



Fawkner Board Charter

25 January 2022



Table of Contents

Purpose of Charter	1
Board Composition	1
Term	1
Role and Responsibilities	1
Board Committees	2
Chairman	2
Delegation to Management	2
Access to Documents and Records	2
Access to Independent Professional Advice	3
Board Meetings	3
Circular Resolutions	3
Conflicts of Interest	3
Performance Evaluation	3
Review of Charter	3
Contact	3
Appendix 1	4

Fawkner Board Charter

Applicable to activities pursuant to the AFSL

Purpose of Charter

This Charter sets out the role, composition, responsibilities and operations of the Board of the Fawkner Property Ltd (**Fawkner**).

Fawkner is the manager of unregistered managed investment schemes and the responsible entity of the registered managed investment schemes listed at Appendix 1. Fawkner holds Australian Financial Services Licence No 437334 (AFSL).

The conduct of the Board is also governed by the constitution of Fawkner and the Corporations Act 2001 (Cth) (**Corporations Act**).

Board Composition

The constitution of Fawkner provides for a minimum of 3 directors and a maximum of 8 directors.

Directors should be selected for their ability to contribute to setting strategic direction and for their awareness of the broad strategic trends impacting on the company.

Directors should have a practical knowledge of the way the business works and the ability to take a broad view.

The Board should be comprised so that the skills required to undertake the responsibilities for compliance are represented.

The Board shall consist of executive directors and at least an equal number of external non- executive directors. A director will be deemed an external director if the director does not have a material interest in Fawkner or a related company and is not a relative of a person who has such an interest and is not:

- a. and has not been for the previous two years –
 - an employee of Fawkner or a related company;
 - a senior manager of a related company; or
 - substantially involved in business dealings or in a professional capacity with Fawkner or a related company or –
 - a member of a partnership that is or has been in the previous two years substantially involved in business dealings or in a professional capacity with Fawkner or a related body corporate.

The terms “related company”, “relation” and “substantial involvement” are defined in the Fawkner Compliance Manual.

Term

An external director must retire from office if the director ceases to be an external director.

Subject to the constitution of Fawkner and the Corporations Act, there is no fixed term for a director.

All directors are expected to continue as directors only for so long as they have the confidence of their fellow directors and the confidence of Fawkner shareholders.

There is no fixed retiring age for directors but directors are expected to resign if, for reason of competing commitments, ill health or other factor, they are no longer able to properly discharge their obligations as a director.

Role and Responsibilities

The role of the Board is to set the strategic direction of Fawkner and to ensure that management is continually striving to achieve above average performance, taking full account of risk and discharging the duties prescribed in sections 601FB and 601FC and 912A of the Corporations Act and other duties of Fawkner.

The specific responsibilities of directors are:

- a. the obligations prescribed in sections 601FD of the Corporations Act;
- b. the obligations prescribed in section 912A of the Corporations Act, including obligations arising from conditions on the AFS Licence;
- c. the obligations prescribed in Division 1 and 2 of Part 2D.1 of the Corporations Act;
- d. any further obligations arising from the constitution of the company;
- e. any further obligations arising from the constitution compliance plan of a registered managed investment scheme for which Fawkner is the responsible entity;
- f. to ensure that the financial position of Fawkner meets the requirements of the AFSL, as modified by ASIC Class Order 13/760 if Fawkner is holding scheme property;

- g. appoint responsible managers with due process and notify ASIC of the appointment or removal of a responsible manager;
- h. to participate with management in setting the goals, strategies and performance targets for Fawkner and each registered scheme of which Fawkner is the responsible entity and to monitor their achievement;
- i. to create an organisational structure and make available to management the resources to meet the requirements of ASIC RG 105 and, if Fawkner is holding scheme property, ASIC Class Order 13/1409 and Part B of ASIC RG 133;
- j. to ensure there are processes in place to comply with legal requirements and corporate governance standards, and to identify and manage risk exposures;
- k. to approve and monitor the progress of major capital expenditure, capital management, and acquisitions and divestments;
- l. to approve and monitor loans to managed investment schemes and the use of interest rate derivatives;
- m. approve the annual and half-yearly financial reports and directors' reports of registered schemes for which Fawkner is the responsible entity;
- n. to ensure an annual financial report is properly audited and lodged with ASIC.

To assist directors to understand their obligations and powers, the Managing director must ensure that each director has an up-to-date copy of or unrestricted access to an electronic version of:

- this Charter and any written policies adopted by the company;
- the constitution of the Company;
- the AFS Licence;
- the Corporations Act 2001 (Cth) and the Corporations Regulations 2001 (Cth);
- the Fawkner Compliance Manual and any relevant ASIC Regulatory Guides;
- any Compliance Plan lodged with ASIC in respect of a registered managed investment scheme operated by Fawkner

Board Committees

Whilst at all times the Board retains full responsibility for guiding and monitoring the company and the registered schemes for which it is the responsible entity, in discharging its stewardship it may make use of sub-committees.

A sub-committee must not have a majority of directors who are not external directors.

The Board must ensure that each committee has its own charter and the charter is reviewed by the Board at least annually.

It is the policy of Fawkner to appoint equal numbers of external directors and other directors and not have a compliance committee.

Chairman

The Chairman is to be appointed by the directors.

Should the Chairman be absent from a meeting, the directors present at the meeting may choose one of their number to chair that particular meeting.

Delegation to Management

The Board delegates to the Managing Director the authority and power to manage the day to day operations and administration of Fawkner and the Managing Director has the authority to subdelegate to the executive management team.

Access to Documents and Records

On request from any director, the Managing Director must provide the director with access to:

- a. the records of resolutions of the company and the directors;
- b. the financial records and financial statements of the company;
- c. the financial records and financial statements of any managed investment scheme operated or managed by Fawkner;
- d. any legal advice obtained by the company in respect of the obligations or powers or the discharge of obligations by the company, the board or directors;
- e. any complaint lodged by a member of a managed investment scheme operated or managed by Fawkner and any correspondence or other documents related to the complaint and its resolution;
- f. any correspondence with ASIC or any document lodged with ASIC; and
- g. any report by an auditor, assurance practitioner, compliance consultant or other professional relating to the obligations or powers or the discharge of obligations by the company, the board or directors.

Access to Independent Professional Advice

The Board has the authority to seek external professional advice as considered necessary in the performance of its duties, at the expense of Fawkner or, where the advice relates to a particular managed investment scheme and Fawkner or the trustee has a right of indemnity out of the assets of the scheme, at the expense of the scheme.

Each director may seek independent professional advice, at Fawkner's expense, in relation to the performance of their duties as a director.

Board Meetings

The Board routinely meets quarterly and must have at least 4 ordinary meetings each financial year and one ordinary meeting in any period of three months. Additional meetings will be held as required and at least 6 meetings per annum must be held. Meetings may be convened using technology, if not all directors are physically present.

The quorum of directors is two, with at least equal numbers of external directors when matters relating to registered managed investment schemes are under discussion.

The proceedings of all meetings are recorded in minutes. Minutes of meetings will be reviewed by the Board at the meeting or the next following meeting. If the Board approves the form of the minutes, the Chairman shall then sign them.

Agendas for a Board meeting are approved by the Chairman. Any director may have an item added to the agenda.

Board papers are to be circulated in advance of the board meeting, as far as practicable, so as to give directors adequate time to review the papers prior to the meeting. With leave of meeting, papers may be tabled at the meeting.

Circular Resolutions

The Board may make a resolution without a meeting if all directors entitled to vote on the resolution sign a document containing the resolution and a statement that they are in favour of the resolution. Separate copies may be signed by different directors if the wording of the resolution is identical in each document.

Conflicts of Interest

All directors are bound to disclose any actual, perceived or potential conflict of interest before discussion of a matter commences. The disclosure will be noted in the minutes.

Having made the disclosure, the Chairman must decide whether the conflicted director is to take part in the discussion or vote on any subsequent resolution.

Performance Evaluation

The Board should undertake an annual performance evaluation of itself in a manner the Board deems appropriate.

Review of Charter

The Board will review this charter as required to ensure that it remains consistent with the Board's objectives and responsibilities.

Contact

Unit holders or advisers who have any questions or would like to request more information available to existing or potential investors, are invited to contact Fawkner investor relations:

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Appendix 1

Registered Managed Investment Schemes for which Fawkner is the Responsible Entity

- Private Property Trust No 15 (ARSN 642 433 403)
- Private Property Trust No 17 (ARSN 649 439 896)
- Private Property Trust No 18 (ARSN 649 440 504)
- Private Property Trust No 19 (ARSN 653 585 650)

The logo consists of a white circle centered on a dark blue background. Inside the circle, the words "FAWKNER" and "PROPERTY" are stacked vertically in a black, serif, all-caps font. A thin horizontal line separates the two words.

FAWKNER

PROPERTY