

BOARD CHARTER

INTRODUCTION

Ingenia Communities RE Limited (**ICRE**) is the Responsible Entity for the Ingenia Real Estate Community Living Fund (**Fund**) and the Ingenia Real Estate Community Living Management Trust (**Trust**).

Ingenia Communities Holdings Limited (**ICH**) was created on the internalisation and stapling where each share on issue in ICH was stapled to a unit in each of the Trust and Fund, to create the Ingenia Communities Group (**Group**).

As a result of the stapling, ICH and ICRE operate as a coordinated group. The Boards of both companies have the same composition and meetings are held concurrently where appropriate.

In this Charter, ICH and ICRE are referred to as the Companies and the board of the Companies are collectively referred to as the Ingenia board or board.

This Charter describes the objectives, responsibilities and framework for the operation of the Ingenia Board as established in accordance with the Constitutions of ICH and ICRE. To the extent of any conflict between the terms of this Charter and a Constitution, that Constitution prevails.

FUNCTIONS AND RESPONSIBILITIES OF THE INGENIA BOARD AND DIRECTORS

The Ingenia board has the responsibility to oversee the effective management and operation of the Group. In addition to the obligations prescribed by law, the board has the following functions and responsibilities:

Corporate Strategy

- Evaluate, approve and monitor the strategic and financial plans for the Group.
- Evaluate, approve and monitor the annual financial budgets of the Group.
- Evaluate, approve and monitor major capital expenditure, capital management and all major corporate transactions including acquisitions and divestures, and developments or refurbishments, in addition to responsibilities outlined in the Delegations and Authorities Policy.

Board Composition and Structure

- Review the composition of the Ingenia board and consider board succession.
- Ensure an annual review of the performance of the board, its committees and directors is carried out.

Other Corporate

Approve changes to the Group's capital structure, including the issue of new securities, reductions of capital and buy-backs.

- Approve the establishment and issue of any equity rights in the Group via incentive plans.
- Establish and approve a distribution policy to securityholders and any changes to that policy.
- Oversee the effective management and operation of the Group.
- Approve the issue of Public Disclosure Statements.

Executive Management

- Appointment and removal of the chief executive officer (**CEO**).
- Approve the employment terms and conditions of the CEO.
- Review and provide feedback on the performance of the CEO.
- Approve the appointment of the CEO's direct reports and oversee their performance.
- Review and ratify the employment terms of the CEO's direct reports (as recommended by the CEO).
- Review management succession planning.
- Approve the level of delegated authority to the CEO via the Delegations and Authority Policy.
- Appointment and removal of the company secretary.

Governance and Risk Management

- Monitor and review the overall risk management framework for the Group.
- Approve and monitor compliance with the Group's key corporate policies, and conduct a review of these policies on an annual basis.
- Monitor the Group's operations in relation to, and compliance with, relevant regulatory requirements and any other contractual, statutory or legal obligations.
- Monitor compliance with the Group Delegations and Authorities Policy.

- Recommending to securityholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them.
- Review and approve at least annually the Group's Corporate Governance Statement.

Financial Reporting

- Review and approve all financial reports of the Group.
- Establish an Audit and Risk Committee to review the Group's financial reporting and oversee the independence of the external auditors, and to review reports provided by the Audit and Risk Committee.
- Review and approve the disclosure in the annual report and any departures from the Australian Securities Exchange Corporate Governance Principles and Recommendations.
- Investor Communications
- Approve all material reporting and other external communications by the Group in accordance with the Group's Continuous Disclosure Policy.
- Review management's strategy and program for investor communications annually.
- Review management's written policy and procedures to ensure compliance with the ASX continuous disclosure requirements.

Specific ICRE Obligations

- ICRE has the role as the Responsible Entity for the Fund and the Trust.
- The primary responsibility of the Board of ICRE is to operate the Fund and the Trust and perform the functions conferred on it by the Fund and Trust Constitutions and the Corporations Act.
- Ensure compliance with the conditions of Australian Financial Services License held by ICRE.
- Approve and monitor compliance with the Fund and Trust's Compliance Plans.
- The *Corporations Act 2001* (Cth) prescribes specific duties of ICRE under section 601FC, reproduced in Appendix A.

ROLE OF THE CHAIRMAN

The chairman is appointed by the Board. In selecting the chairman, due consideration is given to his or her ability to commit the necessary time to discharge the role effectively, including taking into account any other positions the candidate may have.

The chairman must be an independent non-executive director and must not also perform, or have performed, the role of chief executive officer during the previous three years.

The chairman will be responsible for the following duties:

- Providing leadership to the board;
- Ensuring that, when all board members take office, they are fully briefed on the terms of their appointment, their duties and responsibilities;
- Ensuring the efficient organisation and conduct of the board;
- Monitoring board performance annually;
- Guiding the agenda and conduct of all board meetings and ensuring all items on the agenda are fully discussed;
- Ensuring that the board meets at regular intervals throughout the year and that minutes of meetings accurately record decisions taken, and where appropriate, the views of individual directors;
- Briefing all directors in relation to issues arising at board meetings;
- Facilitating the effective contribution of all directors; and
- Promoting consultative and respectful relations between directors and between the board and management;

FUNCTIONS AND RESPONSIBILITIES OF MANAGEMENT

Generally, the CEO is responsible for all matters not specifically identified as the responsibility of the board. In particular the CEO is responsible for:

- Designing the strategy and performance objectives for the Group for consideration of the Ingenia board.
- Providing recommendations for major acquisitions, disposals or developments/refurbishments, including the funding arrangements or use of proceeds.
- Capital management, including hedging of interest rates, foreign exchange exposures and the recommendation of distribution rates for the formulation of a distribution policy.
- Cash management, medium term liquidity management and management of debt facilities.
- The production and content of public disclosure statements, in connection with equity and debt raisings.

- For primarily all aspects of the day-to-day running of the Group's business, including financial performance, reporting, risk and compliance, investor communications and employees adherence to Group policies.
- Ensuring that the Ingenia Board, securityholders of the Group, and all stakeholders are kept informed of the dealings of the Companies, where appropriate, in an open and transparent manner.

ROLE OF THE COMPANY SECRETARY

The company secretary is appointed by the board and is accountable to the board through the chairman on all corporate governance matters and the proper functioning of the board.

The company secretary shall be available to all directors and board committees.

The company secretary is responsible for developing and maintaining information systems and processes that support the effectiveness of the board and its committees, advise the board and committees on governance matters, monitor that board and committee policy and procedures are followed, coordinate the timely completion and dispatch of board and committee papers, ensure that the business at board and committee meetings is accurately captured in the minutes, help to organize and facilitate the induction of new directors, and liaise with regulatory authorities as required.

BOARD COMMITTEES

The ultimate responsibility for the oversight of the operations of the Group rests with the Board of Directors. However, the Board may discharge any of its responsibilities through Committees of the Board in accordance with the Constitutions and the Corporations Act.

The Board has established the following committees, and will review the composition and effectiveness of the Committees on an annual basis:

- Audit and Risk Committee;
- Remuneration and Nomination Committee; and
- Investment Committee.

These Committees operate in accordance with their Committee Charters approved by the Board.

STRUCTURE OF THE BOARD

Board Size and Composition

The Constitution of the Group provides that there will be a minimum of three directors and not more than 10 directors.

Directors are appointed with the aim of ensuring the board has:

- An appropriate range of skills, experience and expertise;

- A proper understanding of, and competence to deal with, current and emerging issues in the industry in which it engages;
- The ability to effectively review and challenge the performance of Management and exercise independent judgement; and
- A majority of independent directors.

Directors are appointed pursuant to formal letters of appointment setting out the key terms and conditions of the appointment to ensure that directors understand their key responsibilities and the board's expectations.

To assist in determining the appropriate skill set composition of the board, a board skills matrix has been designed and is reviewed as required.

Conduct of Board Meetings

Board meetings are held when determined by the chairman, but no less than six meetings must be held each year. Board meetings may be called in accordance with the Constitutions of the Companies, and the Corporations Act.

The company secretary keeps minutes of the board Meetings, accurately recording decisions taken, and where appropriate, the views of individual directors.

Board meetings are permitted to be held other than in person, by any technological means as consented to by all members of the board. This consent may be a standing one. This is in accordance with the Constitutions of ICH and ICRE.

Related Party Transactions and Conflicts of Interest

The Ingenia board has developed a Conflict of Interest Policy to provide guidance, in the event of a conflict of interest arising. The Conflict of Interest Policy sets out controls and procedures for identifying and mitigating potential conflicts arising from the existence of obligations owed by directors. The Conflicts of Interest Policy also provides the establishment of procedures to facilitate good corporate governance and legal compliance with duties arising under statute. The Director's Standing Notice Register is a standing agenda item for each Board Meeting.

Independent Decision-Making

On an annual basis, the board assesses the independence of each director in light of the interests they have disclosed and such other factors as the board determines 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 judgment. In determining the independence of its directors, the Group adopts the guidelines (modified appropriately) provided by the ASX Corporate Governance Council in Box 2.3 of Principle 2 of the 3rd Edition of its Corporate Governance Principles and Recommendations.

Directors of the board have individually and collectively the right to seek independent professional advice on matters relating to the Group the cost of which may be borne by the Group. This right is included in the director's letters of appointment.

Directors must gain the approval of the chairman prior to seeking any independent professional advice. Non-executive directors have the right to confer at any time without management present, such right being included in the director's letters of appointment.

ADMINISTRATION

Amendment of the Charter

This charter may be amended by approval of the board.

BOARD CHARTER - APPENDIX A

ROLE OF RESPONSIBLE ENTITY

Detailed below are the duties of the Ingenia Communities RE Limited Board and Directors, in the capacity as Responsible Entity for Ingenia Real Estate Community Living Fund (Fund) and the Ingenia Real Estate Community Living Management Trust (Trust) and as prescribed by the Corporations Act (Act).

Responsibilities of the Board

In exercising its powers and carrying out its duties, the Board of the Responsible Entity must:

- a) act honestly;
- b) exercise the degree of care and diligence that a reasonable person would exercise if they were in the responsible entity's position;
- c) act in the best interests of securityholders and, if there is a conflict between the securityholders' interests and its own interests, give priority to the securityholders' interests;
- d) treat the securityholder who hold interests of the same class equally and securityholder who hold interests of different classes fairly;
- e) not make use of information acquired through being the responsible entity in order to:
 - i) gain an improper advantage for itself or another person; or
 - ii) cause detriment to securityholders;
- f) ensure that the Constitutions of the Fund and the Trust meet the requirements of section 601GA and 601GB;
- g) ensure that the Compliance Plan's of the Fund and the Trust meet the requirements of section 601HA;
- h) comply with the Compliance Plan's of the Fund and the Trust;
- i) ensure that the Fund and Trust property is:
 - i) clearly identified as such; and
 - ii) held separately from property of the responsible entity and property of any other entity;
- j) ensure that the property is valued at regular intervals appropriate to the nature of the property;
- k) ensure that all payments out of the property are made in accordance with the Constitutions of the Fund and the Trust and the Act;
- l) report to ASIC any breach of this Act that:
 - i) relates to the Fund or Trust; and
 - ii) has had, or is likely to have, a materially adverse effect on the interests of securityholders as soon as practicable after it becomes aware of the breach;
- m) carry out or comply with any other duty not consistent with this Act, that is conferred on the responsible entity by its constitution; and
- n) take all steps that a reasonable person would take, if they were in the officer's position, to ensure that the responsible entity complies with:
 - i) this Act; and
 - ii) any conditions imposed on the responsible entity's Australian Financial Services License; and
 - iii) the Fund and Trust's Constitution's; and
 - iv) the Compliance Plan's of the Fund and the Trust.

Policy History

Established: 5 June 2012
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