

10.4 The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairman of the Board and circulated to directors after each meeting.

10.5 The Company Secretary shall ensure that the business at Board and committee meetings is accurately captured in the minutes.

10.6 The Company Secretary shall co-ordinate the timely completion and distribution of Board and committee papers for each meeting of the Board and any committee.

10.7 Minutes of meetings must be approved at the next Board meeting.

10.8 Further details regarding Board meetings are set out in the Company's Constitution.

## **11. The Company Secretary**

11.1 When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its committees and between senior executives and non-executive directors.

11.2 The Company Secretary is accountable directly to the Board, through the Chairman of the Board, on all matters to do with the proper functioning of the Board.

11.3 The Company Secretary is to facilitate the induction and professional development of directors.

11.4 The Company Secretary is to facilitate and monitor the implementation of Board policies and procedures.

11.5 The Company Secretary is to provide advice to the Board on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and applicable other laws.

11.6 All directors have access to the advice and services provided by the Company Secretary.

11.7 The Board has the responsibility for the appointment and removal, by resolution, of the Company Secretary.

**12. Access to Information**

12.1 Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. Unless a conflict exists or to do so would be inconsistent with the director's duties, the director is to request such information via the Chairman or Managing Director (or equivalents).

**13. Independent Advice**

13.1 The Board has a policy under which individual directors and Board committees may obtain independent professional advice at the Company's expense in relation to the execution of their duties. The process for obtaining any such advice requires the director to notify the Chairman in advance. The Chairman will be provided with a copy of the final advice which may, if appropriate, be circulated to the other directors.

**14. Education and Professional Development**

14.1 Directors and executives will have access to continuing education to update and enhance their skills and knowledge. This will include education concerning key developments in the Company and within the industry and environments within which it operates.

**15. Review of Charter**

15.1 The Board will review this Charter from time to time to ensure it remains consistent with the Board's objectives and responsibilities.

**16. Publication of Charter**

16.1 This Charter will be available on the Company's website and the key features will be published in the annual report.

**Version control**

28 July 2014	First adoption
16 March 2021	Review and update to be consistent with the 4 <sup>th</sup> Edition

## **Annexure A – Independence Tests**

Examples of interests, positions and relationships that might raise issues about the independence of a director include if the director:

- a. is, or has been, employed in an executive capacity by the Company or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- b. receives performance-based remuneration (including options or performance rights), or participates in an employee incentive scheme of the Company;
- c. is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the Company or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
- d. is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder of the Company;
- e. has close personal ties with any person who falls within any of the categories described above; or
- f. has been a director of the Company for such a period that their independence from management and substantial holders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the Board to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party