



Board Charter

Australand Holdings Limited (ABN 12 008 443 696)

Australand Property Limited (ABN 90 105 462 137; AFSL No. 231130)

Australand Investments Limited (ABN 12 086 673 092; AFSL No. 228837)

Updated February 2009

Board Charter

1. Introduction

- 1.1 Australand Holdings Limited (**AHL**), Australand Property Trust (**APT**), Australand Property Trust No.4 (**APT4**) and Australand Property Trust No.5 (**APT5**), operating under the trading name **Australand**, are listed on the Australian and Singapore Stock Exchanges. AHL, Australand Property Limited as the responsible entity of APT and Australand ASSETS Trust and Australand Investments Limited as the responsible entity of APT4 and APT5 have identical Boards of Directors. The term **Board** hereafter should be read as references to these Boards.
- 1.2 The Board is responsible for the corporate governance of Australand.
- 1.3 The purpose of this charter is to:
- a) promote high standards of corporate governance;
 - b) clarify the role and responsibilities of the Board; and
 - c) enable the Board to provide strategic guidance for Australand and effective management oversight.
- 1.4 This charter is supported by Australand's Code of Business Ethics and Conduct, Code of Conduct for Directors and Senior Executives, Continuous Disclosure Policy, Dealing in Australand Securities Policy, Security Holder Communication Policy, Whistleblower Policy and the charters for the Audit Committee, Executive Committee, Nominations Committee, Remuneration Committee and Risk & Compliance Committee.

2. Board Size, Composition and Independence

- 2.1 There must be a minimum of three directors and a maximum of 15 directors.
- 2.2 The Board comprises directors:
- a) with an appropriate range of skills, experience and expertise;
 - b) who can deal with current and emerging business issues; and
 - c) who can review and challenge the performance of management and exercise independent judgement.
- 2.3 A director is considered independent if they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement, and who otherwise meets the following criteria:
- a) the director is not a member of Australand's management;
 - b) the director is not a substantial securityholder of Australand or an officer of, or otherwise associated directly with an organisation that has a holding of 5% or more of the voting stapled securities in Australand;

- c) within the last three years, the director has not been employed in an executive capacity by any company in the Australand group or has been a director after ceasing to hold such employment;
- d) within the last three years, the director has not been:
 - a principal of:
 - an auditor; or
 - any material professional adviser; or
 - a material consultant,
to any company in the Australand group; or
 - an employee materially associated with any such service provided.

In this context, the relationship with the professional adviser or consultant shall be deemed to be material if payments on an annual basis to or from that professional adviser or consultant exceed 10% of the expenditure on an annual basis by Australand on professional or consulting services, or exceeds 10% of the annual revenue of the relevant professional adviser or consultant;

- e) the director is not a material supplier or customer of Australand or an officer of, or otherwise associated directly or indirectly with a material supplier or customer. In this context, the supplier or customer shall be deemed to be material if payments on an annual basis to or from that supplier or customer exceed 10% of the annual consolidated gross revenue of either Australand or of that supplier or customer;
- f) the director has no material contractual relationship with a company in the Australand group other than as a director of the company;
- g) the director has not served on the Board for a period that could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Australand; and
- h) the director is free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Australand.

2.4 The Board currently consists of nine directors, comprising eight non-executive directors and one executive director being the Managing Director. Five of the non-executive directors are independent in accordance with the above criteria.

2.5 The Nominations Committee is responsible for recommending candidates for appointment to the Board including any nominees proposed by securityholders.

3. The Board's Role and Responsibilities

- 3.1 The Board acts on behalf of securityholders and is accountable to securityholders for the overall direction, management and corporate governance of Australand.
- 3.2 The responsibilities of the Board are to:
- a) oversee Australand, including its control and accountability systems;
 - b) appoint, evaluate, reward and remove the Managing Director and approve the appointment of those reporting to the Managing Director;
 - c) monitor the performance of the Managing Director;
 - d) ratify the appointment, and where appropriate, the removal of the Chief Financial Officer and Company Secretary;
 - e) ratify other senior executive appointments, organisational changes and senior management remuneration policies and practices;
 - f) approve succession plans for management;
 - g) report to securityholders;
 - h) determine distribution policy and the amount, timing and nature of distributions to securityholders;
 - i) provide strategic advice to management;
 - j) approve corporate strategy and performance objectives;
 - k) monitor management's implementation of strategy and ensure appropriate resources are available;
 - l) approve budgets and financial policies;
 - m) approve and monitor capital management and acquisitions and divestments;
 - n) establish a sound system of risk oversight and management and internal control;
 - o) review and ratify systems of risk management, internal compliance and control, and legal compliance;
 - p) review and oversee the implementation of Australand's Code of Business Ethics and Conduct and the Code of Conduct for Directors and Senior Executives;
 - q) oversee the development of policies in relation to occupational, health, safety and the environment arising out of the activities of Australand;
 - r) approve charters for the committees of the Board;
 - s) monitor compliance with legal and regulatory requirements and ethical standards and policies; and
 - t) adopt and oversee implementation of appropriate corporate governance principles and policies.

4. The Board and Management

- 4.1 The Board has delegated to the Managing Director the authority and powers necessary to implement the strategies approved by the Board and to manage Australand within the policies and specific delegation limits specified by the Board from time to time.
- 4.2 The Managing Director may further delegate to the senior executive team within those policies and specific delegation limits, but remains accountable to the Board for all authority delegated to the senior executive team.

- 4.3 The Board has also delegated specific authorities to management. The Statement of Delegated Authorities stipulates authority limits for each level of staff in the organisation for various income, expenditure, capital and non-financial categories (including recruitment, remuneration, submissions to government departments, communication with the ASX and other regulatory bodies, media and press releases, investor communication, donations, etc. The application of these limits are subject to regular review by Group Finance and Internal Audit.
- 4.4 The Board has in place procedures to assess the performance of the Managing Director and senior executive team.

5. The Managing Director

- 5.1 The role of the Managing Director is to:
- a) Develop and deliver on Australand's Strategic Plan in the most effective and efficient manner;
 - b) Be accountable for the overall performance of Australand and for the day to day running and management of the business, under the delegated authority provided by the Board.
- 5.2 The Managing Director's key responsibilities include:
- a) Implementing the Board's policies and approved strategies;
 - b) Managing resources efficiently and effectively to achieve the Group's objectives;
 - c) Developing and presenting the Strategic and annual Operating Plans to the Board for approval;
 - d) Reporting to the Board on progress against the Strategic and annual Operating Plans on a regular basis;
 - e) Establishing and developing Australand's culture and values;
 - f) Ensuring that the Board's approved OHS policies and procedures are implemented in the operations of the business to provide a safe workplace for all personnel;
 - g) Managing, motivating, developing and leading members of the executive management team and ensuring that a succession plan is in place for all key staff;
 - h) Ensuring that an appropriate risk management, internal control and compliance framework is in place across the Group.

6. Board Committees

- 6.1 The Board has established the following committees to assist it in carrying out their responsibilities, to share detailed work and to consider certain issues and functions in detail:
- a) Audit Committee;
 - b) Executive Committee;
 - c) Nominations Committee;

- d) Remuneration Committee; and
- e) Risk & Compliance Committee.

6.2 The charter of each committee sets out matters relevant to the composition, responsibilities and administration of the committee is approved by the Board. Each committee will review its charter from time to time as appropriate.

7. Audit Committee

7.1 The objective of the Audit Committee is to assist the Board in fulfilling their responsibilities relating to Australand's accounting and financial reporting practices and to monitor compliance with Australand's various statutory, regulatory and constitutional obligations.

7.2 The responsibilities of the Audit Committee are set out in its charter.

7.3 The Audit Committee comprises a minimum of four non-executive directors, the majority of whom are independent non-executive directors.

7.4 The Board will appoint the Audit Committee's chairman. The chairman must be an independent non-executive director and may not be the Chairman of the Board.

8. Executive Committee

8.1 The objective of the Executive Committee is to consider, and if appropriate, approve between scheduled meetings of the Board, any Proposal between \$15 million and \$50 million for:

- a) the acquisition of land or investment properties;
- b) the commencement of construction on pre-committed projects; and
- c) project finance, Commercial Mortgage Backed Security note issues and joint venture debt finance facilities.

8.2 The responsibilities of the Executive Committee are set out in its charter.

8.3 The Executive Committee comprises four members, at least two are independent non-executive directors.

8.4 The Board will appoint the Executive Committee's Chairman. The Chairman will be independent and may be a person who is not a director of Australand.

9. Nominations Committee

9.1 The objective of the Nominations Committee is to assist and advise the Board on composition and succession planning and oversee the Board's performance evaluation process.

- 9.2 The responsibilities of the Nominations Committee are set out in its charter.
- 9.3 The Nominations Committee comprises three non-executive directors, a majority of whom are independent non-executive directors.
- 9.4 The Board will appoint the Nominations Committee's chairman. The chairman will be an independent non-executive director and may not be the Chairman of the Board.

10. Remuneration Committee

- 10.1 The objective of the Remuneration Committee is to review and recommend to the Board the remuneration policies of Australand, the remuneration packages of the Managing Director and senior executives as well as any incentive schemes.
- 10.2 The responsibilities of the Remuneration Committee are set out in its charter.
- 10.3 The Remuneration Committee comprises four members, two of whom are independent non-executive directors.
- 10.4 The Board will appoint the Remuneration Committee's chairman. The chairman may be a person who is not a director of Australand.
- 10.5 Non-executive directors are not entitled to retirement benefits except statutory superannuation.

11. Risk & Compliance Committee

- 11.1 The objective of the Risk & Compliance Committee is to assist the Board in reviewing the efficiency and effectiveness of Australand's risk management and compliance environment.
- 11.2 The responsibilities of the Risk & Compliance Committee are set out in its charter.
- 11.3 The Risk & Compliance Committee comprises three members, the majority of whom are independent non-executive directors.
- 11.4 The Board will appoint the Risk & Compliance Committee's chairman. The chairman will be independent and may be a person who is not a director of Australand.

12. Chairman of the Board

- 12.1 The Chairman of the Board is appointed by the Board and will be a non-executive director.
- 12.2 The Chairman of the Board may not be the same person as the Managing Director.
- 12.3 The responsibilities of the Chairman of the Board include:

- a) providing leadership to the Board and Australand;
- b) promoting the efficient organisation and conduct of the Board's functions;
- c) monitoring the performance of the Board;
- d) facilitating Board discussions to ensure core issues facing Australand are addressed;
- e) briefing all directors in relation to issues arising at meetings of the Board;
- f) facilitating the effective contribution and ongoing development of all directors;
- g) promoting constructive and respectful relations between Board members and between the Board and management; and
- h) chairing general meetings of securityholders.

13. Directors

- 13.1 Directors are expected to attend and participate in meetings of the Board and meetings of Committees on which they serve.
- 13.2 Directors are expected to spend the time needed, and meet as often as necessary, to properly discharge their responsibilities.
- 13.3 Directors are expected to review meeting materials before meetings of the Board and Committee meetings.
- 13.4 Directors are encouraged to ask questions of, request information from, and raise any issue of concern with, management. Directors are encouraged, where appropriate, to ask any questions and raise issues of concern before a meeting so that management is prepared to address them.
- 13.5 Directors must exercise independent judgement when making decisions.
- 13.6 Publicly, directors are expected to support the letter and spirit of decisions of the Board.
- 13.7 Directors must keep board information, discussions, deliberations, and decisions that are not publicly known, confidential.
- 13.8 Directors are expected to comply with their legal duties when discharging their responsibilities as directors. Broadly, these duties are:
 - a) to act in good faith and in the best interests of Australand;
 - b) to act with care and diligence;
 - c) to act for proper purposes;
 - d) to avoid wherever possible a conflict of interest or duty; and
 - e) to refrain from making improper use of information gained through the position of director or taking improper advantage of the position of director.

14. Conflicts

- 14.1 Directors are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their fiduciary obligations.
- 14.2 Directors must:
- a) disclose to the Board any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;
 - b) take necessary and reasonable action to resolve or avoid where possible any actual or potential conflict of interest or duty; and
 - c) comply with the *Corporations Act 2001 (Cth)* and the Company's and the Trusts' constitutions and the Australand Director Conflicts of Interest and Duty Protocols in relation to disclosing material personal interests and restrictions on voting.
- 14.3 If a conflict exists, it is expected that any director to whom the conflict relates will leave the room where appropriate or when requested by any director when the Board are discussing any matter to which the conflict relates.
- 14.4 Directors are expected to inform the Chairman of the Board of any proposed appointment to the board or executive of another company as soon as practicable.

15. Access to Information and Independent Advice by Directors

- 15.1 Directors have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgement when making decisions.
- 15.2 Directors have access to:
- a. management to seek explanations and information from management; and
 - b. auditors, both internal and external, to seek explanations and information from them without management being present.
- 15.3 Directors may seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgement when making decisions.
- 15.4 If the Chairman of the Board consents, Australand will pay a director's costs of seeking independent professional advice. That consent may not be unreasonably withheld or delayed. Any advice obtained will be made available to all directors.

16. Retirement of Directors

- 16.1 At the end of every Annual General Meeting, one third of the directors (to the nearest whole number) must retire but may seek re-election.
- 16.2 A director must retire at the end of the third Annual General Meeting after the director's appointment even if it means that more than one third of directors retire at an Annual General Meeting.

- 16.3 Those directors who have been longest in office since their last appointment must retire by rotation. Directors appointed on the same day may agree among themselves or determine by lot who must retire.
- 16.4 The Managing Director or a director appointed to fill a casual vacancy or as an addition to the Board is not subject to retirement by rotation and is not taken into account when determining how many directors must retire by rotation. A Director appointed to fill a casual vacancy or as an addition to the Board must retire, but may seek election, at the next Annual General Meeting after their appointment.

17. Codes of Conduct

- 17.1 The Board has adopted a Code of Business Ethics and Conduct and a Code of Conduct for Directors and Senior Executives.
- 17.2 The aim of the Code of Business Ethics and Conduct is to ensure a high standard of business behaviour and that all directors, officers and employees of Australand have an obligation to treat others with fairness, honesty and respect.
- 17.3 The Code of Conduct for Directors and Senior Executives confirms the directors' and senior executives' legal responsibilities under the *Corporations Act 2001* and agreed ethical standards. The directors and senior executives are expected to pursue high standards of ethical conduct in the interests of all securityholders and other stakeholders.

18. Communication of Information

- 18.1 The Board will:
- a) communicate effectively with securityholders;
 - b) give securityholders ready access to relevant and timely information about the Group and its corporate goals; and
 - c) make it feasible for securityholders to participate in general meetings.
- 18.2 The Board has adopted a Security Holder Communication Policy. Australand will communicate with securityholders by way of:
- releases to the market via the ASX in accordance with Australand's Continuous Disclosure Policy;
 - the Investor Relations page on Australand's website - www.australand.com.au;
 - the Annual Report and Half Year Report; and
 - the Annual and General Meetings.

19. Review of Board Performance

- 19.1 The Board undertakes ongoing self assessment and review of the performance of the Board, Committees and individual directors annually. This is to ensure that the Board and their Committees are operating effectively. The performance review process includes a written survey of directors and the survey results are collated by the Company Secretary for review by the Chairman and discussion with the Board and individual directors.
- 19.2 The Board has also delegated to the Deputy Chairman the responsibility for reviewing the results of the annual performance review of the Chairman. Following this review, the Deputy Chairman reports to the other directors.

20. Approved and Adopted

This charter was reviewed and updated by the Board on 2 February 2009.