



Risk and Compliance Committee Charter

Vicinity Limited
Vicinity Centres RE Limited as Responsible Entity for
Vicinity Centres Trust
together Vicinity Centres

Adopted by the Boards on 18 August 2015

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Risk and Compliance Committee Charter

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Charter of the Risk and Compliance Committee

Vicinity Limited ACN 114 757 783 (**Company**) and Vicinity Centres Trust ARSN 104 931 928 (**Trust**) comprise a stapled security structure listed on the Australian Securities Exchange (ASX:VCX). Vicinity Centres RE Limited ACN 149 781 322 (**Responsible Entity**) is the responsible entity of the Trust and the responsible entity/ trustee of various other trusts.

In this Charter the Group refers collectively to the Company, the Trust and all their respective controlled entities.

The Boards of the Company and the Responsible Entity (together, the **Board**) have established the Risk and Compliance Committee (**Committee**). The membership of the Committee, the responsibilities and functions delegated to it and administrative and reporting matters associated with it are set out in this document.

This charter is adopted by the Board on 18 August 2015.

1. Purpose

- 1.1 The purpose of the Committee is to assist the Board to execute its corporate governance responsibilities by monitoring and reviewing the effectiveness of the Group's risk management and regulatory compliance frameworks.
- 1.2 The Board is ultimately responsible for deciding the nature and extent of the risks it is prepared to take to meet the Group's objectives.
- 1.3 Financial internal controls and accounting risks are matters considered by the Audit Committee.
- 1.4 Strategic and reputational risks for the Group will be governed by the full Board with input from all committees of the Board, including the Committee.

2. Membership of the Committee

- 2.1 The Committee must comprise:
 - a. at least 3 members;
 - b. a majority of members who are non-executive directors of the Company;
 - c. a majority of independent Directors (as assessed by the Board);
 - d. an independent Chairman (as assessed by the Board); and
 - e. the Chairman of the Audit Committee.
- 2.2 The Board may review and by resolution alter the Committee's membership, or appoint and remove members. Members may withdraw from membership by written notification to the Board.
- 2.3 The Secretary of the Committee will be the Company Secretary of the Board, unless otherwise determined by the Committee.

3. Meetings

- 3.1 The Committee will meet at least quarterly and more often as the Committee members deem necessary in order to fulfil their role.
- 3.2 The provisions of the Company's Constitution dealing with Directors' meetings apply to meetings of the Committee.
- 3.3 The Secretary will convene a meeting on receipt of a request by a member of the Committee.
- 3.4 The quorum for meetings of the Committee will be two members.
- 3.5 A decision is made by the Committee if it is supported by a majority of members who are present at the meeting.
- 3.6 Notice of meetings and all relevant material will be provided to Committee members by the Secretary within a reasonable period in advance of each meeting.

- 3.7 Directors of the Board who are not members of the Committee will be given notice and may attend Committee meetings. Such Directors may request copies of the relevant material, and will be provided with such material upon request.
- 3.8 The Chief Executive Officer, General Counsel, Head of Risk, Head of Compliance and Manager of Internal Audit and Directors who are not members of the Committee will be invited to attend all Committee meetings by standing invitation and shall be provided with relevant meeting materials.
- 3.9 Members of management not listed above, may attend meetings of the Committee at the invitation of the Committee.
- 3.10 The Company Secretary or delegate will attend all Committee meetings to act as minute secretary. Following approval by the Chairman of the Committee, minutes will be presented at the next Committee meeting for approval, sent to the Board for noting and then entered into a minute book maintained for that purpose and be open at all times for inspection by any director.

4. Powers of the Committee

- 4.1 To ensure that the Committee has access to members of the Group's management, employees, auditors (external and internal) and others sufficient to perform its role, the Committee can:
 - a. invite those persons to Committee meetings;
 - b. request those persons provide relevant information or explanations to the Committee; and
 - c. interview those personsin each case, with or without management (or particular members of management) being present.
- 4.2 The Committee may seek the advice of independent legal, accounting, or other advisors for advice to the extent the Committee considers necessary to carry out its duties. Where the Committee seeks advice independently of management, approval of the Chairman of the Board should be obtained prior to the Committee engaging those advisors directly. The Committee may request that any advice be provided directly to the Committee (or Chairman of the Committee).
- 4.3 The Committee may initiate special investigations as it sees fit, or as directed by the Board, in relation to matters set out in this Charter.

5. Duties and responsibilities of the Committee – risk management

- 5.1 This Committee is responsible for assessing the Group's risk culture, by maintaining a dialogue with relevant members of management with the objective of having a view on the health of the Group's risk culture, and to report any significant or systemic issues or concerns to the Board.
- 5.2 In the area of risk management the key responsibilities of the Committee are to:
 - a. Monitor and review the enterprise risk management framework, risk appetite statement and supporting policies, procedures, systems and controls which have been established by management, ensuring the effective identification, assessment and prioritisation of potential material risks.
 - b. Review material risks identified in the Group's risk profile, monitor changes in the risk profile, challenge the risk profile in light of the risk appetite and draw the Board's attention to material risks where required.
 - c. Monitor the effectiveness and adequacy of risk mitigation strategies and controls.
 - d. Working in conjunction with the Audit Committee, review and recommend internal audit coverage relating to the Group's risk management framework.
 - e. Report to the Audit Committee regarding risks identified with respect to the Group's systems of financial control such that those risks can be overseen by the Audit Committee.
 - f. Monitor the resourcing of the Risk function to ensure that it remains appropriate for the needs of the business.
 - g. Receive reports from management concerning new, emerging or escalated risks, organisational changes and major initiatives.
 - h. Review the structure and adequacy of the Group's insurance programs on an annual basis having regard to the insurable risks associated with the Group's business and make recommendations to the Board to approve the parameters for the Group's D&O insurance program.

- i. Monitor the Group's work health, safety and environment practices.
 - j. Oversee investigations of allegations of material fraud or malfeasance, a material or systemic failure of the Group's internal control systems or a material or systemic breach of the Group's risk management and regulatory compliance frameworks, including overseeing the whistleblower process, by:
 - i. reviewing management's investigation and findings in respect of an incident; and
 - ii. ensuring that management's proposed responses are acted upon.
 - k. Review and recommend to the Board policies in respect of risk management in accordance with the Group's Policy Governance Framework.
- 5.3 The Committee will report and make recommendations to the Board with respect to its oversight and review of risk management.
- 5.4 The Committee will, in discharging its duties, seek to co-ordinate its activities with the Audit Committee where appropriate. To facilitate this, copies of internal control reports, Internal Audit reports of a non-financial nature and Group's risk management and regulatory compliance frameworks that are provided to the Audit Committee will also be provided to the Committee for information. The Chairman of the Committee must liaise with the Chairman of the Audit Committee on an ongoing basis to ensure that no material matter is overlooked by the two committees.

6. Duties and responsibilities of the Committee – Group compliance

- 6.1 In the area of Group compliance, the key responsibilities of the Committee are to:
- a. Agree and recommend to the Board for approval the compliance framework for the Group,
 - b. Review the compliance framework for the Group at least annually including relevant supporting policies and recommend any amendments to the Board,
 - c. Obtain regular updates from the Group's management regarding compliance matters that may have a material impact on the Group, and
 - d. Review any findings of examinations by regulatory agencies and consider any reports concerning material violations of laws and regulatory requirements of the Group or to ensure that management is taking steps to address any deficiencies of the Group's compliance practices.

7. Duties and responsibilities of the Committee – AFSL compliance

- 7.1 In the area of Australian Financial Services Licence (AFSL) compliance, the key responsibilities of the Committee are to:
- a. Monitor the compliance plans in respect of each managed investment scheme for which a Group entity is the responsible entity and recommend to the responsible entity board for approval any amendments to those compliance plans considered necessary or desirable by the Committee,
 - b. Monitor management's compliance with requirements under the Group's AFSLs, and
 - c. Review and adopt policies to support the Group's AFSLs.

8. Limitations of responsibilities

- 8.1 The Committee's role does not extend to risk management in respect of the responsibilities that are set out in the Charters of the Audit Committee and the Remuneration and HR Committee.

9. Reporting

- 9.1 The Committee Chair will provide a verbal report of the actions of the Committee to the Board at the next Board meeting following a meeting of the Committee.
- 9.2 All Directors may, within the Board meeting, request information of members of the Committee.

10. Review

- 10.1 The Committee will review the Committee Charter at least annually and recommend proposed amendments to the Board for approval.