



**B O A R D C H A R T E R**  
**R E D C A P E H O T E L G R O U P M A N A G E M E N T**  
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### 1) Purpose of Charter

- a) This Board Charter sets out the role, composition, responsibilities and operations of the Board of Redcape Hotel Group Management Ltd (“**the Board**” or “**Company**”) in its capacity as responsible entity of the Redcape Hotel Group (“**Redcape**”).
- b) The conduct of the Board is also governed by its Constitution and in exercising its powers as responsible entity of Redcape, the Board will have regards to the Constitution(s) of Redcape.

### 2) Board Composition

- a) The Board Constitution provides for a minimum of three directors.
- b) The Board should be comprised of members:
  - i) with an appropriate range of skills, expertise, experience and backgrounds;
  - ii) who are capable of understanding and competently dealing with current and emerging business issues in respect of Redcape and
  - iii) a majority of who can effectively review and challenge the performance of Redcape’s appointed investment manager and hotel operator (“**Redcape Management**”) and exercise independent judgement.
- c) The Board reviews its size and composition having regarding to these objectives. The present Board size is seen as appropriate for the purposes of its role as responsible entity of Redcape.
- d) The Board is comprised of a majority of independent directors.
- e) The Board considers an independent director to be a non-executive director who is not a member of the Company, a “substantial” securityholder of Redcape<sup>1</sup> or Redcape’s Management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgement. The Board will consider the materiality of any given relationship on a case-by case basis. The Board reviews the independence of each director in light of interests disclosed to the Board from time to time. The assessment of independence will be conducted in accordance with the ASX Principles and Recommendations.

### 3) Terms and Conditions of Appointment

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<sup>1</sup> “Substantial” Securityholder as per Corporations Act (Cth) 2001



The terms and conditions of the appointment of Non-Executive Directors are contained in a letter of appointment which set out, amongst other things:

- i) term of appointment
- ii) remuneration;
- iii) expectations in connection with meetings and committees;
- iv) outside directorships/external mandates;
- v) insurance and indemnification and
- vi) compliance with relevant policies and procedures.

#### **4) Board role and responsibilities**

- a) The Board is responsible for overseeing Redcape Management. Its role is to:
  - i) represent and serve the interests of securityholders by overseeing and appraising Redcape's strategies, policies, culture and performance;
  - ii) protect and optimise Redcape's performance and build sustainable value for securityholders in accordance with any duties and obligations imposed on the Board by law, the Company's Constitution and Redcape's Constitution(s);
  - iii) set and monitor compliance with the Redcape's governance framework; and
  - iv) ensure Redcape securityholders are kept informed of Redcape's performance and major developments.
- b) The key responsibilities of the Board are:
  - i) to monitor the performance of Redcape Management;
  - ii) to, along with Redcape Management, set the goals, strategies and performance targets for Redcape and monitor achievement;
  - iii) to ensure that there are processes and procedures in place to conform with legal requirements and corporate governance standards, and that risk exposures are adequately managed and that there is and remains a culture of mutual trust and confidence;
  - iv) to oversee the financial position of Redcape;
  - v) determine distribution policies and the amount timing and nature of distributions to be paid for Redcape;
  - vi) approve the annual and half-yearly financial reports;
  - vii) to report progress to Redcape securityholders and their appointed representatives, and seek to align the collective interests of securityholders, boards and Redcape Management.
- c) While the Board retains ultimate responsibility for the strategy and performance of Redcape, the day-to-day operation of Redcape is conducted by, or under the supervision of, Redcape Management in accordance with its Management Agreements.



## 5) Board committees

The Board from time to time establishes Board Committees to streamline the discharge of its responsibilities.

- a) The Chair of each Board Committee shall be an independent non-executive director appointed by the Board.
- b) Each Board Committee shall have a charter approved by the Board setting out composition, duties and responsibilities of that Committee.
- c) The role of a committee is to operate within the terms of its charter and to make recommendations to the Board for decision.
- d) Minutes of the proceedings of all meetings of Board Committees shall be maintained and copies of those minutes will be made available to all directors.

The permanent standing Committee of the Board are the Audit, Risk & Compliance Committee ("ARC") and the Continuous Disclosure Committee.

Both the ARC and Continuous Disclosure Committee both have a formal Charter that sets out matters relevant to its composition, responsibilities and administration.

## 6) Chair

- a) The Chair shall be an independent non-executive director.
- b) Should the Chair be absent from a Board Meeting, the Chair of the ARC shall chair the Board Meeting.

## 7) Access to information and independent advice by directors

- a) The Board should have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.
- b) The Board should have access to:
  - i) senior executives of Redcape Management and where required, employees of Redcape to seek explanations and information from them; and
  - ii) external auditors to seek explanations and information from them without senior executives of Redcape Management being present.
- c) The Board has the authority to seek external professional advice as considered necessary in the performance of its duties, at Redcape's expense.

## 8) Board meetings

- a) The Board shall ordinarily meet at least 10 times per year but it may also meet additionally, as required.
- b) The minutes of any Board meetings will be reviewed by the Board at the following meeting. If the Board approves the form of the minutes, the Chair shall then sign them.
- c) The agenda for a Board meeting is set using a standard agenda approved by the Chair. Senior Executives of Redcape Management may put forward suggestions for inclusion on the agenda for a



meeting. Any director may have an item added to the agenda.

- d) Board papers are circulated in advance of the Board Meeting so as to give directors adequate time to review the papers prior to the meeting. Board papers may be circulated in either electronic or hard copy form. The Chair may consent to the tabling of papers at a Board meeting.
- e) Senior Executives of Redcape Management may be invited to attend Board meetings, as required by the Chair. The Board or where appropriate, a sub-set of the Board that excludes Executive Directors, may meet to discuss issues in respect of Redcape Management or matters of a particularly sensitive nature.
- f) Where a director has an interest in relation to an item of business to be discussed in a Board Meeting, that director must disclose that interest to the Board. Where the interest is determined by the Board to be in “conflict” with Redcape, the director shall absent themselves from the meeting for the duration of any discussion on that subject.
- g) Directors should make best efforts to attend all meetings and should only be absent due to illness or other unavoidable circumstances.

## 9) Company Secretary

- a) The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- b) The role of the Company Secretary is to:
  - i) monitor that Board and Committee policy and procedures are followed;
  - ii) advise the Board and its Committees on corporate governance matters;
  - iii) coordinate the timely completion and dispatch of Board and Committee papers; and
  - iv) ensure that the business at Board and Committee meetings is accurately captured in the minutes.
- c) Directors are free to communicate directly with the Company Secretary and vice versa.

## 10) Performance evaluation

The Board will maintain a Board skills matrix and regularly evaluate its performance and the performance of its Committees and individual directors to ensure that the Board has the appropriate mix of skills and experience to effectively perform its roles and responsibilities.