

BOARD CHARTER

1. Introduction

- 1.1. In carrying out its responsibilities and powers as set out in this Charter, the Board of URB Investments Limited (“**URB**”, the “**Company**”) will at all times recognise its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of URB’s shareholders, as well as its employees, business partners, clients, and the community. It will work to promote and maintain an environment within URB that establishes these principles as basic guidelines for all of its employees, contractors and representatives at all times.

2. Purpose and Role

- 2.1. The Board is responsible for:
- a) charting the direction, strategies and financial objectives for URB and monitoring the implementation of those policies, strategies and financial objectives;
 - b) monitoring compliance with regulatory requirements and ethical standards; and
 - c) appointing and reviewing the performance of the Investment Manager and other external service providers.
- 2.2. In performing the responsibilities set out above the Board should act at all times:
- a) in a manner designed to create and continue to build sustainable value for shareholders; and
 - b) in accordance with the duties and obligations imposed upon them by the Constitution and by law.

3. Specific Responsibilities

- 3.1. In addition to matters expressly required by law to be approved by the Board, the Board has a specific responsibility for:
- a) the appointment of the Investment Manager and determination of their terms of engagement, including remuneration;
 - b) the remuneration and conditions of service including financial incentives for any executive directors and the Company Secretary, which will be reviewed by the Board at least annually;
 - c) the remuneration of non-executive directors;
 - d) approving significant changes to organisational structure and the appointment of such senior officers as the Board may determine;
 - e) approving any matters in excess of discretions delegated to the Investment Manager and other external service providers;
 - f) reviewing and approving the Company’s Investment Strategy;
 - g) reviewing and approving business results, business plans, the annual budget and financial plans;
 - h) overseeing the integrity of the Company’s accounting and corporate reporting systems, including the external audit;
 - i) reviewing and overseeing risk management and internal control systems and procedures;
 - j) ensuring regulatory compliance;

- k) monitoring and influencing the culture, reputation and ethical standards of the Company, including compliance with the Company's Code of Conduct
- l) ensuring Board composition and performance continues to facilitate the achievement of corporate objectives;
- m) overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives;
- n) monitoring financial performance including approval of the annual report and half-year financial reports;
- o) monitoring and assessing the performance of the Investment Manager;
- p) monitoring and assessing the performance of other external service providers appointed by the Board;
- q) reporting to shareholders, including operational and financial results;
- r) the acquisition, establishment, disposal or cessation of any significant business of URB; and
- s) the issue of any shares, options, equity instruments or other securities in URB.

3.2. Responsibilities specifically delegated to the Investment Manager include:

- a) development and implementation of the investment strategy;
- b) management of the investment portfolio, including the equity portfolio and the property portfolio;
- c) management of any property manager who manages a property asset URB has an interest in;
- d) development of the annual business plan and budget;
- e) achievement of URB's strategic goals and objectives;
- f) development and recommendation of capital management strategies;
- g) ongoing promotion and marketing of the Company;
- h) ongoing management of the Company's shareholders, including retail and institutional investors; and
- i) preparation of NTA and other investment performance and management reports submitted to the ASX.

4. Board Membership

- 4.1. The Board should comprise a majority of non-executive directors who satisfy the criteria for independence as stated in Section 5 below.
- 4.2. The directors shall appoint a chairperson of the Board.
- 4.3. The Board should have sufficient Directors to discharge its obligations.
- 4.4. The Board should consist of members with the range of skills and qualities to meet its primary responsibility for promoting the success of URB and its subsidiaries in a way that ensures the interests of shareholders and stakeholders are promoted and protected.

5. Independence

- 5.1. In accordance with Corporate Governance Principles and Recommendations (3rd Edition) released by the Australian Stock Exchange Corporate Governance Council, the

examples of interests, positions, associations, and relationships that might cause doubts about the independence of a director include if the director:

- a) is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
 - b) is, or has been within the last three years, a partner, director or senior employee of a provider of material professional services to the entity;
 - c) is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the entity or an officer of, or otherwise associated with, someone with such a relationship;
 - d) is a substantial security holder of the entity or an officer of, or otherwise associated directly with, a substantial shareholder of the Company. In accordance with Section 9 of the Corporations Act, a substantial shareholder holds greater than 5% of URB's issued capital;
 - e) has been appointed as a director of URB as a result of their, or related party, shareholding in URB;
 - f) has been appointed as a director of URB as the Designated Representative of a specific URB shareholder or group of URB shareholders;
 - g) has a material contractual relationship with URB or its related entities other than as a director;
 - h) has a material contractual relationship with the entity other than as a director;
 - i) has close family ties with any person who falls within any of the categories described above;
 - j) is a partner, shareholder, director or senior employee of a material competitor, or potential competitor, to URB or any of its related entities; or
 - k) has been a director of the entity for such a period that his or her independence may have been compromised.
- 5.2. In each case, the materiality of interest, position, association or relationship 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 interest of the entity and its security holders generally.
- 5.3. Materiality for these purposes is determined on both quantitative and qualitative bases. The Board employs a materiality threshold in judging whether customer, supplier, consultant, professional adviser or competitor relationships affect the independence of the Company's directors.
- 5.4. A relationship is presumed **immaterial** when it represents:
- a) less than 5% of URB's group net assets, or
 - b) less than 5% of the net assets of the other party.
- and is presumed **material** when it represents:
- a) more than 10% of URB's net assets, or
 - b) more than 10% of the net assets of the other party,
- in the absence of evidence or convincing argument to the contrary.
- 5.5. In considering such evidence or argument, the Board takes into account the strategic value and other material but non-quantitative aspects of the relationship in question.

- 5.6. Directors must advise the Chairman and/or Company Secretary as soon as practical after they become aware of a change to, or a potential change to, any relevant outside interests. At each meeting of the Board, directors table any changes to their current outside interests. The Company Secretary maintains a register of interests, which will be made available to all directors.
- 5.7. Where it is considered that a director has a material potential conflict, it is noted and where appropriate the relevant director absents him or herself for that specific item of business.

6. Meetings

- 6.1. Board and Committee papers should, where possible, be provided to directors at least four days prior to the relevant meeting.
- 6.2. The non-executive directors should meet at least once each year for private discussion of management issues.
- 6.3. The Board should meet formally at least 6 times per year. In addition, the Board will meet whenever necessary to deal with specific matters needing attention between the scheduled meetings.

7. Board Committees

- 7.1. The Board may from time to time establish committees to assist it in carrying out its responsibilities, and shall adopt Charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the Board may consider appropriate.
- 7.2. The Board shall as a minimum establish the following committees, and shall adopt Charters setting out all matters relevant to the composition, responsibilities and administration of those Committees:
 - a) Audit and Risk Committee; and
 - b) Remuneration & Nomination Committee, but only if required by the ASX Listings Rules;

8. Self-Assessment

- 8.1. The Board and Committees shall undertake an annual performance evaluation of itself that:
 - a) compares the performance of the Board with the requirements of its Charter;
 - b) sets forth the goals and objectives of the Board for the upcoming year; and
 - c) effects any improvements to the Board charter deemed necessary or desirable.
- 8.2. The performance evaluation shall be conducted in such manner as the Board deems appropriate.
- 8.3. The Chairman must annually assess the performance of each director and meet privately with each director to discuss this assessment.

9. Remuneration

- 9.1. The Company will remunerate its directors at a comparable rate of fees paid by similar sized companies, in similar or related industries to itself, cognisant of the frequency and duration of meetings also being comparable.
- 9.2. On an annual basis the Board will establish the current market ranges for non-executive director remuneration, procuring commercially available data and appointing and retaining expert advisers where appropriate.

9.3. The Company will not pay performance related incentives to its non-executive directors.

10. Procedures for Handling a Conflict of Interest

10.1. A Director who has:

- a) a material personal interest in a matter which relates to the affairs of the Company;
or
- b) any other interest which the Director believes is appropriate to disclose in order to avoid an actual conflict of interest or the perception of a conflict of interest,

may not be present at a meeting when the matter is being considered, and may not vote on the matter.

10.2. The minutes of the meeting should record the decision taken by the Directors who do not have an interest in the matter.