



# **National Storage Group**

## **Board Charter**

**National Storage Holdings Limited**

Adopted: 30 September 2014

Reviewed: 22 June 2022

# Board Charter

## Contents

---

<b>1</b>	<b>Definitions</b>	<b>3</b>
<hr/>		
<b>2</b>	<b>Purpose of this charter</b>	<b>4</b>
<hr/>		
<b>3</b>	<b>Role and responsibilities of the Board</b>	<b>4</b>
3.1	Role	4
3.2	Responsibilities	4
<hr/>		
<b>4</b>	<b>Role and responsibilities of Chairperson and Company Secretary</b>	<b>5</b>
4.1	Chairperson	5
4.2	Company Secretary	6
<hr/>		
<b>5</b>	<b>Delegations of authority</b>	<b>6</b>
5.1	Delegation to committees	6
5.2	Delegation to CEO and management	7
<hr/>		
<b>6</b>	<b>Membership</b>	<b>7</b>
6.1	Composition and size	7
6.2	Appointment and re-election of directors	7
6.3	Independence	8
6.4	Conduct of individual directors	9
<hr/>		
<b>7</b>	<b>Board process</b>	<b>11</b>
7.1	Meetings	11
7.2	Independent professional advice	11
7.3	Access to management	11
<hr/>		
<b>8</b>	<b>Review and publication of charter</b>	<b>11</b>

# Board Charter

---

## 1 Definitions

In this charter:

**Constitutions** means the NSH Constitution, the NSFSL constitution (as amended or replaced from time to time) and the Trust Constitution (as applicable).

**Corporations Act** means the Corporations Act 2001 (Cwth).

**National Storage Group** means the stapled group comprising NSH and its Subsidiaries, NSFSL as responsible entity of the Trust, the Trust, and the entities which the Trust controls.

**NSFSL** means National Storage Financial Services Limited ACN 600 787 246 and AFSL 475 228.

**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 Group.

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

**NS Stapled Entity** means NSH and the Trust.

**RE** means the responsible entity of the Trust.

**Subsidiaries** has the meaning given in the Corporations Act.

**Trust** means National Storage Property Trust.

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

**NSH Board Committees** means the NSH Board committees, including the:

- (a) Remuneration Committee;
- (b) Nomination Committee;
- (c) Risk Committee;
- (d) Audit Committee;
- (e) Investment Committee (if convened and the Board elects not to discharge this function as a whole Board); and
- (f) Diversity Committee (if convened and the Board elects not to discharge this function as a whole Board).

---

## 2 Background and Purpose

### 2.1 Background

NSFSL is the responsible entity for the Trust.

The NS Stapled Entity was effected pursuant to the Cooperation Deed where each share on issue in NSH was stapled to a unit in the Trust.

Both parties are bound by a Management Agreement which sets out various matters in respect of the relationship between NSH and NSFSL whilst the shares of NSH are stapled to the units in the Trust.

### 2.2 Purpose

The purpose of this charter is to promote high standards of corporate governance and ensure NSH acts at all times in the best interests of security holders of National Storage Group.

The NSH Board is responsible for the governance of the NSH and the NSFSL Board is responsible for the governance of the RE. This charter sets out the role and responsibilities of NSH Board, which responsibilities are delegated to committees of NSH Board or to management, as well as the membership and the operation of NSH Board.

This charter is supported by National Storage Group's code of conduct, and charters for the Audit Committee, Risk Committee, Nomination Committee and Remuneration Committee.

---

## 3 Role and responsibilities of NSH Board

### 3.1 Role

The role of NSH Board is to provide overall strategic guidance for the NS Stapled Entity and National Storage Group and effective oversight of management. NSH Board ensures that the activities of the National Storage Group comply with its Constitutions, from which NSH Board derives its authority to act, and with legal and regulatory requirements.

To achieve this role, NSH Board has reserved to itself the following specific responsibilities.

### 3.2 Responsibilities

NSH Board is responsible for:

- (a) setting objectives, goals, and strategic direction with a view to maximizing security holders' value;
- (b) overseeing National Storage REIT, including its risk, control, and accountability systems;
- (c) appointing and removing the Managing Director and other senior executives ("**Senior Executives**") as determined by NSH Board from time to time;

- (d) approving the remuneration policies for the Managing Director and Senior Executives;
- (e) monitoring Senior Executives' performance and implementation of strategy, including against stated objectives;
- (f) providing input into and final approval of management's development of corporate strategy and performance objectives;
- (g) actively promoting ethical and responsible decision-making, including establishing, maintaining, and monitoring compliance of appropriate codes of conduct and other significant corporate policies;
- (h) ensuring NS Stapled Entity's compliance with the Corporations Act, the ASX Listing Rules and applicable laws;
- (i) reviewing, ratifying, and monitoring systems of risk management and internal compliance and control and legal compliance;
- (j) approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- (k) approving and monitoring financial and other reporting; and
- (l) monitoring the implementation of the highest business standards and codes of ethical behaviour.

In order for NSH Board to fulfil its role, NSH Board may from time to time establish other policies and practices.

---

## **4 Role and responsibilities of Chairperson and Company Secretary**

### **4.1 Chairperson**

The Chairperson is an independent and non-executive director appointed by NSH Board. The Chairperson is responsible for:

- (a) leading NSH Board in reviewing and discussing NSH Board matters;
- (b) chairing and facilitating NSH Board meetings and security holder meetings;
- (c) ensuring the efficient organisation and conduct of NSH Board's function;
- (d) briefing all directors in relation to issues arising at NSH Board meetings;
- (e) facilitating effective contribution by all directors and monitoring NSH Board performance;
- (f) overseeing that membership of NSH Board is skilled and appropriate for the Company's needs;
- (g) promoting constructive relations between NSH Board members and between NSH Board and management;

- (h) ensuring that independent directors meet separately at least annually to consider, among other things, senior executive performance;
- (i) reviewing corporate governance matters with the Company Secretary and reporting on those matters to NSH Board; and
- (j) establishing and overseeing the implementation of policies and systems for NSH Board performance review and renewal.

## **4.2 Company Secretary**

The Company Secretary acts as secretary of NSH Board, attending all meetings of NSH Board as required. The Company Secretary is accountable to NSH Board through the Chairperson on all corporate governance matters.

The Company Secretary is responsible for:

- (a) organising NSH Board meetings and director attendance;
- (b) monitoring compliance with NSH Board policy and procedures;
- (c) coordinating the completion and despatch of NSH Board agenda and briefing materials;
- (d) preparing minutes of meetings and resolutions of NSH Board and taking these to the Chairperson for approval and circulation;
- (e) circulating minutes from committee meetings to NSH Board; and
- (f) ensuring the NS Stapled Entity complies with its requirements under the Corporations Act regarding registered office, annual returns, and notices to be lodged with the Australian Securities and Investments Commission.

---

# **5 Delegations of authority**

## **5.1 Delegation to committees**

Under the NSH Constitution, the NSH Board may delegate responsibility to Committees to consider certain issues in further detail and then report back to and advise the Board.

To assist NSH Board in carrying out its responsibilities, NSH Board has established Standing Committees which will adopt charters setting out the authority, responsibilities, membership, and operation of the Committee.

There are currently four standing Committees:

- (a) the Audit Committee;
- (b) the Risk Committee;
- (c) the Nomination Committee; and
- (d) the Remuneration Committee.

NSH Board may establish other Committees from time to time to consider other matters of special importance.

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 in order to effectively carry out their proper functions. The Chairperson of each Committee will report back on Committee meetings to NSH Board at the next full Board meeting.

## **5.2 Delegation to Managing Director and management**

NSH Board has delegated to the Managing Director the authority to manage the day to day affairs of the NS Stapled Entity and the authority to control the affairs of the NS Stapled Entity in relation to all matters other than those responsibilities reserved to itself in this charter.

NSH Board may impose further specific limits on Managing Director delegations. These delegations of authority will be maintained by the Company Secretary and will be reviewed by NSH Board as appropriate from time to time.

The Managing Director has authority to sub-delegate to the senior management team.

---

# **6 Membership**

## **6.1 Composition and size**

There must be a minimum of three directors of NSH Board.

NSH Board will consist of a majority of non-executive, independent directors. The Chairperson is elected annually by the directors and must be an independent non-executive director.

The directors will determine the size of the Board, subject to the NSH Constitution, which provide that there can be no less than three directors on the NSH Board and any subsidiary Board. The number of directors and the composition of NSH Board must at all times be appropriate for the NS Stapled Entity to achieve efficient decision making and adequately discharge its responsibilities and duties.

NSH Board will seek to have directors with an appropriate range of skills, experience, and expertise. an understanding of and competence to deal with current and emerging issues of the business, and the ability to effectively review and challenge the performance of management and exercise independent judgement. The NS Stapled Entity's succession plans are designed to maintain an appropriate balance of skills, experience, and expertise on the Board.

## **6.2 Appointment and re-election of directors**

The process of selection and appointment of new directors to NSH Board is that when a vacancy arises, the Nomination and Remuneration Committee identifies candidates with appropriate skills, experience, and expertise. Candidates with the skills, experience, and expertise that best complement NSH Board's effectiveness will be recommended to NSH Board. When NSH Board considers that a suitable candidate has been found, that person may be appointed by NSH Board to fill a

casual vacancy in accordance with the NSH Constitution, but must stand for election by security holders at the next annual general meeting.

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.

Directors must retire from office in accordance with the NSH Constitution. Retiring directors may be eligible for re-election. Before each annual general meeting, the Chairperson of NSH Board will assess the performance of any director standing for re-election and NSH Board will determine their recommendation to security holders on the re-election of the director (in the absence of the director involved). NSH Board (excluding the Chairperson), will conduct the review of the Chairperson.

### **6.3 Independence**

All directors - whether independent or not - should bring an independent judgment to bear on all NSH Board decisions.

A director is considered independent if the director is a non-executive director who is not a member of management and is free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgment or could reasonably be perceived to do so.

A director who:

- (a) is a substantial security holder of the NS Stapled or an officer of, or otherwise associated directly with, a substantial security holder of the National Storage Group;
- (b) is employed, or has previously been employed in an executive capacity by the NS Stapled Entity, or another group member and there has not been a period of at least three years between ceasing that employment and serving on NSH Board;
- (c) within the last three years, has been a principal of a material professional adviser or material consultant to the NS Stapled Entity or another group member, or an employee materially associated with the service provided;
- (d) is a material supplier or customer of the NS Stapled Entity or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- (e) has a material contractual relationship with the NS Stapled Entity or another group member other than as a director of the NS Stapled Entity,

will not be independent, unless NSH Board is satisfied on reasonable grounds that the director is independent despite the existence of one or more of these circumstances.

NSH Board will regularly assess the independence of each director in light of the interests disclosed by them. Each independent director must provide NSH Board with all relevant information for this. The outcome of this assessment will be reflected in the corporate governance section of the annual report.

Any change to a director's independent status will be disclosed to the market in a timely fashion.

## 6.4 Conduct of individual directors

Directors must at all times act in accordance with legal and statutory requirements and discharge all their duties as directors. Directors must:

- (a) discharge their duties in good faith and in the best interests of the NS Stapled Entity 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) make reasonable enquiries if relying on information or advice provided by others;
- (h) undertake any necessary inquiries in respect of delegates;
- (i) give the NS Stapled Entity or ASX Limited all the information required by the Corporations Act; and
- (j) not permit the NS Stapled Entity to engage in insolvent trading.

## 6.5 Induction and Ongoing Education of Directors

To ensure that the Directors are able to discharge their statutory obligations, each Director receives an induction upon their appointment, and ongoing education throughout their term on the NSH Board.

After a proposed Director has executed a letter of appointment, the National Storage Group induction process provides that they:

- (a) are issued with a NSH Board induction pack, which includes core financial, administrative, legal, and operational information about the NS Stapled Entity;
- (b) meet with the NSH Board Chairman and NSH Managing Director to be briefed on the National Storage Group history, strategic direction, financial, operational and risk management position;
- (c) meet with the senior executive team and other senior managers in the National Storage Group to gain an understanding of how the NS Stapled Entity operates;
- (d) tour a National Storage centre with a senior member of the operational staff; and

- (e) direct all questions arising from the above to the NS Stapled Entity Company Secretary.

The NSH Board receives ongoing internal and external education through:

- (f) regular management presentations on business activities;
- (g) internal updates regarding changes to industry standards, compliance, financial reporting, or legal obligations provided by the Company Secretary, Head of Legal and Compliance and Chief Financial Officer;
- (h) professional development training regarding legal and compliance issues provided by external legal service providers; and
- (i) professional development training offered by external accountants regarding accounting and financial reporting obligations.

---

## **7 Performance Reviews**

### **7.1 Board appraisal**

A performance appraisal of the NSH Board and the NSH Board Committees is conducted by the NSH Board Chairman on an annual basis.

The performance review includes an internal report considering:

- (a) each NSH Board members' response in a questionnaire assessing the NSH Board, and NSH Board Committees' performance;
- (b) each Directors' individual contribution to the NSH Board; and
- (c) senior executives' and managements' feedback regarding their interaction with the NSH Board.

The NSH Board then review and provide feedback on the report.

If the NSH Board considers necessary, it may also engage an independent consultant to review the NSH Board and NSH Board Committees' performance.

### **7.2 Senior executives**

Each senior executive undergoes an annual and semi-annual performance review conduct by Managing Director of NSH, whereby they are measured against their key performance indicators.

The NSH Managing Director's performance is reviewed by the NSH Board on an annual basis. The method by which the NSH Board measure the Managing Director's performance is at their discretion.

---

## **8 NSH Board process**

### **8.1 Meetings**

All NSH Board meetings will be conducted in accordance with the NSH Constitution and the Corporations Act.

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 particular skills, experience and knowledge when discussing matters at NSH Board meetings.

Directors must keep NSH Board discussions and resolutions confidential, except where they are required to be disclosed.

All directors are generally expected to prepare adequately, attend, and participate at each NSH Board meeting. All directors should actively consider the sufficiency of the contents of NSH Board papers that they have been provided for consideration. NSH Board should assess the information that it receives and the timing of its distribution to ensure NSH Board has sufficient time to examine the material provided to it for approval.

Non-executive directors will periodically meet without executive directors or management present.

NSH Board may request or invite management or external consultants to attend NSH Board meetings, where necessary or desirable.

NSH Board may conduct meetings by telephone or video conference.

### **8.2 Independent professional advice**

Following consultation with the Chairperson, directors may seek independent professional advice at the expense of the NS Stapled Entity. Generally, this advice will be available to all directors.

### **8.3 Access to management**

The directors have complete and open access to management following consultation with the Chairperson and Managing Director.

---

## **9 Review and publication of charter**

NSH Board is responsible for reviewing this charter and the division of functions and responsibilities in the NS Stapled Entity to determine its appropriateness to the needs of the NS Stapled Entity from time to time. The charter may be amended by resolution of NSH Board.

The charter is available on the National Storage Group's website.

**Adopted by NSH Board on 30 September 2014**

**Reviewed on 22 June 2022**