

HASTINGS FUNDS MANAGEMENT LIMITED

BOARD CHARTER

1. Role of the Board

The Board of Hastings Funds Management Limited (Hastings) has the overall responsibility for the governance of Hastings.

The Board was appointed by its shareholder Westpac. The Board of Hastings and Westpac maintain a high level of engagement and collaboration on all matters. The Board of Hastings has approved the adoption of an amended version of the Westpac Subsidiary Governance Framework.

2. Matters Requiring Board Action

A number of matters require Board action and are not delegated to Management; these matters must be dealt with by the Board:

- a. consideration and approval of the strategy of Hastings;
- b. adoption of annual business plans and budgets;
- c. monitoring of performance against agreed plans;
- d. delegation of authority to Management;
- e. the establishment of and delegation to board sub-committees;
- f. monitoring significant business risks and their internal controls;
- g. consideration, approval and endorsement of major policies including the Code of Conduct;
- h. capital structure;
- i. dividend declarations;
- j. approval of new debt, debt refinancing and retirement of debt;
- k. approval of financial statements;
- l. assessing its own performance and the performance of individual directors;
- m. appointing and, where appropriate, terminating the Managing Director, Chief Financial Officer and the Company Secretary.

3. Delegation to Management

The Board has retained responsibility for those matters listed in 2. above, while delegating responsibility for the day-to-day operation and administration of Hastings to Management.

4. Conflicts of Interest

- a. The Directors are required to disclose any actual or potential conflicts of interest and to abstain from participating in any discussion or voting on any matter in which they have a material personal interest, except with the prior approval of the Board.
- b. Directors will inform the Chairman of any proposed Board or executive appointments they are considering undertaking to determine whether there is any actual or perceived conflict with the Director's duties to Hastings.

5. Independent Professional Advice

After consultation with the Chairman, Directors may seek independent professional advice at the Company's expense. Following its receipt, such advice would normally be made available to all Directors.

6. Duties of Directors

- a. Directors have a duty to question, request information, raise any issue which is of concern to them, fully canvass all aspects of any issue confronting Hastings and cast their vote on any resolution according to their own judgement.
- b. Directors will keep confidential Board discussions, deliberations and decisions that are not publicly known. Outside the Boardroom, Directors support the letter and spirit of Board decisions.
- c. Confidential information received by a Director in the course of the exercise of a director's duties remains the property of Hastings and it is improper to disclose it, or allow it to be disclosed, unless disclosure has been authorised by the Chairman or is required by law.

7. Board Performance

The Board will review its own performance, including the individual performance of each Director, including the Chairman. The general management and oversight of this process of review, together with development of appropriate Board member performance assessment measures, is the responsibility of the Chairman.

8. Meetings

- a. The Board shall meet at least eight times each year.
- b. The Directors should meet regularly and at least twice each year meet for private discussion in the absence of Management.
- c. Meetings shall be convened by the Secretary as directed by the Board or the Chairman and any Director may request the Chairman to call a meeting.
- d. The Board will also meet jointly with the Board of Australian Infrastructure Fund Limited in accordance with the Hastings/AIF protocol dated 23rd December 2005.

9. Induction & Training

The Board shall maintain an induction process for new directors. The Company encourages Directors to update and enhance their skills and knowledge by funding appropriate training programmes on director responsibilities.

10. Secretary

- a. The Board shall have unfettered access to the Company Secretary who shall be accountable to the Board on all governance matters.
- b. The Company Secretary will be responsible for recording the minutes of all meetings of the Board.