



National Storage REIT Risk Committee Charter

National Storage Holdings Limited

Dated 30 September 2014

Reviewed 16 June 2020



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1 Definitions

In this charter:

National Storage REIT means the stapled vehicle comprising NSH and the Trust.

NSH means National Storage Holdings Limited (ACN 166 572 845).

NSH Board means the board of directors of NSH for overseeing activities of National Storage REIT.

NSH Constitution means the constitution of NSH dated on or around 1 November 2013 as amended or replaced from time to time).

Trust means National Storage Property Trust as constituted by the Trust Constitution.

Trust Constitution means the constitution of the Trust dated 23 September 2003, as amended or replaced from time to time.

2 Purpose and authority

2.1 Purpose

The purpose of this Risk Committee Charter is to specify the authority delegated to the Risk Committee ("**Committee**") by NSH Board and to set out the role, responsibilities, membership and operation of the Committee.

2.2 Authority

The Committee is a committee of NSH Board established in accordance with the NSH Constitution and is authorised by NSH Board to assist it in fulfilling its statutory and regulatory responsibilities and manage the risk profile of NSH and the National Storage REIT. It has the authority and power to exercise the responsibilities set out in this charter and under any separate resolutions of NSH Board granted to it from time to time.

3 Role of the Committee

The role of the Committee is to assist NSH Board in carrying out its risk management responsibilities, including oversight of:

- (a) the effectiveness of the National Storage REIT's system of risk management and internal controls; and
- (b) the National Storage REIT's systems and procedures for compliance with applicable legal and regulatory requirements.

The Committee will also carry out any other reviews or assignments requested by NSH Board.



The Committee will report to NSH Board on all matters relevant to its roles and responsibilities and ensure NSH Board is aware of matters which may significantly impact the condition or affairs of National Storage REIT or constitute a risk or potential risk to NSR.

4 Risk responsibilities

4.1 Internal control and risk management

The Committee is responsible for:

- (a) preparing a risk profile which describes the material risks facing the National Storage REIT including financial and non-financial matters;
- (b) regularly reviewing and updating the risk profile;
- (c) ensuring that the National Storage REIT has an effective risk management system;
- (d) assessing and ensuring that there are internal processes for determining and managing key risk areas, such as:
 - (i) non-compliance with laws, regulations, standards and best practice guidelines including industrial relations, occupational health and safety, environmental and trade practices laws;
 - (ii) important judgments and accounting estimates;
 - (iii) business licence requirements;
 - (iv) litigation and claims;
 - (v) fraud and theft; and
 - (vi) relevant business risks not dealt with by other Board Committees;
- (e) receiving reports concerning material and actual incidents within the risk areas above and ensuring that macro risks are reported to NSH Board at least annually;
- (f) conducting investigations of breaches or potential breaches of internal controls, and incidents within the risk areas above, particularly in relation to accounts and financial reporting;
- (g) evaluating the independence of external auditors;
- (h) examining and evaluating the effectiveness of the internal control system with management and internal and external auditors and making improvements;
- (i) making publicly available a description of the National Storage REIT's risk management policy and internal compliance and control system in the corporate governance section of the National Storage REIT's website;
- (j) encouraging voluntary reporting by employees to the internal auditor or the Committee of breaches of internal controls and National Storage REIT policies, and incidents within the risk areas above;



- (k) assessing existing controls that management has in place for unusual transactions or transactions with more than an accepted level of risk; and
- (l) meeting periodically with key management, internal and external auditors and compliance staff to understand the National Storage REIT's control environment.

4.2 Related party transactions

The Committee is responsible for reviewing and monitoring the propriety of related party transactions.

5 Membership

5.1 Composition and size

The Committee will consist of:

- (a) a majority of independent directors; and
- (b) at least three members.

Membership is reviewed periodically and re-appointment to the Committee is not automatic. Appointments and resignations are decided by NSH Board.

5.2 Chairperson

The Chairperson of the Committee must be an independent non-executive director who is not the Chairperson of NSH Board.

The Chairperson of the Committee is appointed by NSH Board. If, for a particular Committee meeting, the Committee Chairperson is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a Chairperson for the meeting.

5.3 Technical expertise

The Committee must be structured so that:

- (a) at least one member has experience in risk management, governance or oversight; and
- (b) some members have an understanding of the industry in which the National Storage REIT operates.

5.4 Skills development

If the Committee Chairperson approves, a Committee member may attend seminars or training related to the functions and responsibilities of the Committee at the expense of the National Storage REIT.

5.5 Commitment of Committee members

Committee members must devote the necessary time and attention for the Committee to carry out its responsibilities.



At the first Committee meeting after their appointment and when NSH Board reviews Committee membership, each Committee member must confirm that they are able to devote sufficient time and attention to the Committee for the coming year.

5.6 Secretary

The Company Secretary is the secretary of the Committee.

6 Committee meetings and processes

6.1 Meetings

The meetings and proceedings of the Committee are governed by the provisions contained in the NSH Constitution for regulating the meetings and proceedings of NSH Board and Committees of NSH Board in so far as they are applicable and not inconsistent with this charter.

6.2 Frequency and calling of meetings

The Committee will meet as frequently as required to undertake its role effectively. The Chairperson must call a meeting of the Committee if requested by another member of the Committee, the Head of Legal and Governance or the Chairperson of NSH Board.

6.3 Quorum

Two directors constitute a quorum for meetings of the Committee.

6.4 Attendance by management and advisors

The Managing Director, Head of Legal and Governance and Chief Financial Officer are expected to attend each scheduled meeting of the Committee.

The Committee Chairperson may also invite directors who are not members of the Committee, other senior executives and external advisors to attend meetings of the Committee. The Committee may request management and/or others to provide such input and advice as is required.

6.5 Agenda and documents

The Chairperson of the Committee determines the meeting agenda after appropriate consultation.

The secretary distributes the agenda and any related documents to all Committee members and other attendees before each proposed meeting.

6.6 Access to information and advisors

The Committee has the authority to:

- (a) require management or others to attend meetings and to provide any information or advice that the Committee requires;
- (b) access National Storage REIT documents and records;
- (c) obtain the advice of special or independent counsel, accountants or other experts, without seeking approval of NSH Board or management; and



(d) access management and internal and external auditors.

6.7 Minutes

The secretary will keep minute books to record the proceedings and resolutions of its meetings.

The Chairperson of the Committee, or delegate, will report to NSH Board after each Committee meeting. Minutes of Committee meetings will be included in the papers for the next Board meeting after each Committee meeting.

7 Committee's performance evaluation

The Committee will review its performance from time to time and whenever there are major changes to the management structure of the National Storage REIT.

The performance evaluation will have regard to the extent to which the National Storage REIT has met its responsibilities in terms of this charter.

8 Review and publication of charter

NSH Board will review this charter to ensure it remains relevant to the current needs of the National Storage REIT. The charter may be amended by resolution of NSH Board.

The charter is available on the National Storage REIT website.

Approved by NSH Board on 30 September 2014

Reviewed by NSH Board on 16 June 2020