



INVESTEC PROPERTY LIMITED

# Board Charter

To apply from the date of listing of Investec Australia Property Fund on ASX

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# 1 About this Charter

## 1.1 Policy statement

This Charter sets out a framework for the role, composition and meeting procedures of the Board. IAPF is a registered managed investment scheme under the Act and is operated by IPL as RE. Under Australian law the RE has primary responsibility for the governance and operation of IAPF and is statutorily obliged to act in the best interest of unitholders.

The Board is fully committed to and acknowledges the requirements relevant to it under:

- the Constitution and other constituent documents of IAPF;
- the Act, in relation to the Company and IAPF;
- JSE LR, while IAPF is listed on the JSE;
- King IV Code - Principles of Corporate Governance for South Africa, while IAPF is listed on the JSE;
- ASX LR, while IAPF is listed on ASX; and
- ASX Corporate Governance Principles and Recommendations, while IAPF is listed on ASX.

IAPF is listed on JSE and ASX. As such, this Charter must comply with the requirements of both the JSE and ASX. Where the requirement of one exchange is more stringent than the requirement of another exchange, compliance with the more stringent requirement is required. If it is not possible to comply with both the JSE LR and the ASX LR, IPL must comply with the rule or requirement of the Main Trading Exchange at the relevant time. IPL is a member of Investec.

The Board acknowledges that there may be certain recommended or prescribed corporate governance principles that are not practically capable of implementation. In relation to IAPF, the Board will ensure that the necessary disclosure and explanation will be provided annually in IAPF's annual report. At all times, the Board will endeavour to adopt a best practice approach to culture and values as they relate to both IPL and IAPF.

## 1.2 Defined terms

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<b>Act</b>	Corporations Act 2001 (Cth)
<b>ASIC</b>	Australian Securities & Investments Commission
<b>ASX</b>	ASX Limited or Australian Securities Exchange, as the context requires
<b>ASX LR</b>	ASX Listing Rules
<b>Board</b>	Board of directors of IPL
<b>Chairperson</b>	Person who chairs the Board
<b>Company Secretary</b>	Company secretary of IPL
<b>Constitution</b>	Constitution of IAPF dated 12 December 2012 (as amended from time to time) or the constitution of IPL as the context requires
<b>Director</b>	Director of IPL
<b>IAPF or Fund</b>	Investec Australia Property Fund
<b>Investec</b>	Investec group of companies including Investec Bank plc in relation to Australian operations where applicable, Investec Holdings Australia Limited and its subsidiaries and Investec Property Holdings Australia Pty Limited and its subsidiaries

<b>IPL</b>	Investec Property Limited
<b>JSE</b>	JSE Limited or Johannesburg Stock Exchange, as the context requires
<b>JSE LR</b>	Listings Requirements of the JSE
<b>Main Trading Exchange</b>	Has the meaning given to it in the Constitution
<b>Manager</b>	Investec Property Management Pty Limited
<b>RE</b>	Responsible entity

### 1.3 Application of this Charter

This Charter applies to IPL and the Board.

### 1.4 Ownership and review

This Charter is the responsibility of the Company Secretary and will be reviewed annually to ensure it complies with relevant standards. Material changes will be submitted to the Board for approval. This Charter is available on IAPF's website. Key features may also be published in:

- (a) the annual report or a link to the governance section of IAPF's website; or
- (b) the Appendix 4G form to be lodged with ASX at the same time as the annual report.

## 2 Role

The primary role of the Board including in its capacity as RE of IAPF, is to use its expertise to develop, review and implement the strategic direction of IPL and IAPF while at all times representing the shareholders of IPL and IAPF unitholders, protecting the interests of IPL and IAPF and fulfilling the Board's duties and obligations under the Constitution, the Act, the JSE LR, the ASX LR, the ASX Corporate Governance Principles and Recommendations and the King IV Code. In doing this, the Board should:

- act with due care, skill and diligence;
- act in good faith and in the best interests of the shareholders of IPL or the unitholders of IAPF (as applicable);
- avoid conflicts of interest;
- act ethically beyond mere legal compliance and set the tone for an ethical organisational structure;
- ensure they have sufficient working knowledge of IPL and IAPF;
- continuously develop their competencies;
- attend meetings and prepare for those meetings;
- adopt a stakeholder inclusive approach; and
- be transparent in the manner in which they exercise their responsibilities.

The Board is responsible for:

- demonstrating leadership, defining the purpose and setting the strategic objectives of IPL and IAPF;
- approving IPL's and IAPF's code of conduct to underpin the desired culture within each entity;
- appointing the Chairperson and any deputy Chairperson and any lead independent director;

- approving the appointment and if necessary the replacement of the Company Secretary;
- overseeing management's implementation of IPL's and IAPF's business model, achievement of strategic objectives, instilling IPL's and IAPF's values and performance generally;
- through the Chairperson, overseeing the role of the Company Secretary;
- approving operating budgets and major capital expenditure;
- monitoring the integrity of IPL's and IAPF's accounting and corporate reporting systems, including the external audit;
- monitoring IPL's and IAPF's process for making timely and balanced disclosure of all material information concerning IPL and/or IAPF that a reasonable person would expect to have a material effect on the price or value of IAPF's securities;
- monitoring IPL's and IAPF's risk management framework and setting the risk appetite within which the Board expects management to operate;
- overseeing arrangements in relation to the operation of IAPF; and
- monitoring the effectiveness of IPL's and IAPF's governance practices.

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### 3 Composition, quorum and voting

The Board will at all times apply the prescribed terms of the Constitution and consider the recommended corporate governance principles, particularly where these adopt a more stringent standard than the Constitution.

The Board will consist of a majority of independent non-executive Directors. IPL will disclose the names of the Directors considered by the Board to be independent Directors.

The Directors will determine the size of the Board, subject to the Constitution and applicable law, including the rules concerning board limits under the Act. The number of Directors and the composition of the Board must at all times be appropriate to IPL to achieve efficient decision making and adequately discharge its responsibilities and duties.

IPL seeks to have Directors with an appropriate range of skills, knowledge, experience, independence and diversity, and an understanding of and competence to deal with current and emerging issues of the business. It will have a Board skills matrix setting out the skills and diversity that the Board has or is looking for in order to identify any gaps in skills that the Board seeks.

The process of selection and appointment of new Directors is that when a vacancy arises, candidates with appropriate skills, knowledge, experience, independence and expertise will be identified. Candidates with the skills, knowledge, experience, independence and expertise that best complement the Board's effectiveness will be recommended to the Board. When the Board considers that a suitable candidate has been found, that person may be appointed by the Board to fill a casual vacancy in accordance with the constitution.

Independent non-executive Directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment. Executive Directors and other senior management will have their roles and responsibilities set out in a service contract. Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.

Directors must retire from office in accordance with the Constitution. Retiring Directors may be eligible for re-election. Before any re-election, the Board (excluding the relevant Director) will assess the performance of any Director standing for re-election and the Board will determine their recommendation on the re-election of the Director (in the absence of the Director involved). The lead independent Director will conduct the review of the Chairperson.

IPL must disclose the length of service of each Director.

All Directors, whether independent or not, should bring an independent judgement to bear on all Board decisions.

A Director is considered an independent Director if he or she is free of any interest, position, association 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 IPL, IAPF and its unitholders.

A Director who:

- is, or has been, employed in an executive capacity by IPL, IAPF or any group member and there has not been a period of at least 3 years between ceasing that employment and serving on the Board;
- receives performance based remuneration or participates in employee incentive schemes;
- is, or has within the last 3 years been, a partner, director or senior employee of a provider of material professional services to IPL, IAPF or any group member;
- is, or has been within the last 3 years, in a material business relationship (eg as a supplier or customer) with IPL, IAPF or any group member, or an officer of, or otherwise associated with, someone with such a relationship;
- is or represents a substantial security holder of IPL, IAPF or an officer of, or otherwise associated with, a substantial security holder of IPL or IAPF;
- has a material contractual relationship with IPL, IAPF or another group member other than as a Director;
- has close personal ties with any person who falls within any of the categories described above; or
- has been a Director for such a period that his or her independence from management and substantial holders may have been compromised,

will not be independent, unless the Board is satisfied on reasonable grounds that the Director is independent despite the existence of one or more of these circumstances. In each case, the materiality of the interest, position, association or relationship as a whole needs to be assessed 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 IPL, IAPF and its unitholders generally.

The Board will assess the independence of each non-executive Director in light of interests disclosed by them at least annually prior to publication of the annual report of IAPF. Each non-executive Director must provide the Board with all relevant information for this. If a non-executive Director's interests, positions, associations or relationships change, the assessment should be made as soon as practicable after the Board becomes aware of the change.

If the Board determines that a director's independent Director status has changed, that determination will be disclosed to the market in a timely manner.

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## 4 Meetings

- There will be a minimum of four meetings per year, but the Board may meet whenever required on an ad hoc basis.
- The Chairperson may call a meeting and must call a meeting if requested to do so by any other Director.

- The Company Secretary shall prepare the agenda in conjunction with the Chairperson. This should reflect the matters for discussion at each meeting and the agenda and accompanying documentation shall be circulated to Directors and any other persons required to attend the particular meeting, at least three days prior to the meeting.
- Where deemed appropriate by the Chairperson, meetings may occur via conference call or other electronic means and approvals and recommendations may occur via written resolution.
- The Chairperson may, at his or her discretion, invite other persons to meetings of the Board as deemed necessary.
- Directors are expected to prepare adequately for, attend and participate in Board meetings. Directors should consider the sufficiency of the contents of the board papers that they have been provided for consideration. The Board should assess the information that it receives and the timing of its distribution to ensure the Board has sufficient time to examine the material provided to it for approval.
- Directors are committed to collective decision making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the Directors. Individual Directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.
- Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.
- The Company Secretary or nominee shall make a record of the proceedings of each meeting. The draft minutes of each Board meeting of IPL and IAPF shall be reviewed by the Chairperson and, upon finalisation, shall be circulated to each Director and will be confirmed at the following Board meeting.
- Following consultation with the Chairperson, Directors may seek independent professional advice at IPL's or IAPF's expense. Generally this advice will be available to all Directors if the Chairperson considers the advice relevant for them to discharge their responsibilities as directors.

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## 5 Objectives

The objectives of the Board relate to IPL and IAPF in their entirety. The Board will:

- approve the strategy of IPL and IAPF;
- act as a focal point for, and custodian of, corporate governance;
- provide effective and ethical leadership;
- ensure IPL and IAPF are responsible corporate citizens;
- be responsible for the high-level review of risk, including that of information and technology; and
- ensure that IPL and IAPF comply with all the applicable laws and adhere to non-binding rules and standards.

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## 6 Delegation

- To achieve the objectives of the Board, the Board may delegate certain of the duties and functions listed above, as well as others not specifically listed in this Charter, to various Board committees, forums or the CEO of IAPF, without abdicating its own responsibilities.
- Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The chairperson of each committee will report on committee meetings to the Board at the next full Board meeting.

- The Board delegates to the CEO of IAPF the authority to manage the day to day affairs of IPL and IAPF and the authority to control the affairs of IPL and IAPF in relation to all matters other than those reserved to the Board and its committees under their charters or under specific limitation or guidance from the Board.
- The CEO of IAPF has authority to delegate to the senior management team who are responsible for:
  - implementing the strategic objectives of, and operating within the risk appetite set by, the Board and for all other aspects of the day-to-day running of IPL and IAPF; and
  - providing the Board with information to enable the Board to perform its responsibilities.
- From time to time the Board may review the division of functions between the Board and management so that it continues to be appropriate to the needs of IPL and IAPF.
- The Board has formally defined and documented by way of terms of reference the authority it has delegated to the various Board committees.
- In fulfilling its responsibilities, the Board is supported by management in implementing the plans and strategies approved by the Board. In this regard a management agreement has been entered into by IPL as RE of IAPF with the Manager, under which the Manager performs asset management and property management services for IAPF.
- The Directors have complete and open access to management following consultation with the Chairperson and the CEO of IAPF.

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## 7 Scope of responsibilities

The above list of objectives and delegations is not intended to be either complete or exclusive, and the Board will, in addition, have such powers as may be necessary or appropriate for the performance of its duties as required by the Constitution, the law (including the Act), regulations (including the JSE LR and the ASX LR) and principles of good governance (including the King Code IV and the ASX Corporate Governance Principles and Recommendations). All interpretations and determinations of the Board will be binding on all affected parties.

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## 8 Role and responsibilities of Chairperson

The Chairperson is an independent and non-executive Director appointed by the Board. The Chairperson should not be the same person as the CEO of IAPF. The Chairperson is responsible for:

- chairing Board and unitholder meetings, setting the Board's agenda and seeking to ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- seeking to ensure that Directors are briefed on Board matters and leading the Board in reviewing and discussing Board matters;
- seeking to facilitate effective contribution by all Directors and monitoring Board performance;
- seeking to promote constructive and respectful relations between Board members and between the Board and management;
- seeking to achieve the objective that membership of the Board is skilled and appropriate for IPL's and IAPF's needs;
- monitoring the role of the Company Secretary; and
- monitoring the implementation of policies and systems for Board performance review and renewal.

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## 9 Role and responsibilities of Lead Independent Director

The Lead Independent is an independent non-executive Director appointed by the Board. The Lead Independent is responsible for:

- leading in the absence of the chair;
- serving as a sounding board for the chair;
- acting as an intermediary between the chair and other members of the governing body, if necessary;
- dealing with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate;
- strengthening independence of the governing body if the chair is not an independent non-executive member of the governing body;
- chairing discussions and decision-making by the governing body on matters where the chair has a conflict of interest; and
- leading the performance appraisal of the chair.

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## 10 Role and responsibilities of Company Secretary

The Company Secretary acts as secretary of the Board, attending meetings of the Board and its committees. The Company Secretary is accountable directly to the Board, through the Chairperson, on matters to do with the proper functioning of the Board. In addition to responsibilities under the IPL's and IAPF's constitution, and matters specifically delegated to them, the Company Secretary acts as chief administrative officer and as a point of contact between the Board and the Manager. The Company Secretary's responsibilities include:

- monitoring that policies and procedures of the Board are followed;
- organising Board and committee meetings, Director attendance, draft notices of meetings and resolutions for approval, and coordinating the despatch of Board and committee meeting papers;
- capturing the business of Board and committee meetings in the minutes, and circulating minutes from committee meetings to the Board;
- helping to organise and facilitate the induction and professional development of Directors so that they can develop and maintain the skills and knowledge needed to perform their role as Directors effectively; and
- seeking to ensure that IPL and IAPF complies with relevant requirements under the Act regarding registered office, annual returns and notices to be lodged with ASIC.

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## 11 Evaluation

The evaluation of the Board, its committees and individual Directors will be performed every year.

Periodically the Board will review and evaluate:

- its own performance, including against the requirements of this Charter;
- the performance of its committees;
- the performance of individual Directors; and
- the performance of the Manager,

against both measurable and qualitative indicators. IPL will disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.