

# Summary of Board Charter

## Premier Investments Limited (ACN 006 727 966) (“Company”)

### **1 Board of directors**

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Mr Solomon Lew (Chairman)  
Dr David Crean (Deputy Chairman)  
Mr Timothy Antonie (Lead Independent Director)  
Ms Sylvia Falzon  
Ms Sally Herman  
Mr Henry Lanzer AM  
Mr Terrence McCartney  
Mr Michael McLeod  
Mr Mark McInnes (Executive Director)

### **2 Board Committees**

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#### **2.1 Audit and Risk Committee**

Dr David Crean (Chairman)  
Mr Timothy Antonie  
Ms Sylvia Falzon  
Ms Sally Herman

#### **2.2 Remuneration and Nomination committee**

Mr Terrence McCartney (Chairman)  
Mr Michael McLeod  
Mr Timothy Antonie

All other Directors are entitled to attend any meeting of these Board Committees.

### **3 Corporate directory**

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#### **3.1 Registered office**

Level 7  
417 St Kilda Road  
Melbourne, VIC 3004

#### **3.2 Share register**

Computershare  
Yarra Falls  
452 Johnston Street  
Abbotsford, VIC 3067

### **3.3 Lawyers and advisers**

Arnold Bloch Leibler  
Level 21  
333 Collins Street  
Melbourne, VIC 3000

### **3.4 Auditors**

Ernst & Young  
8 Exhibition Street  
Melbourne, VIC 3000

## **4 Corporate Governance**

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### **4.1 Responsibilities of the board**

The Directors are responsible for protecting the rights and interests of the Company, its shareholders and other stakeholders, including creditors and employees. To assist in the execution of these responsibilities, two Board committees have been established, comprising an Audit and Committee and a Remuneration and Nomination Committee.

### **4.2 Structure of the board**

- (a) The Board Charter acknowledges that the Company intends to appoint a Chief Executive Officer as soon as practicable and until such time as a Chief Executive Officer is appointed, the Board shall delegate the responsibilities allocated to the Chief Executive Officer to other qualified persons including the Chairman and external service providers such as Century Plaza Trading Pty Ltd as and when appropriate.
- (b) With the exception of the Chief Executive Officer, a Director may not hold office for more than three years or beyond the third annual general meeting following his appointment (whichever is the longer period) without submitting them self for re-election.
- (c) The Board intends to comprise a minimum of 2 independent Directors.

### **4.3 Appointment, retirement and rotation**

The retirement, rotation and appointment of Directors is covered by clause 24 of the Company's Constitution.

### **4.4 Remuneration**

The fees payable to non executive Directors are determined by the Board within the aggregate amount approved by shareholders, which is not to exceed \$1,500,000.

### **4.5 Directors' retirement benefit**

During Directors' tenure as Directors of the Company, the Company will make superannuation guarantee payments on behalf of Directors at the rate prescribed by, and in accordance with, the provisions of the superannuation guarantee legislation from time to time.

### **4.6 Independent counsel**

An individual Director may engage separate independent counsel or advisors at the expense of the Company in appropriate circumstances, with the approval of the Chairman or by resolution of the Board.

#### **4.7 Board meetings**

- (a) The Chairman, with the assistance of the Chief Executive Officer, establishes the agenda for each Board Meeting. Each Director is able to suggest the inclusion of items on the agenda.
- (b) The Board normally meets at regular times a year. Telephone conferences are held if required.

#### **4.8 Directors' obligations**

Directors must:

- (a) act in the best interests of the Company;
- (b) at all times act honestly in the exercise of his or her powers and the discharge of the duties of his or her office;
- (c) exercise the degree of care and diligence that a reasonable person in a like position in a corporation would exercise in the Company's circumstances;
- (d) ensure that at all times they have a good understanding of strategies and the businesses conducted by the Company;
- (e) carefully study Board materials and issues;
- (f) be active, objective and constructive in their participation at meetings of the Board and Board Committees;
- (g) assist in representing the Company to the public;
- (h) counsel on corporate issues; and
- (i) ensure that they have a good understanding of general economic trends and corporate governance.

### **5 Dividend policy**

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The Company's dividend policy will be based primarily on the earnings, cash flow and business requirements of the Company.

The current intention of the Board is that the dividend paid will represent 65% of net profit after tax, although the Board has a discretion to change its payout percentage to reflect its perception of the cash requirements of the business of the Company and the best interests of shareholders.

### **6 Conflicts of interest**

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#### **6.1 Company's acknowledgments**

Some of the Directors may, from time to time, hold directorships in other companies. Any information confidential to that other Company which a Director possesses and which came into his or her possession in the course of the performance of his or her duties as an officer of that other Company cannot and shall not be communicated to the Company or any officer or employee of the Company without the consent of that other Company.

#### **6.2 Meetings at which conflicts arise**

Where at any meeting of the Company it is proposed to discuss any matter which gives rise or may give rise to a conflict or a real sensible possibility of a conflict of interest between the duties and obligations of a Director to the Company and to any other Company, that Director must not be present while that matter is being considered and must not vote on that matter (unless the other Directors pass a resolution that allows the Director to be present or vote).

A Director may at any meeting of the Company request that the meeting be postponed or temporarily adjourned to enable him or her to seek legal advice on whether he or she can be present while the matter in question is being considered and vote on the matter in question.

## **7 Board committee**

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The Board Committees review and analyse policies and strategies, usually developed by management, which are within their terms of reference, and they examine proposals and, where appropriate, make recommendations to the Board. The Board Committees do not take action or make decisions on behalf of the Board unless specifically mandated by prior Board authority to do so.

The composition and terms of reference for the Board Committees are reviewed annually by the Board.

## **8 Audit and Risk Committee**

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The Company has established a separate Audit and Risk Committee Charter.

## **9 Remuneration and Nomination committee**

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### **9.1 Purpose**

The Remuneration and Nomination Committee is a committee of the Board, with both remuneration purposes and nomination purposes.

### **9.2 Membership and Structure**

The Committee shall consist of 3 non-executive directors with at least two members being independent directors. The Committee shall appoint one of the members of the Committee as the Chairperson. It is the responsibility of the Chairperson to schedule all meetings of the Committee and to provide the members of the Committee with a written agenda. The Company Secretary, or his appointee, will act as secretary of the Committee and will circulate minutes of the meetings.

### **9.3 Meeting**

Any member of the Committee may call a meeting. As a minimum, the Committee shall meet twice a year in order to review and make recommendations to the Board on remuneration packages and policies applicable to senior executives and Directors, and to review the structure and size of the Board and to make any consequential recommendations. The Chairperson of the Committee, or delegate, shall report to the Board following each meeting.

A member of the Committee is not entitled to be present at a meeting when his own remuneration package is being evaluated. The Committee may invite any executive management team members or other individuals to attend meetings of the Committee, as they consider appropriate.

The Committee shall have direct access to the Company's officers and advisers, both external and internal, and shall have the authority to seek whatever independent, professional or other advice it requires in order to assist it in meeting its responsibilities from outside the Company.

#### **9.4 Quorum and voting**

A quorum will comprise any two Committee members. In the absence of the Committee Chairperson, or appointed delegate, the members shall elect one of their number as Chairperson for that meeting. Each member shall have one vote, and the Chairperson of the Committee shall not have a second or casting vote.

#### **9.5 Duties - Remuneration**

The Committee is expected to review and make recommendations to the Board on remuneration packages and policies applicable to senior executives and Directors, including the review of:

- (a) policies for senior executives and Directors' remuneration annually, including the link between Company and individual performance;
- (b) current industry codes and best practice;
- (c) different methods for remunerating senior executives and Directors;
- (d) existing or proposed share option schemes or other incentive schemes;
- (e) superannuation arrangements;
- (f) retirement and termination benefits and payments; and
- (g) professional indemnity and liability insurance policies.

#### **9.6 Duties - Nomination**

The Committee is expected to review and make recommendations to the Board when performing their nomination duties, including:

- (a) plans for succession for executive and non-executive Directors
- (b) plans for succession for the Chief Executive Officer;
- (c) criteria for appointment and identification of candidates for appointment as a Director of the Company;
- (d) the candidates it considers appropriate for appointment as a Director;
- (e) the re-appointment of any non-executive Director at the conclusion of their term of office;
- (f) any matters relating to the continuation in office of any Director at any time; and
- (g) the appointment of any Director to executive or other office.

## **10 Chairman of directors**

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### **10.1 Introduction**

The Board supports the separation of the role of Chairman from that of the Chief Executive Officer. The general role of the Chairman is to manage the Board effectively, to provide leadership to the Board and to interface with the Chief Executive Officer.

The Chairman must be a non-executive Director, and while working closely with the Chief Executive Officer, should retain an independent perspective to best represent the interests of the Company, shareholders, and the Board.

## 10.2 Working with management

The Chairman will:

- (a) act as the principal sounding board and counsellor for the Chief Executive Officer including helping to define problems, reviewing strategy, maintaining accountability, building relationships and ensuring that the Chief Executive Officer is aware of concerns of the Board and shareholders;
- (b) lead the Board in monitoring and evaluating the performance of the Chief Executive Officer; and
- (c) co-ordinate with the Chief Executive Officer to ensure that management's strategy, plans and performance are appropriately represented to the Board and shareholders as appropriate.

## 10.3 Managing the board

The Chairman will:

- (a) ensure that the Board has full governance of the Company's business and affairs and that the Board is alert to its obligations to the Company, shareholders and management under the law;
- (b) provide leadership to the Board, assist the Board in reviewing and monitoring the aims, strategy, policy and directions of the Company and the achievement of its objectives;
- (c) communicate with the Board to keep it up to date on all major developments, including timely discussion of potential developments and directing management to ensure that the Board has sufficient knowledge to permit it to make major decisions when such decisions are required;
- (d) set the frequency of the Board meetings and review such frequency from time to time as considered appropriate or as requested by the Board;
- (e) co-ordinate the agenda, information packages and related events for Board meetings with the Chief Executive Officer and the Company Secretary;
- (f) chair Board meetings;
- (g) attend Board Committee meetings where appropriate; and
- (h) act in a manner such that Board and the Board Committee meetings are conducted in an efficient, effective and focused manner.

## 10.4 Relations with shareholders and the public

The Chairman will chair meetings of shareholders, and take steps such that the Company's management and, where applicable, the Board are appropriately represented at official functions and meetings with major shareholder groups, other stakeholder groups, financial analysts, financial press, and debt and equity providers.

# 11 Chief Executive Officer

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## 11.1 Responsibilities

The Company intends to appoint a Chief Executive Officer as soon as practicable. Until such time as a Chief Executive Officer is appointed, The Board shall delegate the responsibilities allocated to the Chief Executive Officer to other persons such as the Chairman and external service providers (such as Century Plaza Trading).

The Chief Executive Officer is in charge of the day-to-day leadership and management of the Company, and also has the responsibility of managing and overseeing the interfaces between the Company and the public and to act as the principal representative for the Company.

The Chief Executive Officer must report annually to the Board on succession planning and management development.

## 11.2 Evaluation

The Board evaluates the performance of the Chief Executive Officer and his direct reports annually, based on criteria that include the performance of the business, the accomplishment of long-term strategic objectives and other non-quantitative objectives established at the beginning of each year.

## 12 Services Agreement with Century Plaza Trading Pty Ltd

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The Company has entered into a non-exclusive Services Agreement with Century Plaza Trading Pty Ltd (**Century Plaza Trading**) pursuant to which Century Plaza Trading agrees to provide certain services (including investment sourcing and investment management services) to the Company.

Services are provided on a cost-recovery basis, including the possible payment of incentives to employees of Century plaza Trading. The services provided by Century Plaza Trading are not exclusive to the Company and the Company retains the ability to source services from other parties.

## 13 Delegated authorities

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### 13.1 Delegation powers

The formulation and implementation of certain aspects of the Board's responsibilities and duties may be through the delegation of certain of its powers to a committee of Directors by the authority of the Corporations Act.

### 13.2 Delegations of authority to the Chief Executive Officer

To assist the Board to discharge its responsibilities and duties it has resolved to delegate to the Chief Executive Officer (or to the Chairman in the absence of a Chief Executive Officer) specific authorities which will be subject to appropriate reporting and monitoring procedures.

These specific authorities include shareholder value/corporate strategy, organisation planning, capital allocation and expenditure authorisation, performance appraisal, compliance, general policies, and general delegation.

## 14 Trading Policy

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### 14.1 Prohibition on insider trading

The Corporations Act provides for three distinct, but related, offences of insider trading.

The offences are:

- (i) trading in securities;
- (ii) procuring another person to trade in securities; or
- (iii) communicating information to another person who is likely to trade in the securities or procure someone else to trade,

with the knowledge of price sensitive information that is not generally available, but if it was generally available, a reasonable person would expect it to have a material effect on the price or value of the securities.

#### **14.2 Trading Policy**

No Key Management Person of the Company may deal in, or procure another person to deal in, the securities of the Company on the basis of information that is not generally available but if it was generally available, might have a material effect on the price or value of the Company's securities.

This policy extends to dealing in the securities of the Company by any associate or related party of a Key Management Person of the Company.

#### **14.3 Periods during which dealing may take place**

- (a) Subject to the provisions of this section 14, dealing in the Company's securities may take place during the following window periods:
  - (i) Within 6 weeks after the release of the company's half year results to the ASX;
  - (ii) Within 6 weeks after the release of the Company's preliminary full report to the ASX; and
  - (iii) the rights trading period when the Company has issued a prospectus for those rights.
- (b) Notwithstanding the above, no dealing will be permitted at any time by a Key Management Person if that Key Management Person possesses (or is deemed to possess) any price sensitive information which is not generally available.
- (c) If a Key Management Person is not sure whether a reasonable person would expect a matter to have a material effect on the price or value of the corporation's securities, then he or she should seek independent legal advice on the matter. However, a Key Management Person must first give the Chairman notice of their intention to seek independent legal advice in relation to such matters.

#### **14.4 Pre-dealing checklist**

For all periods during which dealing is permitted, the following procedure must be complied with before any dealing is undertaken:

Is the Key Management Person aware of any information that is not generally available but, if the information was generally available, a reasonable person would expect it to have a material effect on the price or value of securities of the Company?

- (i) NO - they may notify the Company Secretary of their intention to deal in the Company's securities (or in the case of the Chief Executive Officer, he or she may notify the Chairman)
- (ii) YES - has the information been disclosed to the ASX?
  - (A) YES - they may notify the Company Secretary of their intention to deal in the Company's securities
  - (B) NO - they may not deal in the Company's securities

#### **14.5 Pre-dealing procedure**

- (a) A Notice of Intention to buy or sell Securities in the form set out in Schedule 2 must be completed by the person intending to deal in the securities of the Company.
- (b) The notice must be submitted to the Company Secretary.



- (c) On receipt of such Notice, the Company Secretary shall immediately discuss the Notice with the Chairman.
- (d) No dealing may be undertaken before the notice has been received by the Company Secretary.

The dealing must be completed within 14 days from the date that the notice is received by the Company Secretary and, in any event, no dealing may occur within the Closed Periods set out in section 14.3 above.

#### **14.6 Post-dealing procedure**

Immediately following any dealing by a Key Management Person in the securities of the Company, the Key Management Person must confirm to the Company Secretary in writing that the dealing has been completed.

#### **14.7 Post dealing notification**

Please refer to sections 16 and 17 regarding notification to the ASX of directors' interest in the Company's securities and substantial holding.

## **15 Communications and Continuous disclosure protocol**

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### **15.1 Communications Strategy**

The Company's strategy is to ensure that shareholders, regulators and the wider investment community are informed of all major developments affecting the Company in a timely and effective manner.

### **15.2 The company's obligations of continuous disclosure**

ASX Listing Rule 3.1 requires the Company to "immediately" disclose any information concerning the Company:

- (i) when the Company is, or becomes, aware of the information; and
- (ii) which a reasonable person would expect the information to have a material effect on the price or value of the Company's securities, commonly referred to as continuous disclosure obligations.

The Corporations Act reinforces the Listing Rule by creating criminal and civil penalties for non compliance.

### **15.3 When the company is deemed to have become aware of the information**

- (a) The Company will be deemed to have become aware of information where a Director or executive officer has, or ought reasonably to have, come into possession of the information in the course of performance of his or her duties as a Director or executive officer of the Company.
- (b) An executive officer is a person concerned in, or taking part in, the management of the Company.

### **15.4 Procedures adopted by the board to ensure compliance**

The Board has established procedures to ensure compliance with its Continuous Disclosure obligations. These include the appointment of a Compliance Officer to ensure that the Company complies with its obligations of continuous disclosure.

### **15.5 The compliance officer**

The Compliance Officer is primarily responsible for ensuring that the Company complies with its disclosure obligations under the Corporations Act and the ASX Listing Rules, and is primarily responsible for deciding what information will be disclosed.

## **15.6 Reporting and disclosure procedure**

Where any information comes to light about the Company which may need to be disclosed, all Directors, executive officers and employees are obliged to bring that information to the attention of the Compliance Officer with all possible expediency.

In the case of an emergency, or where any delay would prejudice the Company, initial verbal notification should be given directly to the Compliance Officer, to be followed by a written report.

## **15.7 Confidential information**

If a determination is made that the information which comes to light is confidential, the Compliance Officer will ensure that anyone who has a copy of, or knows about, the information is aware that it is confidential.

## **15.8 Relationship with media, public and analysts**

Care must be taken not to make comments to the media or others which could result in rumours or speculation about the Company.

## **15.9 Maintenance of continuous disclosure protocol**

The Continuous Disclosure Protocol shall, at all times, be kept under review by the Compliance Officer to ensure that the Company complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules. Where appropriate, the Company's legal advisors shall be consulted to ensure that the Continuous Disclosure Protocol complies with all relevant legislation.

## **16 Disclosure of directors' interests**

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### **16.1 Corporations Act 2001 – directors' obligations**

Section 205G of the Corporations Act requires a director of a listed company to notify the ASX of the following interests of the director:

- (a) relevant interests in securities of the Company or of a related body corporate;
- (b) contracts to which the director is a party or under which the director is entitled to a benefit and that confer a right to call for or deliver:
  - (i) shares in; or
  - (ii) debentures of; or
  - (iii) interests in a managed investment scheme made available by, the Company or a related body corporate.

### **16.2 ASX listing rules – the company's obligations**

In addition to the requirements under the Corporations Act, the Company has an obligation to notify the ASX of the relevant interests of each Director.

### **16.3 What action is required by a director?**

A Director will be relieved of his or her obligations under the Corporations Act if the Company complies with ASX Listing Rule 3.19A.

In order for the Company to comply with its obligations, and thus relieve the Director from his or her obligations, the Director must provide the necessary information to the Company.

Each Director must enter into an arrangement with the Company which will require him or her to disclose to the Company all of the information necessary for the Company to comply with its obligations to notify the ASX.

## **16.4 Notification**

There are various Corporations Act and ASX Listing Rule requirements that specify when particular information is required to be disclosed by the Company.

## **17 Substantial shareholders**

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### **17.1 Obligation of shareholders**

The Corporations Act requires each shareholder of the Company to notify ASX and the Company if:

- (a) they begin, or cease, to have a substantial holding in the Company;
- (b) they are a substantial shareholder and there is a movement of at least 1% in their holding; or
- (c) they make a takeover bid for securities of the Company.

### **17.2 Are you a substantial shareholder?**

A shareholder has a substantial holding in the Company if the total votes attached to voting shares in the Company in which they (and/or their associates) have a relevant interest in, is 5% or more of the total number of votes attached to the voting shares in the Company.

### **17.3 Information and documentation to be provided and lodgement requirements**

There are various Corporations Act and ASX Listing Rule requirements that specify what information and documentation is required to be provided by the Company and the lodgement requirements for those documents.

## **18 Specific operational authorities**

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### **18.1 Appointment of consultants**

Any Director with the prior approval of the Chairman, or by resolution of the Board, can appoint legal or financial consultants at the expense of the Company. The Chief Executive Officer is authorised to appoint consultants to advise on specific aspects of the Company's operations, acquisitions and/or divestments. They may also appoint legal or financial consultants or other management advisors where deemed appropriate.

### **18.2 Legal advisors - auditors - taxation advisors**

Any change to these advisors must be approved by the Board. The Chairman may authorise specific advice to be taken from an advisor who is not deemed to be the official Corporate advisor.

### **18.3 Risk management and insurance**

The responsibility for managing risk on a day-to-day basis is that of the management of each Business Operation, although independent risk management audits of site operations are carried out regularly and a report will be prepared annually for the Board reviewing the risk management and insurances of the Company.

### **18.4 Accounting policies**

Where there is no apparent express Company accounting policy, any Company accounting practice or policy can only be allowed with the approval of the Chief Financial Officer (or the Company Secretary in the absence of a Chief Financial Officer).

**18.5 Initiation of or participation in litigation**

- (a) Any unusual or sensitive litigation, such as litigation against a Government, appeal or a regulatory decision, litigation with possible sensitive reactions from major customers and suppliers, or litigation with sensitive public relations must be approved by the Chief Executive Officer before being actioned.
- (b) Notice of any legal action taken by an outside party against Company or any employees of the Company is to be given as soon as possible to the Chief Executive Officer or the Company Secretary.

**18.6 Donations and gifts****(a) Political Donations**

No person other than the Board shall have authority to make donations to any political party, whether local, provincial or central. The Board has currently resolved that there will be no political donations.

**(b) Giving (non political)**

Corporate 'giving' that is aimed at the standing of the Company as a whole in the community is the responsibility of the Board and delegated to the Chief Executive Officer.