

BOARD CHARTER

September 2019

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1 Background

Mirvac Funds Limited is the responsible entity of the Mirvac Property Trust (**Trust**). Units in the Trust are stapled to shares of Mirvac Limited to form the ASX listed Mirvac Group (ASX:MGR) (the **Group**).

As a result of the stapling, Mirvac Funds Limited and Mirvac Limited operate as a coordinated group. To facilitate this, both companies are bound by a Deed of Co-operation which sets out the various matters in respect of the relationship between Mirvac Funds Limited and Mirvac Limited whilst units in the Trust are stapled to shares of Mirvac Limited.

In this charter:

- (a) Mirvac Funds Limited and Mirvac Limited are collectively referred to as the **Companies**;
- (b) the Boards of the Companies are collectively referred to as the **Board**; and
- (c) the shareholders of Mirvac Limited and the unit holders of Mirvac Property Trust are collectively referred to as the **Securityholders**.

2 Purpose of Charter

This charter sets out the Board's role, responsibilities and powers and how those responsibilities and powers will be exercised and discharged.

This charter also sets out:

- (a) Board composition;
- (b) the relationship and interaction between the Board and management;
- (c) the authority delegated by Board to management and Board committees (**Board Committees**); and
- (d) Board meeting procedures.

3 Board Role and Responsibilities

The Board's role is to provide strategic oversight and guidance to the Group and effective oversight of management in order to build long term value for Securityholders. In performing its role, the Board will have regard to other stakeholder interests and an appropriate risk and return framework.

The key responsibilities of the Board include:

- (a) Strategy and performance targets:
 - setting the strategic direction and purpose of the Group and overseeing the implementation of the Group's strategic initiatives;
 - approving operational and financial performance targets and monitoring achievement of these targets and the performance of the Group generally;
- (b) People and culture (with the assistance of the Human Resources Committee and Nominations Committee):
 - leading, demonstrating and monitoring the instilling of the Group's values, code of conduct and desired culture in the achievement of its purpose;

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- approving the appointment, termination, remuneration and performance objectives of the CEO & Managing Director and reviewing their performance against those objectives;
 - overseeing succession planning for the position of CEO & Managing Director;
 - approving the appointment, termination and performance objectives of the Executive Leadership Team , and reviewing the succession plans and selection of candidates for Executive Leadership Team roles;
 - monitoring the alignment of the Group's remuneration practices and policies with its purpose, values, strategic objectives and risk appetite;
 - overseeing the Group's Diversity and Inclusion ("D&I") strategy and reviewing progress against key D&I metrics (including measurable objectives for achieving gender diversity in the composition of the Board, senior leadership and workforce generally);
- (c) Financial Reporting, Risk Management, Audit and Compliance (with the assistance of the Audit, Risk & Compliance Committee):
- overseeing the integrity of the Group's accounting and corporate reporting systems, including approving the fee of, and appointing, re-appointing or removing the Group's external auditors;
 - determining the Group's dividend and distribution policies and the amount, nature and timing of dividends and distributions to be paid;
 - monitoring significant business risks, setting the risk appetite within which the Group will operate, and assessing the adequacy of the risk management framework (for both financial and non-financial risks) to satisfy itself that it continues to be sound and that the Group is operating with due regard to the Group's risk appetite;
 - monitoring and reviewing the Group's compliance obligations and making recommendations on governance and compliance issues having regard to relevant laws and regulations.
- (d) Major expenditure: approving major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to the CEO & Managing Director;
- (e) Corporate governance: approving and monitoring the effectiveness of the Group's system of corporate governance, including formation of Board committees and determining the powers and functions of those committees; and
- (f) Stakeholder relations: overseeing the Group's relationship and communications with Securityholders and other stakeholders and disclosure of material information about the Group to the market.

The Board may determine that any of its responsibilities be delegated by the Board to management or to a Board committee with the Board retaining the ultimate oversight and decision making power in respect of the matters delegated.

4 Board Size and Composition

- (a) The Board, together with the Board's Nomination Committee, will determine the size and composition of the Board in accordance with the terms of the Companies' constitutions (Constitutions), this charter and the requirements of the Corporations Act.
- (b) The Board will comprise:

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- a majority of Non-Executive Directors who satisfy the criteria for independence set out in section 5 (and in the guidelines referred to in that section);
 - Directors with an appropriate range of skills, expertise and experience from a diverse range of backgrounds;
 - Directors who have a proper understanding of, and competence to deal with, current and emerging issues of the Group's business; and
 - Directors who can effectively review and challenge the performance of management and exercise independent judgment.
- (c) The Board will determine and regularly review the size and composition of the Board having regard to the strategic needs of the Group, optimum number and the appropriate mix of skills and experience of the Directors, and the Group's diversity targets, subject to the limits imposed by the Constitutions and the terms served by existing Non-Executive Directors.
- (d) The Board will make recommendations to the Securityholders as necessary, for the appointment or removal of Directors.
- (e) The members of the boards of Mirvac Limited and Mirvac Funds Limited will be identical for so long as Mirvac Group is a stapled entity.

5 Director Independence

- (a) The Board has adopted guidelines setting out the interests and relationships to be considered by the Board in assessing the independence of each Director.
- (b) The Board will assess the independence of Directors upon appointment and annually through an attestation by each Director.
- (c) Each Non-Executive Director has an ongoing obligation to disclose any personal interest which could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of judgement to act in the best interests of the Group or where they do not meet the Board's guidelines for assessing independence.

6 Role of the CEO & Managing Director

- (a) Responsibility for the day-to-day management and administration of the business of the Group is delegated by the Board to the CEO & Managing Director, except for those matters set out in section 3, which are specifically reserved for the Board.
- (b) Key responsibilities of the CEO & Managing Director include:
- managing and administering the day-to-day operations of the Group and its business in accordance with the purpose, values, policies, strategic objectives and risk appetite; approved by the Board;
 - developing and executing strategies for the Group, its business and management, and making recommendations to the Board on such strategies;
 - developing the Group's annual budget and conducting the Group's activities within the approved annual budget;
 - developing and maintaining the Group's risk management framework and systems, including internal compliance and control mechanisms;
 - assigning responsibilities clearly to their direct reports, and supervising and reporting on their performance to the Board;

- recommending to the Board for its consideration any significant operational changes, and major capital expenditure, acquisitions or divestments, which are beyond delegated thresholds;
 - reporting regularly to the Board with timely, accurate and quality information on the Group's operations, financial performance, compliance with policies and material regulatory requirements, and conduct that is materially inconsistent with the values, code of conduct or desired culture of the Group, such that the Board is fully informed to discharge its responsibilities effectively; and
 - exercise such additional powers as are delegated by the Board from time to time.
- (c) The Board has delegated to the CEO & Managing Director responsibility for the development and monitoring of a number of Group policies, under the ultimate supervision of the Board.
- (d) The CEO & Managing Director may exercise their delegated authority through management committees and may sub-delegate their delegated authority to other members of management or management committees as appropriate.

7 Board Committees

- (a) The Board may:
- establish and delegate any powers to Board Committees from time to time to assist the Board in exercising its authority, including the responsibilities set out in section 3; and
 - determine any matter that it has delegated to a Board Committee or any matters falling within a Board Committee's terms of reference contained in its charter.
- (b) As at the date of this charter, the Board has established the following standing Board Committees:
- Audit, Risk & Compliance Committee;
 - Human Resources Committee; and
 - Nomination Committee.
- (c) Each Board Committee will have a formal charter approved by the Board setting out the matters relevant to the composition, terms of reference, process and administration of that Board Committee.
- (d) The role of a Board Committee is to operate within the terms of its charter and to make recommendations to the Board for decisions.
- (e) The Board may establish ad hoc Board Committees from time to time to consider matters of special importance or to exercise the delegated authority of the Board.
- (f) The Board will determine the charters of standing and ad hoc Board Committees which will set out the roles and responsibilities of each Board Committee.

8 Group Policies, Procedures, Values and Culture

- (a) The Board may review and adopt new or amended Group policies and procedures from time to time including where it has received a recommendation from a Board Committee in relation to a policy or procedure.
- (b) The Board will operate in accordance with:
- the Constitutions, the Corporations Act and all other applicable regulations;
 - its agreed corporate governance framework, Group policies and procedures; and
 - the values, code of conduct and desired culture of the Group.

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- (c) The Board will approve a statement of values and code of conduct which set out the responsibilities and behaviours expected of Directors and staff to uphold.
- (d) The Board is responsible for approving all new and amended charters and Group policies relating to:
 - the operation of the Board or Board Committees;
 - remuneration, performance assessment, recruitment, retention and termination of staff;
 - internal audit and control, management of business risk and the safeguarding of assets;
 - significant accounting and finance matters; and
 - compliance with laws, regulations and ASX Listing Rules.
- (e) The Board or a Board Committee will receive and consider reports regarding material whistleblower reports, any material breach of a Group policy, or conduct that is materially inconsistent with the values, code of conduct or desired culture of the Group.

9 Access to Independent Advice

- (a) The Board collectively, and each Director individually, has the right to seek independent professional advice as they consider necessary to fulfil their responsibilities and support independent judgment in decision making, at the Group's expense, subject to paragraph 9(b).
- (b) It is expected that a Director will consult the Chair or the CEO & Managing Director before obtaining advice and the policy of the Board is that external advice will be made available to all Directors unless the Chair agrees otherwise.

10 Director Induction, Professional Development and Performance Evaluation

- (a) Each new Director will, upon appointment, participate in an induction programme. This will include meeting with CEO & Managing Director, the Chief Financial Officer, and Group Company Secretary, each Group head and any other relevant executives to familiarise themselves with the Group, its policies and procedures and Board practices and procedures.
- (b) On an ongoing basis, Directors may undertake and request professional development to maintain the skills and knowledge needed to effectively perform their role, at the Group's expense.
- (c) The Board will undertake an assessment and review of performance of the Board, each Board Committee and individual Directors annually.

11 Board Process

A. Meeting Procedures

- (a) The Chair is responsible, in consultation with CEO & Managing Director and Group Company Secretary, for the conduct of all Board meetings. This includes approving meeting agendas and ensuring that recommendations fit within the strategic direction set by the Board.
- (b) Members of the Executive Leadership Team are available to be contacted by Directors.
- (c) The Board will meet without any members of the Executive Leadership Team present (other than the CEO & Managing Director) at the start of each meeting.

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- (d) The Board will meet in accordance with the proceedings and quorum requirements set out in the Constitutions.
- (e) Unless determined otherwise by the Chair, the Company Secretary will:
 - circulate agendas and papers for meetings to all Directors;
 - take minutes of all meetings of the Board;
 - maintain and hold a record of all submissions, papers and minutes of meetings; and
 - maintain and hold a record of all approvals and recommendations made by the Board at each meeting.
- (f) The Board will appropriately challenge management and hold management to account for providing it with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.
- (g) Any dissenting member of the Board will be entitled to have his/her opinion recorded in the minutes of the Board meeting.
- (h) Where management makes supplementary information available to the Board that is not material to the Board's deliberations, that information will be clearly labelled as such and will not form part of the board papers, even where distributed at the same time.
- (i) Directors are entitled to request additional information from management at any time when they consider it appropriate.

B. Selection of the Chair

- (a) The Board will appoint one of its members to be the Chair in accordance with the Constitutions.
- (b) The Chair must be a Non-Executive Director who satisfies the criteria for independence set out in section 5 (and in the guidelines referred to in that section).

C. Role of the Chair

The principal role of the Chair is to:

- (a) provide leadership to the Board in respect of its responsibilities and its demonstration of the Group's values, code of conduct and desired culture;
- (b) monitor the performance of the Board to ensure the effective discharge of its responsibilities;
- (c) promote constructive challenge and debate between the Board and management and facilitate effective contribution from all Directors;
- (d) set the Board agenda and annual calendar;
- (e) represent the Board to the Securityholders and for Board related public communications;
- (f) seek to ensure that all Directors understand the role of the Board and their own responsibilities as Directors;
- (g) provide support and mentoring for the CEO & Managing Director in running the business of the Group; and
- (h) exercise such specific and express powers as are delegated to the Chair by the Board from time to time.

D. Appointment and Role of the Company Secretary

- (a) The Board will appoint at least one Company Secretary.
- (b) The Company Secretary is accountable directly to the Board on all matters to do with the proper functioning of the Board.
- (c) The role of the Company Secretary is to co-ordinate all Board business, including agendas, board papers, minutes, communication with regulatory bodies and ASX, compliance with Board policies and procedures, induction and professional development of directors, and relevant statutory and other filings.
- (d) All Directors will have direct access to the advice, support and services of the Company Secretary.

E. Conflicts of Interest

- (a) Each Director has a fiduciary and statutory duty not to place themselves in a position which gives rise to a real or substantial possibility of conflict, whether it be a conflict of interest or conflict of duties.
- (b) The Board has approved a Conflicts of Interest and Related Party Transaction Policy to provide guidance to Directors, employees, consultants and contractors in identifying and managing, and if applicable, avoiding issues which may arise in respect of potential, actual or perceived conflicts of interest.
- (c) A Director that has any interest which may give rise to a real or substantial possibility of conflict, including any material personal interest, in a matter that relates to the affairs of the Group, must give the Board notice of such interest immediately on becoming aware of that interest.
- (d) If a conflict or potential conflict situation exists, it is expected that the conflicted Director will –take any necessary and reasonable measures to manage or resolve the conflict including being absent from the meeting whilst the Board discusses the matter and not vote on the matter, unless the non-conflicted Directors pass a resolution that states that those Directors are satisfied that the interest should not disqualify the conflicted Director from being present or voting on the matter.
- (e) Directors are expected to advise the Chair of any proposed Board, executive or other appointment to another organisation, wherever possible before accepting that new appointment.
- (f) The Company Secretary will maintain a register of dealings in securities and declarations of interest by Directors and report them to the Board as necessary.

12 Review

This charter will be reviewed every two years or as required.

13 Approval

This Charter was approved and adopted by the Mirvac Group Board on 16 September 2019.