

# Westfield Group

## Board Charter

Westfield Holdings Limited  
(ABN 66 001 671 496)

Westfield Management Limited  
(ABN 41 001 670 579)

Westfield America Management Limited  
(ABN 66 072 780 619)

## 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 Westfield Holdings Limited, Westfield Management Limited and Westfield America Management Limited. To the extent of any conflict between the terms of this Charter and a Constitution, that Constitution prevails.

## 2. Interpretation

**ASX** means ASX Limited.

**Board** means the Board of Directors of each of Westfield Holdings Limited, Westfield Management Limited and Westfield America Management Limited.

**Committee** means a standing committee created by each Board.

**Directors** mean the members of the Board.

**Members** mean members of Westfield Holdings Limited, Westfield Trust and Westfield America Trust.

**Westfield Group** means Westfield Holdings Limited, Westfield Trust, Westfield America Trust and their controlled entities.

## 3. Objectives

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

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

- overseeing the effective management and control of the Westfield Group;
- to set and review the strategic direction of the Westfield Group;
- approval and monitoring of key budgets, business plans, financial statements, financial policies and financial reporting;
- to develop and implement key corporate policies, procedures and controls as necessary to ensure appropriate standards of accountability, risk management and corporate governance and responsibility;
- the appointment and removal of the Chief Executive Officer, a Group Managing Director, Group Chief Financial Officer and Company Secretary;
- overseeing 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;
- approval of proposals for major new investments, capital expenditure and capital management initiatives as proposed by management; and
- to ensure that Members receive high quality, relevant and accurate information in a timely manner and that investors generally are able to trade in the Company's securities in a market which is efficient, competitive and informed.

## **4. Composition of the Board**

### **4.1 Structure 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 the Westfield 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 the Westfield 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 the Westfield Group.
- (c) The appointment of a new member to the Board is only made after consultation with the Nomination Committee. Directors are initially appointed by the full Board. They are subject to election by Members of Westfield Holdings Limited at the Annual General Meeting following their appointment and, except in the case of the Managing Director (or one of them, when there is more than one Managing Director), are subject to re-election by Members of Westfield Holdings 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 business or other relationship that could materially interfere with or could be perceived to materially interfere with, the exercise of their unfettered and independent judgement.
- (c) A Non-Executive Director will not be regarded as an independent Director unless that Director:
  - (i) is not a substantial security holder of the Westfield Group or an officer of, or otherwise associated directly with, a substantial security holder of the Westfield Group;
  - (ii) within the last three years has not been employed in an executive capacity by any member of the Westfield Group, or been a Director after ceasing to hold any such employment;
  - (iii) within the last three years has not 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 member of the Westfield Group;
  - (iv) within the last three years has not been a principal, employee or consultant of a material professional adviser to any member of the Westfield Group – for this purpose a material professional adviser is an adviser whose billings to the Westfield Group exceed 1% of the adviser's total revenues;
  - (v) is not a principal, employee or associate of a material supplier to, or material customer of, any member of the Westfield Group – for this purpose a material supplier to the Westfield Group means a supplier whose revenues from the Westfield Group exceed 5% of the supplier's total revenues. A material customer is a customer whose payments to the Westfield Group exceed 1% of the customer's operating costs;
  - (vi) has no material contractual relationship with any member of the Westfield Group other than as a Director of the Westfield Group; and
  - (vii) is free from any interest and any business or other relationship which could materially interfere with the Director's ability to act in the best interests of the Westfield Group and independently of management.

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

## **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 is 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 Constitution**

All meetings of the Board will be conducted in accordance with the Constitutions of each of Westfield Holdings Limited, Westfield Management Limited and Westfield America Management Limited and applicable laws.

## **6. Responsibilities of the Board**

**6.1** The Board is responsible for overseeing the effective management and control of the Westfield 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 the Westfield Group to management through the Chief Executive Officer and the Group Managing Directors subject to agreed 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.

## **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, a Group Managing Director or another nominated member of the senior executive team.

### **7.1 Strategy and Direction**

- (a) Policies regarding the Westfield Group's:
  - (i) overall strategic direction and strategic plans for each of the Westfield Group's major business units;
  - (ii) key business and financial objectives; and
  - (iii) dividend policy and the approval of any dividend pursuant to that policy.
- (b) Acquisitions, disposals of assets or any significant Westfield Group expenditure which exceed the authority limits delegated to the Chief Executive Officer, a Group Managing Director or the Group Chief Financial Officer.

### **7.2 Financial Controls, Compliance and Risk Management**

- (a) Annual operating and capital expenditure budgets for the Westfield Group.
- (b) Treasury policies, including foreign currency exposure and policies on the use of financial derivatives.
- (c) The Westfield Group's financial statements and published reports, including the Directors' report and the Westfield Group's corporate governance report.
- (d) The establishment and review of the effectiveness of the Westfield 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 affect on the business of the Westfield Group.
- (f) Any significant changes in accounting policies or procedures.

### **7.3 Capital Structure**

Changes to the Westfield 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 the Westfield Group's equity-based incentive plans.

### **7.4 Appointments**

- (a) Appointments to the Board, following a review by the Board's Nomination Committee.
- (b) The appointment, and review of the performance of, each Group Managing Director and the Group Chief Financial Officer.
- (c) The appointment of external auditors (on the recommendation of the Audit and Compliance Committee).
- (d) The appointment of the Company Secretary.

### **7.5 Delegation of Authority**

- (a) Changes to the membership or Charter of any committee of the Board.
- (b) Changes to the authority delegated to a Group Managing Director or the Group Chief Financial Officer.
- (c) Matters which exceed the authority delegated to a Group Managing Director or the Group Chief Financial Officer.

### **7.6 Policies**

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

- (a) the Code of Conduct;
- (b) Security Trading Policies for Directors and Senior Executives;
- (c) Westfield Group Health and Safety Policies;
- (d) Risk Management and Oversight Policies;
- (e) 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, within the limits under the Constitution.
- (c) Resolutions and related documentation to be put to Members in general meeting.
- (d) Approval of announcements and press releases concerning matters decided by Board including announcements relating to the operating performance of the Company.

## **8. Duties of Individual Directors**

### **8.1 General**

The Directors of the Westfield Group are required to act honestly, diligently, transparently and in the best interest of Members and to endeavour to ensure that the business of the Company 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 of the Westfield Group 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;
- avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
- act for the benefit of the Westfield Group at all times;
- not make improper use of information gained through their position as Director;
- make reasonable enquiries to ensure that the Westfield 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 the Westfield 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 a material personal interest in a matter that relates to the affairs of the Westfield Group 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.

(b) All Directors must observe the requirements in the Security Trading Policy for Directors and Senior Executives.

### **8.5 Access to Senior Management**

(a) Directors should have access to the Chief Executive Officer, the Group Managing Directors, the Chief Financial Officer 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 Article 10 of the Constitution of Westfield Holdings Limited and/or the applicable sections of the Corporations Act.

## **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 the Company the Director may do so at the Company'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.

## **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 the Westfield Group.

## **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.

## **10. Role of Lead Independent Director**

- (a) If the Chairman is not an independent Director, an independent Director will be nominated to act as the lead independent Non-Executive Director.
- (b) The lead independent Non-Executive Director will:
  - where required, act as a liaison point for independent Non-Executive Directors;
  - confer with Chairman on any issues raised by independent Non-Executive Directors in connection with the discharge by the Chairman of his responsibilities; and
  - confer on a regular basis with the independent Non-Executive Directors on issues relating to the business and operations of the Westfield Group and the discharge by the Board and each Committee of the Board of their respective functions and obligations.
- (c) The lead independent Non-Executive Director may, in discharging their role, convene a meeting of the independent Non-Executive Directors for the purpose of discussing any issue of interest to the independent Non-Executive Directors. The Company Secretary will, if required, provide such assistance as may be required in order to convene that meeting and attend and take minutes of proceedings.

## **11. Role of the Company Secretary**

- (a) The Company Secretary should:
- monitor compliance with Board policy 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.

## **12. Management**

### **12.1 General**

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

### **12.2 Role of the Group Managing Directors**

- (a) The Board has delegated authority to the Chief Executive Officer and the Group Managing Directors for the business and affairs of the Westfield 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 each Group Managing Director should be stated in an agreed job description.
- (c) The Chief Executive Officer and the Group Managing Directors are 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 the Westfield Group.
- (d) The Chief Executive Officer and the Group Managing Directors are responsible for managing the Westfield Group in accordance with the strategy, business plans and policies approved by the Board.
- (e) The Chief Executive Officer and the Group Managing Directors must ensure that the Westfield Group's financial reports present a true and fair view of the Westfield 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 the Group Managing Directors 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 system of risk management and internal compliance and control which implements the policies adopted by the Board; and
  - the Westfield 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 and the Group Managing Directors must consult with the Chairman and with the Board regarding matters which the Chief Executive Officer and the Group Managing Directors consider are of such a sensitive, extraordinary or strategic nature as to warrant the attention of the Board regardless of value.
- (g) The Chief Executive Officer and the Group Managing Directors may sub-delegate their functions to executive management of the Westfield Group subject to existing Board policies and legal requirements that limit that power of sub-delegation.

### **12.3 Role of the Group Chief Financial Officer**

- (a) The responsibilities and authority limits of the Group Chief Financial Officer should be stated in an agreed job description.
- (b) The Group Chief Financial Officer, in conjunction with the Group Managing Directors, is responsible for ensuring that the Westfield Group's financial reports present a true and fair view of the Westfield 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 Group 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 system of risk management and internal compliance and control which implements the policies adopted by the Board; and
  - the Westfield Group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting risks.
- (c) The Group Chief Financial Officer must consult with the Chairman and with the Board regarding matters which the Group Chief Financial Officer considers are of such a sensitive or extraordinary or strategic nature as to warrant the attention of the Board regardless of value.
- (d) The Group Chief Financial Officer will attend meetings of the Board by invitation and otherwise be available to Directors who wish to seek information or ask questions in relation to the affairs of the Westfield Group.

### **12.4 Role of the Executive Risk Management Committee**

The Executive Risk Management Committee comprises the Group Chief Financial Officer, the Group General Counsel, a Deputy Group Chief Financial Officer, the Chief Operating Officers and the Chief Risk Officer. This committee is responsible for:

- (a) assisting in the formulation of all aspects of the risk management process to be adopted by the Group;
- (b) overseeing the implementation of the 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 the Group;
- (c) ensuring that there is a proper allocation of responsibility for the implementation and conduct of the risk management process as between the Group's management in the various jurisdictions; and
- (d) implementing 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 the Group are such that the Group Managing Directors and the Group 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 Risk Management Committee is required to report to the Board, through the Board Risk Management Committee, as to the effectiveness of the Group's management of its material risks.