

SCENTRE GROUP

Board Charter

Owner and Operator of  in Australia and New Zealand

SCENTRE GROUP LIMITED ABN 66 001 671 496
SCENTRE MANAGEMENT LIMITED ABN 41 001 670 579 AFS Licence No: 230329 as responsible entity of Scentre Group Trust 1 ABN 55 191 750 378 ARSN 090 849 746
RE1 LIMITED ABN 80 145 743 862 AFS Licence No: 380202 as responsible entity of Scentre Group Trust 2 ABN 66 744 282 872 ARSN 146 934 536
RE2 LIMITED ABN 41 145 744 065 AFS Licence No: 380203 as responsible entity of Scentre Group Trust 3 ABN 11 517 229 138 ARSN 146 934 652
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SECTION 1

Introduction

This Charter sets out the objectives, responsibilities and framework for operation of the Board as established in accordance with the Constitution of each of Scentre Group Limited, Scentre Management Limited, RE1 Limited and RE2 Limited. To the extent of any conflict between the terms of this Charter and a Constitution, that Constitution prevails.

SECTION 2

Interpretation

ASX means ASX Limited.

Board means the Board of Directors of each of Scentre Group Limited, Scentre Management Limited, RE1 Limited and RE2 Limited.

Charter means a charter of the Board or a Committee, as approved by the Board from time to time.

Corporations Act means Corporations Act 2001 (Cth).

Committee means a standing committee created by the Board.

Directors mean the members of the Board.

Executive Key Management Personnel means the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer and any other executive designated by the Board from time to time as key management personnel (as defined by the Corporations Act).

Members mean members of Scentre Group.

Scentre Group means Scentre Group Limited, Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 and their respective controlled entities, and Scentre Group Entity means any of these entities.

SECTION 3

Objectives

The Board is accountable to Members and seeks to ensure that the business objectives of Scentre Group are aligned with the expectations of Members and that the operations of Scentre Group are being effectively managed in a manner that is properly focused on those business objectives as well as conforming to regulatory and ethical requirements.

The primary objectives of the Board in discharging its functions are to:

- oversee the effective management and control of Scentre Group including the composition, performance and remuneration of the senior executive team;
- set and review the strategic direction of Scentre Group;
- approve and monitor key budgets, business plans, financial statements, financial policies and financial reporting;
- establish, promote and maintain proper processes and controls and to maintain the integrity of financial accounting, financial records and reporting;

- develop and implement key corporate policies, procedures and controls as necessary to ensure appropriate standards of accountability, risk management and corporate governance and responsibility;
- oversee the adequacy of managerial resources to ensure there is adequate depth of resources and appropriate succession planning;
- monitor the performance of senior executives and the implementation of strategy;
- approve proposals for major new investments, capital expenditure and capital management initiatives as proposed by management;
- ensure that Members receive high quality, relevant and accurate information in a timely manner and that investors generally are able to trade in Scentre Group's securities in a market which is efficient, competitive and informed;
- determine and adopt distribution policies for Scentre Group; and
- oversee compliance by Scentre Group with its legal and regulatory obligations.

SECTION 4

Composition of the Board

4.1 Structure and review of the Board

- (a) The membership of the Board is reviewed by the full Board from time to time having regard to the ongoing needs of Scentre Group.

It is the policy of the Board that its membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in the core business activities of Scentre Group, and non-executive members who have outstanding track records and reputations attained at the highest levels of business and commerce generally, and who are able to bring to the Board a broad range of general commercial expertise and experience.

- (b) The Board should be of a size and composition that is conducive to effective decision making, with the benefit of a variety of perspectives and skills and in the interests of Scentre Group. The Board will regularly review the structure, size, diversity and composition (including the balance of skills, knowledge and experience) of the Board and the effectiveness of the Board as a whole.
- (c) The Board will, on an annual basis, conduct performance evaluations of the Board, its Committees and individual Directors and the governance processes which support the Board.
- (d) Directors will be expected to participate in a programme of induction, training and development, which will be adopted and maintained for Directors.
- (e) The Board will develop and implement appropriate Board renewal and succession planning strategies.
- (f) The appointment of a new member to the Board is only made after consultation with the Nomination Committee. A new member of the Board (not elected by members at an Annual General Meeting) is subject to election by Members of Scentre Group Limited at the Annual General Meeting following their appointment. Except in the case of the Managing Director (or one of them, when there is more than one Managing Director), Board members are subject to re-election by Members of Scentre Group Limited at least every three years.

4.2 Independence

- (a) The Board should include significant representation by Directors who are capable and willing to make decisions which are in the best interests of Members free from interests and influences which conflict with that duty and are also independent of management.

- (b) The Board must regularly assess the independence of each Director in light of the interests they have disclosed and such other factors as the Board determines are appropriate to take into account in determining whether the Director is independent of management and free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of Members generally.
- (c) In general, a non-executive Director will not be regarded as an independent Director if that Director:
- (i) is a substantial security holder of Scentre Group or an officer of, or otherwise associated directly with, a substantial security holder of Scentre Group;
 - (ii) is, or within the last three years has been employed in an executive capacity by any Scentre Group Entity;
 - (iii) is, or within the last three years has been a partner or a senior management executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of any Scentre Group Entity;
 - (iv) is, or within the last three years has been a partner, director or senior employee of a material professional adviser to any Scentre Group Entity (for this purpose a material professional adviser is an adviser whose billings to Scentre Group exceed 1% of the adviser's total revenues);
 - (v) is, or within the last three years has been a principal, senior employee or associate of a material supplier to, or material customer of, any Scentre Group Entity (for this purpose a material supplier is a supplier whose revenues from Scentre Group exceed 5% of the supplier's total revenues and a material customer is a customer whose payments to Scentre Group exceed 1% of the customer's operating costs);
 - (vi) has a material contractual relationship with any Scentre Group Entity other than as a Director of the relevant Scentre Group Entity;
 - (vii) has any interest or business or other relationship which could materially interfere with the Director's ability to act in the best interests of Scentre Group and independently of management;
 - (viii) has close family ties with any person who falls within any of the categories described above; or
 - (ix) has been a Director of Scentre Group for such a period that their independence may have been compromised.

The Board may make a determination that a Director is independent despite the existence of one or more circumstances above. However, the Board will state the reasons for making its determination in such a case.

- (d) The Board will identify independent Directors and their length of service in the corporate governance section of the annual report of Scentre Group.

SECTION 5

Proceedings

5.1 Frequency

- (a) The Board should meet regularly (not less than six times a year) and hold special meetings as required. Prior notice of meetings will be given in a manner which, so far as possible, facilitates attendance by all Directors.
- (b) Any Director may convene a meeting of the Board or require the Company Secretary to convene a meeting of the Board.

5.2 Compliance with the Constitutions

All meetings of the Board will be conducted in accordance with the Constitutions of each of Scentre Group Limited, Scentre Management Limited, RE1 Limited and RE2 Limited and applicable laws.

SECTION 6

Responsibilities of the Board

- 6.1 The Board is responsible for overseeing the effective management and control of Scentre Group.
- 6.2 The Board has delegated certain responsibilities to standing committees which operate in accordance with Charters approved by the Board.
- 6.3 The Board has delegated the day to day management of the business of Scentre Group to management through the Chief Executive Officer subject to authority limits applicable to the senior executive team. However, the Board has established a list of reserved matters pursuant to which it has reserved to itself control over certain matters of a strategic, sensitive or extraordinary nature or which exceed the thresholds set in the authority delegated to management.

SECTION 7

Reserved Matters

The following matters (including changes to any such matters) require approval from the Board, except where they are expressly delegated to a Committee, the Chairman, the Chief Executive Officer or another nominated member of the senior executive team.

- 7.1 Strategy and Direction
 - (a) Policies regarding Scentre Group's:
 - (i) overall strategic direction and strategic plans for each of Scentre Group's major business units;
 - (ii) key business and financial objectives; and
 - (iii) distribution policy and the approval of any distribution pursuant to that policy.
 - (b) Acquisitions, disposals of assets or any significant Scentre Group expenditure which exceed the authority limits delegated to the Executive Key Management Personnel.
- 7.2 Financial Controls, Compliance and Risk Management
 - (a) Annual operating and capital expenditure budgets for Scentre Group.
 - (b) Treasury policies, including foreign currency exposure and policies on the use of financial derivatives.
 - (c) Scentre Group's financial statements and published reports, including the Directors' report and Scentre Group's corporate governance report.
 - (d) The establishment and review of the effectiveness of Scentre Group's systems of internal control and risk management processes.

- (e) Matters impacting on compliance with statutory and regulatory obligations which, if not complied with, would have a material effect on the business of Scentre Group.
- (f) Any significant changes in accounting policies or procedures.

7.3 Capital Structure

Changes to Scentre Group's capital structure, including reductions of share capital, share buy-backs or issue of new securities, other than in accordance with the terms of Scentre Group's equity-based incentive plans.

7.4 Appointments

- (a) Appointments to the Board, following a review by Scentre Group's Nomination Committee.
- (b) The appointment and review of the performance of the Executive Key Management Personnel.
- (c) The appointment of external auditors (on the recommendation of the Audit and Risk Committee).
- (d) The appointment of the Company Secretary.

7.5 Delegation of Authority

- (a) Changes to the Charter or membership of any Committee.
- (b) Changes to the authority delegated to the Executive Key Management Personnel.
- (c) Matters which exceed the authority delegated to the Executive Key Management Personnel.

7.6 Policies

The instigation of significant policies affecting Scentre Group as a whole, including:

- (a) Codes of Conduct;
- (b) Security Trading Policies;
- (c) Diversity Policies;
- (d) Scentre Group Health and Safety Policies;
- (e) Risk Management and Oversight Policies; and
- (f) Continuous Disclosure and Communications Policies.

7.7 Corporate Governance Matters

- (a) Determining the independence of non-executive Directors.
- (b) Determining the remuneration of the non-executive Directors, including Committee fees and chair fees.
- (c) Determining the process of evaluation and performance of the Board, its Committees and Directors.
- (d) Monitoring and evaluating the necessary and desirable competencies of the Directors, including the range of skills and experience of the Directors.
- (e) Considering succession planning for the Board.

- (f) Resolutions and related documentation to be put to Members in general meeting.
- (g) Approval of announcements and press releases concerning matters decided by Board including announcements relating to the operating performance of Scentre Group.

SECTION 8

Duties of Individual Directors

8.1 General

The Directors of Scentre Group are required to act honestly, diligently, transparently and in the best interests of Members and to endeavour to ensure that the business of Scentre Group is managed and conducted efficiently, that security holder value is enhanced and security holder expectations are met or exceeded.

8.2 Legal Obligations of Directors

(a) Directors must:

- discharge their duties in good faith and in the best interests of the Members and for a proper corporate purpose;
- act with care and diligence, demonstrate commercial reasonableness in their decision making and with the level of skill and care expected of a Director of a listed entity;
- take reasonable steps to avoid actual, potential or perceived conflicts of interest except in those circumstances permitted by the Corporations Act;
- act for the benefit of Scentre Group at all times;
- not make improper use of information gained through their position as Director;
- not take improper advantage of their position as Director;
- make reasonable enquiries to ensure that Scentre Group is operating efficiently, effectively and legally towards achieving its goals; and
- give due consideration to all proposals placed before the Board and keep all discretions unfettered.

(b) Individual Directors, other than executive Directors acting within the scope of their delegated authority, must not purport to bind Scentre Group unless expressly authorised to do so by the Board.

(c) Directors must ensure that their delegates are reliable and competent and that adequate controls are in place to oversee the exercise of the delegated powers.

8.3 Conflicts of Interest and Related Party Transactions

(a) A Director who has:

- (i) a material personal interest in a matter that relates to the affairs of Scentre Group; or
- (ii) an interest that is inconsistent with or divergent from the interests of Members;

must disclose that interest to the other Directors and should not participate in discussions at a meeting or vote on the matter unless permitted by the Corporations Act.

(b) Directors should inform the Company Secretary of any related party transactions.

8.4 Other Specific Disclosures

- (a) Any event or circumstance which may impact on the status of that Director as an independent Director or otherwise reflect on their capacity to serve, should immediately be disclosed to the Chairman. If the Board determines that a Director's independent status has changed, that determination will be disclosed to the market in a timely manner.
- (b) All Directors must observe the requirements in the Security Trading Policy.

8.5 Access to Senior Management

- (a) Directors should have access to the Executive Key Management Personnel, the General Counsel and the Company Secretary for the purposes of seeking information or asking questions.
- (b) Where appropriate, presentations should be made by senior management to Board members in respect of recurring issues of interest to the Board and on special items of interest, identified by the Board or by management, from time to time.

8.6 Retirement of Directors

The Directors shall retire from office in accordance with the Constitution of Scentre Group Limited and the applicable sections of the Corporations Act or the ASX Listing Rules.

8.7 Procedure for Independent Advice

In the event that any Director wishes to take professional advice in relation to any aspect of performance of their duties as a Director of Scentre Group, the Director may do so at Scentre Group's expense. The Director should first contact the Chairman and the Company Secretary who will, if required by the Director, assist in procuring that professional advice. A copy of the advice will be made available to Directors.

8.8 Board discussions, deliberations and decisions

- (a) Directors must keep confidential Board discussions, deliberations and decisions which have not been publicly disclosed.
- (b) Confidential information received by Directors in the course of exercising their duties remains the property of Scentre Group.
- (c) Non-executive Directors will periodically meet without executive Directors or management present.
- (d) The Board may request or invite management or external consultants to attend Board meetings if necessary or desirable.

SECTION 9

Role of the Chairman

- (a) The Chairman is responsible for:
 - the leadership of the Board;
 - chairing meetings of the Board and the efficient organisation and conduct of the Board's functions;
 - taking such measures as are necessary to facilitate an effective contribution by all Directors; and
 - promoting a constructive relationship between Board members and management.

- (b) The Chairman should review corporate governance matters with the Company Secretary and report on those matters to the Board.
- (c) The Chairman will also be responsible for chairing general meetings of Members.

SECTION 10

Role of Company Secretary

- (a) The Company Secretary should:
 - monitor compliance with Board policies and procedures; and
 - co-ordinate the completion and despatch of the Board agenda and supporting papers in a timely manner.
- (b) The Company Secretary should be responsible for:
 - in conjunction with the Chairman, organising Board meetings;
 - with input from the Chairman and any other Director, preparing agendas;
 - coordinating the preparation of Board papers; and
 - organising Directors' attendances at Board and Committee meetings.
- (c) The Company Secretary is accountable to the Board, through the Chairman, on all governance matters.

SECTION 11

Management

11.1 General

- (a) Management, through the Board's delegation of authority to the Chief Executive Officer, is responsible for the day to day management of the business and operations of Scentre Group.
- (b) Management should supply the Board with such information as is reasonably necessary to assist the Board in discharging its duties.

11.2 Role of the Chief Executive Officer

- (a) The Board has delegated authority to the Chief Executive Officer for the business and affairs of Scentre Group. That delegation is subject to and limited by, the terms of this Charter including matters reserved for decision by the Board in accordance with section 7 and any specific limitations on authority imposed by the Board from time to time.
- (b) The responsibilities of the Chief Executive Officer and other Executive Key Management Personnel should be stated in an agreed job description.
- (c) The Chief Executive Officer is responsible for making recommendations and reporting to the Board regarding the development of strategies for and the management and performance of the business and operations of Scentre Group.
- (d) The Chief Executive Officer is responsible for managing Scentre Group in accordance with the strategy, business plans and policies approved by the Board.

- (e) The Chief Executive Officer must ensure that Scentre Group's financial reports present a true and fair view of Scentre Group's financial condition and operational results and are in accordance with the relevant accounting standards. On presentation of financial reports for approval by the Board the Chief Executive Officer and Chief Financial Officer should state in writing to the Board that:
- the financial reports comply with the requirements of this paragraph;
 - the statement given in relation to the integrity of financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
 - Scentre Group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting.
- (f) The Chief Executive Officer must consult with the Chairman and with the Board regarding matters which the Chief Executive Officer considers is of such a sensitive, extraordinary or strategic nature as to warrant the attention of the Board regardless of value.
- (g) The Chief Executive Officer may sub-delegate his or her functions to executive management of Scentre Group subject to existing Board policies and legal requirements that limit that power of sub-delegation.

11.3 Executive Key Management Personnel Remuneration

Following a review and recommendation by the Human Resources Committee, the Board must review and determine the proposed annual remuneration for the Chief Executive Officer and other Executive Key Management Personnel.

11.4 Role of the Executive Committee

The Executive Committee comprises members of the senior executive team, including the Executive Key Management Personnel. A function of this committee is to:

- (a) assist in the formulation of all aspects of the risk management process to be adopted by Scentre Group;
- (b) oversee the implementation of Scentre Group's policies and procedures by management by ensuring that all phases of the process of identification, assessment, control, review and reporting are reflected appropriately in the business processes of Scentre Group;
- (c) ensure that there is a proper allocation of responsibility for the implementation and conduct of the risk management process as between Scentre Group's management in the various jurisdictions; and
- (d) implement appropriate systems for confirming compliance with all relevant laws and other regulatory obligations are complied with and for ensuring that the risk management processes of Scentre Group are such that the Chief Executive Officer and the Chief Financial Officer are able to give those certifications which are required to be given in order to comply with the Corporations Act, applicable accounting standards and the ASX Corporate Governance Council Corporate Governance Principles and Recommendations.

The Executive Committee is required to report to the Board, through the Board Audit and Risk Committee, as to the effectiveness of Scentre Group's management of its material risks.

SECTION 12

Review of Charter

This Charter will be reviewed annually by the Board to keep it up to date and consistent with the Board's objectives and responsibilities.