

SIRIUS REAL ESTATE LIMITED

(THE COMPANY)

BOARD GOVERNANCE DOCUMENT

1 Board membership and process

Composition

- 1.1 The board of directors of the Company (the **Directors**) (the **Board**) shall always have a majority of Directors who are non-executive and are judged by the Board to be independent of judgement and character and free of material relationships with the Company and its consolidated subsidiaries and subsidiary undertakings from time to time (the **Group**) and other entities and people that might influence, or would be perceived by the Company's shareholders (**Shareholders**) to influence, such judgement.
- 1.2 The Board shall have the balance of non-executive and executive Directors that is effective for the promotion of the interests of the Shareholders and the governance of the Company.
- 1.3 The Board shall review the qualifications and skills represented by the Directors and determine whether the composition and mix of those skills remains appropriate in accordance with the recommendations of the Nomination Committee.
- 1.4 Non-executive Directors shall be engaged through a letter of appointment.
- 1.5 The level of remuneration paid to the Directors and the chairman of the Board (**Chairman**) shall be determined in the manner provided in the Remuneration Committee Terms of Reference.
- 1.6 The Company shall make available resources to ensure that the Directors maintain the skills, knowledge and familiarity with the Company necessary to fulfil their duties as Directors.

Conduct

- 1.7 Each Director shall ensure that no decision or action is taken that has the effect of placing his or her interests in priority to the interests of the Group.
- 1.8 Directors may, with the consent of the Chairman and with the assistance of the secretary of the Company (the **Company Secretary**), seek independent professional advice at the expense of the Company on any matter connected with the discharge of their responsibilities. A copy of any advice so received shall be made available to all Directors, unless a conflict of interest would make it inappropriate to do so.

- 1.9 Non-executive Directors shall periodically meet alone without executive Directors or representatives of executive management present.

Chairman

- 1.10 The Board shall select one of its members to be Chairman. The Chairman must meet all applicable independence criteria at the time of his or her appointment.
- 1.11 The Board shall develop a plan for the succession of the Chairman, and shall periodically evaluate the plan.
- 1.12 The Board shall identify an independent non-executive Director to act as Chairman in the event that the Chairman is unable to do so for any reason.
- 1.13 The Chairman is responsible for leading the Board and ensuring that it is operating to the highest governance standards. In leading the Board, the Chairman shall focus on ensuring that strategic issues and Shareholders' views are regularly reviewed, clearly understood and underpin the work of the Board; thus facilitating the relationship between the Board and the Chief Executive Officer (the **CEO**) and ensuring the provision of accurate, timely and clear information.
- 1.14 The Chairman has authority to act and speak for the Board between Board Meetings, including engaging with, and monitoring the activities of, the CEO. The Chairman shall report to the Board and the Committee Chairmen as appropriate on decisions and actions taken between Board Meetings.

Senior Independent Director

- 1.15 Upon the recommendation of the Nomination Committee, the Board shall appoint one of the non-executive Directors to be senior independent director of the Company (the **Senior Independent Director**).
- 1.16 The Senior Independent Director shall act as a sounding board for the Chairman and shall serve as an intermediary for the other Directors if necessary.
- 1.17 The Senior Independent Director shall also be available to the Shareholders if they have concerns which have not been or cannot be resolved through the normal channels via the Chairman or CEO.

Company Secretary

- 1.18 The Company Secretary is accountable to the Board through the Chairman and the Company Secretary's appointment and removal is a matter for the Board as a whole.

- 1.19 The Company Secretary shall advise the Chairman, and through the Chairman, the Board and individual Directors on matters relating to the governance process.
- 1.20 The Company Secretary's advice and services shall be available to all Directors and each of the Audit Committee, Remuneration Committee, Disclosure Committee, Investment Committee or Nomination Committee (the **Committees**).
- 1.21 The Company Secretary shall retain independent advisory services at the request of the Board or one of the Audit Committee, Nomination Committee, Disclosure Committee, Investment Committee or Remuneration Committee.
- 1.22 The Company Secretary shall develop and maintain the information systems and processes that are appropriate for the Board to fulfil its role and to achieve the Company's objectives.
- 1.23 The Board shall consider and satisfy itself, on an annual basis, that the Company Secretary is sufficiently competent, qualified and experienced. The Company shall notify Shareholders in its Annual Report and Accounts that the Board has executed this responsibility. This communication shall specifically include details of the steps that the Board took to make this annual assessment as well as providing information which demonstrates the actual competence, qualifications and experience of the Company Secretary.

Board Evaluation

- 1.24 The Board shall conduct performance evaluations of the Board as a whole, its Committees, the Chairman, individual Directors, and the governance processes which support the Board's work. All evaluations shall have regard to the collective nature of Board work, the balance of skills, experience, independence and knowledge of the Company on the Board, its diversity and the operation of the governance processes established in this document. Evaluations shall be conducted periodically as the Board considers appropriate.
- 1.25 The Board shall conduct evaluations of the performance of Directors retiring and seeking re-election to the Board in consultation with the Nomination Committee. The non-executive Directors, led by the Senior Independent Director, shall be responsible for performance evaluation of the Chairman, taking into account the views of executive Directors. The Board shall use the results of these evaluations in considering the endorsement of Directors for re-election by shareholders

The Board and its Committees

- 1.26 The Board shall establish Committees to assist the Board in exercising its authority.

- 1.27 The permanent Committees of the Board are the Audit Committee, the Remuneration Committee the Disclosure Committee, the Investment Committee and the Nomination Committee.
- 1.28 These Committees shall review matters on behalf of the Board and, as determined by the relevant terms of reference:
- (a) refer matters to the Board for decision, with a recommendation from the relevant Committee; or
 - (b) determine matters (where the relevant Committee acts with delegated authority), which the relevant committee then reports to the Board.
- 1.29 The Committees are as follows:
- (a) Audit Committee – The Board shall establish a committee of at least three, or so long as the Company remains a smaller company for the purposes of the UKCGC (**Smaller Company**), two non-executive Directors. At least one member must have recent and relevant financial experience.
 - (b) Remuneration Committee – The Board shall establish a committee of at least three, or so long as the Company remains a Smaller Company, two non-executive Directors.
 - (c) Nomination Committee – The Board shall establish a committee of only non-executive Directors, of which a majority must be independent.
 - (d) Disclosure Committee – The Board shall establish a committee of only non-executive Directors
 - (e) Investment Committee - The Board shall establish a committee of at least three, or so long as the Company remains a Smaller Company, two non-executive Directors.
- 1.30 Committees shall have access to sufficient resources to carry out their activities effectively.
- 1.31 The Board shall determine the terms of reference for each Committee. The terms of reference shall outline the role, authority, composition and responsibilities of each Committee.

2 Relationship with Shareholders

- 2.1 The Board shall ensure that it regularly receives and understands information regarding the issues and concerns of the Shareholders.

- 2.2 The Chairman (or other non-executive director of the Company nominated by the Chairman) shall represent the Board to the Shareholders and shall communicate the Board's position. The chairman of any of the Committees may also represent the Board to the Shareholders on matters relating to the remit of that particular Committee.
- 2.3 Non-executive directors should be offered the opportunity to attend scheduled meetings with major Shareholders and should expect to attend meetings if requested by major Shareholders. The Senior Independent Director should attend sufficient meetings with a range of major shareholders to listen to their views in order to help develop a balanced understanding of the issues and concerns of major shareholders.

3 Board and CEO relationship

Powers reserved for the Board

- 3.1 Subject to the provisions of the Companies (Guernsey) Law, 2008 (as amended), the Board reserves the following matters to itself for decision:
- (a) appointing the CEO and determining the terms of the appointment;
 - (b) approving the appointment of executives reporting to the CEO and membership of the Senior Management Team, and material changes to the organisational structure involving direct reports to the CEO;
 - (c) succession planning for direct reports to the CEO;
 - (d) monitoring the performance of the CEO, the CFO and the Company;
 - (e) establishing and assessing measurable diversity objectives;
 - (f) approving strategy, annual budgets, balance sheet management and funding strategy;
 - (g) approving commitments, capital and non-capital items, acquisitions and divestments above specified thresholds;
 - (h) approving the dividend policy and determining dividends;
 - (i) approving market risk management strategy and limits;
 - (j) monitoring Board composition processes and performance;
 - (k) reviewing and monitoring systems of risk management and internal control, including financial, operational and compliance controls;

- (l) determining and adopting documents (including the publication of reports and statements to shareholders) that are required by the Company's Articles, statute or by other external regulation; and
- (m) determining and approving matters that are required by the Company's Articles, statute or by other external regulation to be determined or approved by the Board.

Delegation

3.2 Beyond the items in Paragraph 3.1, and subject to the boundaries on CEO action as set out in Part 4 of this document (**CEO Limits**), the Board delegates to the CEO all authority to achieve the objectives of the Company (the **Company Objectives**).

3.3 The Board retains ultimate authority to change, enhance or revoke its delegations to the CEO at any time.

Accountability and monitoring

3.4 The Board shall monitor the decisions and actions of the CEO and the performance of the Company to gain assurance that progress is being made towards the Company Objectives within the CEO Limits.

3.5 Throughout the annual Board cycle, the CEO shall report systematically with openness on the progress being made by the Company towards the Company Objectives.

3.6 The CEO shall report to the Board on material developments in the following areas, and shall describe for each of them the potential impact, where relevant, on the achievement of the Company Objectives:

- (a) the development and implementation of strategy;
- (b) the business and financial performance of the Company and material events in markets which are critical to the achievement of the Company Objectives; and
- (c) the activities covered by the CEO Limits.

3.7 The Board shall monitor the CEO's performance through the Committees.

3.8 The Board and its Committees may make direct requests for information from the CEO, any employee of the Company, the external auditor or any third party.

- 3.9 The CEO shall supply the Board and its Committees with information in a form that is appropriate to enable the Board and Committees to make assessments and judgements, to conduct inquiries, and to gain assurance that the decisions and actions of the CEO, and the performance of the Company, are directed toward the Company Objectives and fall within the CEO Limits.
- 3.10 The Chairman, the chairmen of Committees, the CEO, the Chief Financial Officer (the **CFO**) and the Company Secretary shall work collaboratively to ensure that effective systems are in place for the production and transmission of information and reports.

Reward and evaluation

- 3.11 The Board shall ensure that the structure of remuneration for the Company (including for the CEO) is linked to the achievement of the Company Objectives.
- 3.12 The Board shall ensure that performance requirements of the CEO are linked to the achievement of the Company Objectives, and that the systems of evaluation for the performance of the CEO and members of the Senior Management Team are based on previously stated criteria that are transparent.
- 3.13 The Chairman, drawing on guidance of the Remuneration Committee, shall lead on behalf of all the non-executive Directors an annual formal evaluation of the performance of the CEO.

4 CEO Limits

- 4.1 The achievement of the Company Objectives shall guide all decisions and actions of the CEO.
- 4.2 The CEO shall not engage in, cause or permit any activity or behaviour that is in violation of commonly accepted standards of business practice and ethics.
- 4.3 The CEO shall not allow the culture of the Company to develop or subsist in a way that condones dishonest conduct, or lack of integrity, respect or dignity in relationships amongst those involved in or affected by the Company's activities.
- 4.4 The CEO shall not allow capital and operating expenditure, or financing decisions, to be made without addressing the impact on the financial condition of the Group and on the achievement of the Company Objectives. The CEO has authority within the limits set by the Board from time to time.
- 4.5 The CEO shall not allow decisions or actions to be taken without assessing the effect on the reputation of the Company and the impact on the achievement of the Company Objectives.

- 4.6 The CEO shall not permit the Company to operate unless there is in place a system of control for identifying and managing the risks that are material to the achievement of the Company Objectives and strategy and plans.
- 4.7 The CEO shall ensure that each of the businesses that make up the Company has an identifiable system for sharing the results of the assurance processes of each business.
- 4.8 The CEO shall not cause or permit the Company to operate without appropriate policies, information systems, and procedures to ensure that all Shareholders receive (through the appropriate channels) timely and accurate information concerning progress towards the Company Objectives, and the current activities and results of the Company.
- 4.9 The CEO shall ensure that there is an appropriate information system covering statutory reporting, semi-annual reporting to the financial community, release of inside information, and other company announcements and that this system covers the timely provision to the Shareholders of relevant information to enable them to make informed decisions concerning the exercise of the rights, powers and privileges available to them under the Company's Articles and applicable law, regulation or codes of practice.

Approved by the Board on 17 February 2017.