

Victory Offices Limited

Board Charter

Introduction

Purpose of Charter

This is the Charter of the Board of the Company (the Charter). The Charter governs the operations of the Board. It sets out the Board's role and responsibilities, composition, structure and membership requirements.

Role of Board

The Board is responsible for the overall operation and stewardship of the Company and, in particular, for the long-term growth and profitability of the Company, the strategies, policies and financial objectives of the Company, and for monitoring the implementation of those policies, strategies and financial objectives, including the responsibilities set out below.

In performing the responsibilities set out in this Charter, the Board should act at all times in a manner designed to create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed on them by the Company's constitution and by law.

Review of Charter

The Board must review and reassess this Charter at least annually and, if required, make any amendments to the Charter.

Roles and responsibilities of the Board

Strategy

The role of the Board in respect of strategy includes:

- (a) providing input to, and approval of, the Company's strategic direction and budgets as developed by management;
- (b) directing, monitoring and assessing the Company's performance against strategic and business plans, to determine if appropriate resources are available; and
- (c) approving and monitoring capital management and major capital expenditure, acquisitions and divestments.

Risk management & reporting

The role of the Board in respect of risk management and reporting includes:

- (a) identifying the principal risks of the Company's business and ensuring the Company has in place an appropriate risk management framework and establishing the acceptable levels of risk within which the Board expects the management of the Company to operate;
- (b) reviewing and ratifying the Company's systems of internal compliance and control, risk management and legal compliance systems, to determine the integrity and effectiveness of those systems; and
- (c) approving and monitoring material internal and external financial reporting and other reporting, including:
 - i. periodic reporting to shareholders, the ASX and other stakeholders; and
 - ii. overseeing the Company's processes for making timely and appropriate disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Relationship with management

The role of the Board in relation to management includes:

- (a) appointment and removal of the Managing Director (or equivalent) and the Company Secretary;
- (b) ratifying the appointment and removal of senior executives (which includes all executives who report directly to the Managing Director);
- (c) approving the Company's remuneration policies and framework and determining whether the remuneration and conditions of service of senior executives are appropriate and consistent with the approved remuneration policies and framework;
- (d) establishing and monitoring executive succession planning;
- (e) delegating the day to day decision making and implementation of Board approved strategy to the Managing Director; and
- (f) setting specific limits of authority for management.

Monitoring of performance

The role of the Board in respect of performance monitoring includes:

- (a) approving criteria for assessing performance of senior executives and monitoring and evaluating their performance; and
- (b) undertaking an annual evaluation of the performance of the Board, each Board Committee and individual Directors, comparing their performance with the requirements of this Charter, relevant Board Committee Charters and the reasonable expectations of individual Directors,
- (c) each year following the performance review, the Chairperson should establish the goals and objectives of the Board for the upcoming year and effect any amendments to this Charter and any Board Committee Charter considered necessary or desirable.

Corporate governance

The role of the Board in respect of corporate governance includes:

- (a) selecting and appointing the Board chairperson, and if the Company has one, the deputy chair;
- (b) ensuring ethical behaviour and compliance with the Company's own governing documents, including the Company's Code of Conduct; and
- (c) monitoring and evaluating the Company's compliance with its corporate governance standards.

Board Committees

The role of the Board includes:

- (a) establishing such committees of the Board as may be appropriate including the following Board Committees:
 - i. Audit Committee; and
 - ii. HR & Remuneration Committee.
- (b) adopting Charters setting out the membership, responsibilities and reporting obligations of each Board Committee and evaluating the performance of the Board Committees; and

- (c) undertaking an annual performance evaluation of each Board Committee that compares the performance of the Board Committee with the requirements of the relevant Board Committee Charter, sets forth the goals and objectives of the Board Committee for the upcoming year and effecting any amendments to the relevant Board Committee Charter considered necessary or desirable.

Other

The role of the Board also includes performing such other functions as prescribed by law.

Board composition and related matters

Board size

The Constitution of the Company provides that the number of Directors (not counting alternate directors of the Company) must at any time be no more than nine and no less than three.

Board composition

The Board should comprise:

- (a) a majority of people who are independent Directors (or otherwise the Company must disclose in its Annual Report the reason why a majority of Directors on the Board are not independent Directors); and
- (b) people with a mix of skills and diversity of backgrounds to enable the Board to discharge its duties effectively.

Chairperson

To the extent practicable given the size and composition of the Board from time to time, the Chairperson of the Board should be non-executive and should be independent and should not hold the role of Managing Director (or equivalent).

Company secretary

The Company Secretary will:

- (a) be appointed and removed by the Board; and
- (b) report to and be accountable to the Board, through the Chairperson of the Board, on all matters to do with the proper functioning of the Board and Board Committees.

Independent directors

An independent director is a Non-Executive Director who is not a member of management, and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment and to act in the best interests of the Company and its security holders generally.

Examples of such relationships include:

- (a) is, or has been, employed in an executive capacity by the Company or another group member, 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 within the last three years been, a principal, partner, director, or senior employee of a material professional adviser or a material consultant to the Company or another group member;
- (c) is, or has been within the last three years, in a material business relationship (such as a material supplier or customer) with the Company or other group member, or an officer of, or otherwise associated directly or indirectly with, someone with such a relationship;

- (d) is a substantial shareholder of the Company, or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (e) has a material contractual relationship with the Company or another group member other than as a director of the Company;
- (f) has close family ties with a person who falls within any of the above categories;
- (g) has been a director of the Company for such a period that his or her independence may have been compromised.

Family ties and cross-directorships may be relevant in considering interests and relationships which may compromise independence, and should be disclosed by Directors to the Board.

The Board will:

- (a) disclose the names of Directors it considers to be independent and the length of service of each Director; and
- (b) regularly review the independence of each Director in light of interests disclosed and will disclose any change to ASX, as required by the ASX Listing Rules.

Appointing new directors

When considering the appointment of a person as a Director, the Board will:

- (a) undertake appropriate checks before appointing the person, or putting the person forward to shareholders as a candidate for election as a Director; and
- (b) provide shareholders with all material information in the possession of the Company relevant to a decision on whether or not to elect or re-elect a person as a Director, including whether the person will qualify as an independent Director.

Management and delegation

Managing Director and management

The Managing Director (or equivalent) is responsible for running the day to day affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out the managing director's responsibilities, the Managing Director (or equivalent) must report to the Board in a timely and clear manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

Delegation to management

The role of management is to support the Managing Director (or equivalent) and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board. The delegated authority includes responsibility for:

- (a) developing business plans, budgets and strategies for the Company for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- (b) operating the Company's business within the parameters set by the Board from time to time and keeping the Board informed of material developments in the Company's business;
- (c) in respect of proposed transactions, commitments or arrangements that exceed the parameters set by the Board, referring such matters to the Board for its consideration and approval;
- (d) identifying and managing operational and other risks and, where those risks could have a material impact on the Company's businesses, formulating strategies for managing these risks for consideration by the Board;
- (e) implementing the policies, processes and codes of conduct approved by the Board; and

- (f) managing the Company's current financial and other reporting mechanisms and control and monitoring systems to ensure that these mechanisms and systems function effectively and capture all relevant material information on a timely basis.

Senior executives

The Company will have:

- (a) a written agreement with each person appointed as a senior executive of the Company setting out the terms of their appointment; and
- (b) a process for ensuring that the performance of senior executives of the Company are reviewed at least annually.

Other matters

Conflict of interest of a director

From time to time a director may have a conflict of interest. The Board aims to ensure that the consideration of matters by the Board and any Board committees is undertaken free from any actual influence or appearance of influence from persons with conflicts of interest, and that the disclosure of the Company's confidential information is to be subject to appropriate corporate governance controls.

Independent Professional Advice for Directors

- (a) Directors may obtain independent professional advice, at the Company's cost, in carrying out their responsibilities.
- (b) It will be appropriate to obtain independent professional advice where:
 - i. the issue or recommendation in question is one which the Director reasonably considers, after consulting with the Board or the Chairperson of the Board, is of a character that makes obtaining independent advice appropriate; and
 - ii. the Board or Chairperson, following such consultation consents to the obtaining of such advice.
- (c) Independent professional advice can be obtained without the involvement of the Company's management where the Board or the Chairperson considers it appropriate to do so.
- (d) A suitable qualified expert in the appropriate field should be instructed. Prior to instructing the expert, the Director should advise the Board or Chairperson of the fee payable which must be reasonable having regard to the nature of the advice sought and the fees charged by comparable experts.
- (e) All instructions to the expert must be in writing specifying the party instructing and the capacity in which that party is acting and the party to whom the advice is to be addressed.
- (f) Except in circumstances of competing interests between the Directors or the Director and the Company, a copy of the advice, the letter of instruction, and all materials which accompanied the letter must be provided to the Board.

Terms of appointment of Directors

- (a) All Directors are expected to continue as Directors only for so long as they have the confidence of their fellow Board members and the confidence of the Company's shareholders.
- (b) In accordance with Constitution of the Company, no Director except a Managing Director will hold office for a continuous period in excess of three years or past the third annual general meeting following the Director's appointment, whichever is the longer, without submitting for re-election.
- (c) The Company will have a written agreement with each person appointed as a Director setting out the terms of their appointment.

Inconsistency with the Company's constitution

To the extent that there is any inconsistency between this Charter and the Company's constitution, the constitution will prevail.

Adoption of Charter and Board review

This Charter was adopted by the Board in June 2019, and takes effect from that date and replaces any previous charter in this regard.

The Board will review this Charter periodically. The Company Secretary will communicate any amendments to employees as appropriate.