
Board Charter

**RAM Property Funds Management Ltd
as Responsible Entity for**

RAM Essential Services Property Fund

Approved on 7 October 2021

RAM Property Funds Management Ltd

Board Charter

1. Introduction

- 1.1 RAM Property Funds Management Limited (**RPFML**) is the Responsible Entity (**RE**) of the RAMS Essential Services Property Fund (**Trust**) which comprises two trusts whose units are stapled together (described as a **Security**), being the RAM Australia Retail Property Fund and RAM Australia Medical Property Fund and includes their respective wholly owned sub-trusts. Both the RAM Australia Retail Property Fund and the RAM Australia Medical Property Fund are registered managed investment scheme (ARSN 634 136 682 &) 645 964 601 respectively) and as stapled trusts are listed on the Australian Securities Exchange. RPFML holds an appropriate Australian Financial Services Licence (**AFSL**) permitting it to act as the responsible entity and operate the managed investment scheme.
- 1.2 This Board Charter sets out the principles for the operation of the board of directors (**Board**) of RPFML. RPFML is a wholly owned subsidiary of the RAM group of companies (**RAM Group**).
- 1.3 The Board is responsible for the overall management of the Trust including its strategic direction and governance with the objective of enhancing the value of the Trust's securities overtime for securityholders.
- 1.4 To ensure RPFML can carry out its statutory and contractual duties, the RPFML has appointed RAM Property Investment Management Pty Ltd (**Investment Manager**) and RAM Property Asset Management Pty Ltd (**Property Manager**) to provide, or procure the provision of all necessary day-to-day trust management services and property management and leasing services required to successfully manage the Trust, and such services are subject to the oversight and matters requiring approval by the Board. These service providers are also wholly owned subsidiaries of the RAM Group.

2. Role and responsibilities of the Board

Role

- 2.1 The role of the Board in relation to the Trust is to set strategic objectives and provide oversight of the management of all investment, funding, operational, compliance and reporting activities to enhance the performance of the Trust.
- 2.2 The Board must ensure that the activities of Trust comply with various requirements including the RE's constitution (**Constitution**), from which it derives its authority to act, and with legal and regulatory requirements, ASX listing rules, the Corporations Act and other statutory and contractual duties and obligations To achieve this role, the Board has reserved to itself the specific responsibilities noted in 2.4.
- 2.3 The Board must also ensure that the RPFML complies with its Australian Financial Services Licence and Compliance Plan in fulfilling its responsibilities and duties. In accordance with the Corporations Act, the directors have a duty to act in the best interests of securityholders of the Trust, and to prioritise the interests of Trust securityholders over the interests of RPFML shareholders.

Responsibilities

- 2.4 The Board is responsible for:

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- (a) providing strategic direction and deciding upon the Trusts business strategies, objectives, overseeing the implementation of the Trusts strategic objectives, instilling its values and its performance generally;
- (b) overseeing the administration of the Investment Management Agreement and the Property Management Agreement;
- (c) through the Chair, overseeing the role of the Company Secretary;
- (d) overseeing the integrity of the Group's accounting and corporate reporting systems, including the external audit and quality of financial and performance reporting;
- (e) overseeing RPFML's process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the ASX price or value of the Trusts securities;
- (f) with the assistance of the Audit and Risk Committee, satisfying itself that the Trust has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;
- (g) satisfying itself that an appropriate framework exists for relevant information to be reported by the Investment Manager and Property Manager to the Board;
- (h) whenever required, challenging the Investment Manager (and their respective management teams), and holding them to account;
- (i) reviewing the performance and effectiveness of the RPFML's governance practices, policies and procedures;
- (j) determining RPFML distribution policy for the Trust, the amount and timing of all distributions and the operation of the Trust's distribution re-investment plan (if any);
- (k) evaluating, approving, and monitoring the Trust's operating budgets, major capital expenditure, capital management and all major acquisitions, divestitures and other corporate and financing transactions, including the issue of securities in the Trust;
- (l) overview the preparation and approving the Trust's operating and financial reports, forecasts and other reports required at law or under the ASX Listing Rules, or other documents publicly issued and disclosed by RFPML;
- (m) approving all material investment transactions and changes in capital structure;
- (n) monitoring the securityholder compliance with the Trust's Constitutions;
- (o) ensuring that RPFML complies with its AFSL and Compliance Plan;
- (p) ensuring that the RPFML maintains a commitment to promoting sustainability and diversity in the workplace; and
- (q) performing such other functions as are prescribed by law or nominated by the Board from time to time.

Corporate governance

- 2.5 The corporate governance structure adopted by the Board reflects its role as an external manager of a listed REIT, and as a result, the corporate governance structure may be different to a traditional listed company carrying on an operating business, or a trust which is internally managed.

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- 2.6 For RPFML to retain its AFSL, it must comply with specific statutory requirements. These include maintaining a minimum level of solvency and properly training and supervising its employees and agents and preparing and lodging a detailed compliance plan with ASIC. Under the Corporations Act, RPFML is also required to administer the Trust in accordance with its Constitution. The Constitution governs how the Trust must operate, the rights of securityholders, and how RPFML is remunerated. The compliance plan sets out the mechanics in place to ensure compliance with the Constitution and the Corporations Act.
- 2.7 At least once per year the Board will, with the assistance and advice of the Audit and Risk Committee, review the performance and effectiveness of the Group's corporate governance policies and procedures and, if appropriate, amend those policies and procedures as necessary.
- 2.8 In accordance with the ASX Listing Rules, the Board will review and approve RPFML's Key to Disclosures Corporate Governance Council Principles and Recommendations (Appendix 4G) for the Trust.

Performance evaluation

- 2.9 At least once per year the Chairman will lead a review of the performance of the Board, each Board committee and each individual director against the relevant charters, corporate governance policies, and agreed goals and objectives.
- 2.10 Following each review and evaluation, the Board will consider how to improve its performance.

3. Structure of the Board

Overview

- 3.1 Subject to section 3.3 below, the Board determines the size and composition of the Board of the RPFML subject to the terms of the Constitution. The continued tenure of each individual director is subject to re-election from time to time, in accordance with the Constitution.
- 3.2 It is intended that the Board should comprise a mix of executive and non-executive directors and comprise directors with a broad range of skills, expertise, and experience from a diverse range of backgrounds. To identify any gaps in the collective skills of the Board, the Board has established a skills matrix setting out the mix of skills and diversity the Board has or is looking to achieve, and regularly review the skills matrix to ensure that it adequately covers the skills needed to address existing and emerging business and governance issues relevant to RPFML.

Board composition

- 3.3 The directors will determine the size of the Board, subject to the Constitution. An initial limit of the size of the Board is 8 directors. The number of directors and the composition of the Board must always be appropriate to RPFML to achieve efficient decision making and adequately discharge its responsibilities and duties. In addition, a majority of directors will be independent, including the Chair.

Appointment and re-election of directors

- 3.4 The process of selection and appointment of new directors to the Board is that, when a vacancy arises, the Board identifies candidates with appropriate skills, experience, and expertise. Candidates with the skills, experience and expertise that best complement the Board's effectiveness will be recommended to be appointed to the Board. When the Board

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considers that a suitable candidate has been found that person may be appointed by the Board to fill a casual vacancy in accordance with the Constitution.

- 3.5 Non-executive directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment. Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them, that are tailored to their existing skills, knowledge, and experience, to position them to discharge their responsibilities effectively and to add value.
- 3.6 Directors must retire from office in accordance with the Constitution.

Independence

- 3.7 All directors, whether independent or not, should bring an independent judgement to bear on all Board decisions.
- 3.8 In determining the independence of its members, RPFML adopts the guidelines (modified appropriately) provided by the ASX Corporate Governance Council in Principle 2 of its "Principles of Good Corporate Governance and Best Practise Recommendations". In summary, a director is independent if they:
- (a) Are not a substantial securityholder of the Trust, or otherwise directly associated with a substantial securityholder of the Trust;
 - (b) Has not been employed within the last three years in an executive capacity by the RAM Group or been a director after ceasing to hold such employment;
 - (c) Within the last three years has not been a principal of a material professional advisor or a material consultant to the RAM Group, or an employee materially associated with the service provided;
 - (d) Is not a material supplier or customer of RAM Group, or an officer or otherwise associated directly or indirectly with a material supplier or customer within the last 3 years;
 - (e) Has no material contractual relationship with the RAM Group other than as a Director of RPFML;
 - (f) Has not served on the Board for a period which could, or reasonably could be perceived to, materially interfere with the Director's ability to act in the best interests of the Trust; or
 - (g) Is free from any interest and any business interest or other relationship which could, or reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Trust.
- 3.9 The Board will consider the materiality of the directors' interests, positions, or relationships for the purposes of determining "independence" on a case-by-case basis, having regard to both quantitative and qualitative principles. Without limiting the Board's discretion in this regard, the Board will consider:
- (a) the appropriate base to apply (for example, revenue, equity, or expenses) in the context of each situation;
 - (b) in general, an affiliation with a business which accounts for less than 5% of the relevant base to be immaterial for the purposes of determining independence. However, where this threshold is exceeded, the materiality of the circumstance with respect to the independence of the director should be reviewed by the Board; and

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- (c) whether there are any factors or considerations which may mean that the director's interest, position, or relationship could, or could be reasonably perceived to, materially interfere with the director's ability to act in the best interests of the Group. The Board's qualitative assessment should override the quantitative assessment.

Directors' responsibilities

- 3.10 Directors are always expected to act in accordance with legal and statutory requirements and discharge all their duties as directors. Directors must:
- (a) exercise their powers and discharge their duties in good faith in the best interests of the Group and for a proper purpose;
 - (b) act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a major company, including applying an independent and enquiring mind to their responsibilities;
 - (c) avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
 - (d) not make improper use of information gained through their position as a director;
 - (e) not take improper advantage of their position as a director;
 - (f) notify other directors of a material personal interest when a conflict arises;
 - (g) in the case of non-executive directors, disclose to the Board all information that may be relevant for the Board to assess the director's independence;
 - (h) make reasonable enquiries if relying on information or advice provided by others;
 - (i) undertake any necessary enquiries in respect of delegates;
 - (j) give the RE or ASX Limited all the information required by the Corporations Act; and
 - (k) not permit the Trust or RPFML to engage in insolvent trading.

4. Role and Responsibilities of the Chair and Company Secretary

Chair

- 4.1 RPFML has initially appointed an independent non-executive Chair.
- 4.2 If and for so long as the RPFML has a Chair who is not independent, the Board will consider appointing a lead independent director and/or deputy Chair. The lead independent director's responsibilities include:
- (a) assuming the role of the Chair in instances where the Chair requests this, is unable to under the policies adopted by the Board or where it is in the interests of the Trust; and
 - (b) being available to address governance and related matters with securityholders, where appropriate.
- 4.3 The Chair is responsible for:
- (a) leading the Board in reviewing and discussing Board matters;

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- (b) chairing Board meetings and unitholder meetings, including, approving the agenda for Board meetings (in consultation with the other directors and the Company Secretary) and ensuring that adequate time is available for discussion of all agenda items, including strategic issues;
- (c) ensuring the efficient organisation and conduct of the Board's function;
- (d) briefing all directors in relation to issues arising at Board meetings;
- (e) facilitating effective contribution by all directors and monitoring Board performance;
- (f) promoting constructive and respectful relations between directors and between the Board and the Manager;
- (g) overseeing the role of the Company Secretary, including reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board; and
- (h) establishing and overseeing the implementation of policies and systems for Board performance review and renewal.

Company Secretary

- 4.4 The Company Secretary acts as secretary of the Board, attending all meetings of the Board as required. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- 4.5 The Company Secretary is responsible for:
- (a) advising the Board and its committees on governance matters;
 - (b) monitoring that Board and committee policies and procedures are followed;
 - (c) coordinating the timely completion and despatch of Board and committee papers;
 - (d) ensuring that the business at Board and committee meetings is accurately captured in the minutes;
 - (e) facilitating the provision of independent legal advice that the Board may request; and
 - (f) organising and facilitating the induction and professional development of directors and his or her own professional development.

5. Board committees

- 5.1 The Board has established an Audit and Risk Committee.
- 5.2 The Board may establish other committees from time to time to consider other matters of special importance.
- 5.3 Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties.
- 5.4 Standing committees established by the Board will adopt charters setting out the authority, responsibilities, membership, and operation of the committee. These charters will identify the areas in which the Board will be assisted by each committee.

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- 5.5 Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice to effectively carry out their proper functions. The chair of each committee will report back on committee meetings to the Board at the next full Board meeting.
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6. Delegation

Delegation to Investment Manager and Property Manager

- 6.1 The Board has delegated, under the terms of an Investment Management Agreement and Property Management Agreement respectively, the authority to manage the day to day affairs of the Group and the authority to control the affairs of the Group in relation to all matters to the Investment Manager and the Property Manager, other than those responsibilities reserved to the Board in this Charter or under any Delegations of Authority Policy.
- 6.2 The Board may under a formal delegated authority, authorise nominated senior management (including the Managing Director or Chief Financial Officer or Compliance Manager) to take certain actions (including the execution of agreements) behalf of RPFML in its capacity as the responsible entity.
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7. Meetings

- 7.1 Directors are committed to collective decision making but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their skills, experience and knowledge when discussing matters at Board meetings.
- 7.2 Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.
- 7.3 A meeting of the Board will usually be convened by the Chair, although under the Constitution a meeting may be called by any director.
- 7.4 At a minimum, a quorum of directors under the Constitution is two directors. Meetings of the Board may be held or participated in by conference call or other electronic communications as permitted by the Constitution. Resolutions of the Board may be passed by circular resolution or in writing in accordance with the Constitution.
- 7.5 The Board should assess the information that it receives and the timing of its distribution to ensure the Board has sufficient time to examine the material provided to it for approval. As a rule, Directors will be given at least 5 business days to read and consider Board Papers.
- 7.6 The Board may request or invite management or external consultants (including external auditors) to attend Board meetings, where necessary or desirable.
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8. Remuneration

- 8.1 The level of non-executive director remuneration will be set by the Board.
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9. Continuous disclosure

- 9.1 The Board has adopted a policy relating to the continuous disclosure obligations of the Group under the ASX Listing Rules and Corporations Act.

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- 9.2 The Company Secretary will oversee the implementation of that policy and will report to the Board on compliance with that policy at each regular meeting of the Board. The Company Secretary will also provide all directors with copies of all material announcements released to ASX.

10. Confidential information and external communication

- 10.1 The Board has established the following principles to apply in respect of information of the Group:
- (a) all directors are required to keep confidential all information provided to them in their capacity as a director and must not disclose or improperly use such information;
 - (b) generally, the Chair will speak for RPFML in relation to the Trust, unless the Board has agreed other spokespersons in accordance with the RPFML's Continuous Disclosure Policy. Individual directors are expected not to communicate on behalf of the Board, the RPFML or the Trust without prior consultation with the Chair; and
 - (c) all disclosures of materially price-sensitive information to any person must be approved and made in accordance with the Group's Continuous Disclosure Policy, the ASX Listing Rules and the Corporations Act.

11. Conflicts of interest

- 11.1 The Board has a Conflicts of Interest Policy which outlines the RPFML's approach to managing such matters.
- 11.2 The directors are required to act in a manner which is consistent with the best interests of the Trust, free of any actual or possible conflicts of interest. Common directors' interests which sometimes give rise to such conflicts include:
- (a) outside directorships;
 - (b) potentially conflicting duties owed to other entities;
 - (c) significant outside investments of directors and their related parties; and
 - (d) outside employment or engagements.
- 11.3 In compliance with the Corporations Act, and the ASX Listing Rules, if a director considers that they might be in a position where there is a reasonable possibility of conflict between their personal or business interests, the interests of any associated person, or their duties to any other company and the interests of the Group or their duties to RPFML, the Board requires that the director:
- (a) declare fully and frankly the Board about the circumstances giving rise to the potential or actual conflict;
 - (b) unless the Board otherwise determines, abstains from voting on any motion relating to the matter and absents themselves from all Board deliberations relating to the matter, including receipt of board papers bearing on the matter; and
 - (c) if deemed appropriate by the Board or the director, takes such other steps as are necessary and reasonable to resolve any conflict of interest within an appropriate period.

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- 11.4 Where the nature or scope of an interest previously disclosed to the Board materially changes, the director is required to provide further disclosure to the Board.
- 11.5 If a director believes that they may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the Chair (or, if the Chair is the relevant director, with the other non-executive directors).

12. Related party transactions

- 12.1 The Board has adopted a policy prescribing the expected standards of conduct in respect of related party transactions and has delegated to the Audit and Risk Committee responsibility for reviewing and monitoring such related party transactions and investments involving the directors (and any nominee unitholder with whom they are associated), the RPFML and the Trust or other RAMS Group entities, including their employees.
- 12.2 In relation to any related party transactions and investments involving the directors (and any nominee unitholder with whom they are associated) the RPFML and the Trust to be considered by the Board, the following protocols must be followed:
- (a) the relevant director must disclose his/her interest in the transaction in writing to the Board;
 - (b) the Board is to be provided with all material facts of the proposed related party transaction including the terms of the transaction, whether those terms are on arms' length and the business purpose of the transaction;
 - (c) the Board will consider the information provided to determine whether and how to proceed with the proposed transaction. In considering the information, the Board may seek further advice from appropriately qualified advisers and professionals as required; and
 - (d) any director with a material personal interest in the proposed transaction must not be present for discussion regarding the proposed transaction. For the avoidance of doubt, any director with a material person interest in the transaction must leave the room during voting on the transaction.
- 12.3 All related party transactions must be undertaken on arm's length terms and approved by the Board, or otherwise in compliance with the Corporations Act, the ASX Listing Rules and relevant Constitutions.

13. Minimum share ownership

- 13.1 Each non-executive director of the RE must establish and maintain a level of security holding ownership equal to the Minimum Holding.
- 13.2 Each non-executive director must meet the Minimum Holding within two years after the date of the non-executive director's appointment.
- 13.3 Once a non-executive director has met the Minimum Holding requirements, the non-executive director must maintain the Minimum Holding for as long as the non-executive director remains a non-executive director.
- 13.4 For the purposes of this policy, "Minimum Holding" means the number of securities in the Trust which is of equal value to one times the non-executive director's annual director's fees or such amount as fixed by the Board from time to time. For the purposes of calculating the

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Minimum Holding, this does not include a higher fee for acting as Chairman or membership of any Board committee.

14. Independent advice

14.1 A director is entitled to seek independent professional advice (including legal, accounting, and financial advice) at the RE's expense on any matter connected with the discharge of their responsibilities, in accordance with the procedures and subject to the conditions set out below:

- (a) a director must seek the prior approval of the Chair (or, if the Chair is the relevant director, the approval of the Board);
- (b) in seeking such approval, the director must provide the Chair or the Board (as applicable) with details of:
 - (i) the nature of the independent professional advice;
 - (ii) the likely cost of seeking the independent professional advice; and
 - (iii) the independent adviser they propose to instruct;
- (c) the Chair or the Board (as applicable) may set a reasonable limit on the amount that the Trust or RPFML will contribute towards the cost of obtaining such advice;
- (d) all documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the RPFML and the director in their personal capacity. However, the right to advice does not extend to advice concerning matters of a personal or private nature, including, for example, matters relating to the director's contract of employment with the RPFML (in the case of an executive director) or any dispute between the director and the RPFML; and
- (e) unless the Chair or the Board (as applicable) otherwise determines, any advice received by an individual director will be circulated to the remainder of the Board.

14.2 All directors are entitled to the benefit of the RPFML's standard Deed of Access, Indemnity and Insurance which provides ongoing access to Board papers and, at the RPFML's expense, Directors and Officers insurance for seven years after the director leaves the Board.

15. Review of this Charter

15.1 The Board will review the effectiveness of this Charter to determine its appropriateness to the needs of the RPFML from time to time. This Charter may be amended by resolution of the Board.

Approved by the Board 7 October 2021