



2019 Corporate Governance Statement.

30 June 2019



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ASX Principles Summary.

No.	Description	Reference	Comply
Principle 1 – Lay solid foundations for management and oversight		Page 4	
1.1	A listed entity should disclose: <ul style="list-style-type: none"> (a) the respective roles and responsibilities of its board and management. (b) those matters expressly reserved to the Board and those delegated to management. 		
1.2	A listed entity should: <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a person, or putting forward to Securityholders a candidate for election, as a director. (b) provide Securityholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. 		
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.		
1.4	The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.		
1.5	A listed entity should: <ul style="list-style-type: none"> (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them. (b) disclose that policy or a summary of it. (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them and either the respective proportions of men and women on the board, in senior executive positions and across the whole organisation. 		
1.6	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors. (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 		
1.7	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of its senior executives. (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 		

ASX Principles Summary

continued

No.	Description	Reference	Comply
Principle 2 – Structure the board to add value		Page 5	
2.1	<p>The Board of a listed entity should have a nomination committee which:</p> <ul style="list-style-type: none"> > has at least three members and a majority of whom are independent directors; and > is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> > the charter of the committee; > the members of the committee; and > as at the end of each reporting period, the number of times the Committee met through the period and the individual attendances of the members at the meeting. 	<p>]</p> <p>]</p>	<p>⊗¹</p> <p>✓</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.		✓
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors.</p> <p>(b) if a director has an interest, position, association or relationship of the type described above but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion.</p> <p>(c) the length of service of each director.</p>		✓
2.4	A majority of the board of a listed entity should be independent directors.		⊗
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same as the chief executive officer of the entity.		✓
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.		✓
Principle 3 – Act ethically and responsibly		Page 7	
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees.</p> <p>(b) disclose that code or a summary of it.</p>		✓
Principle 4 – Safeguard integrity in financial reporting		Page 7	
4.1	<p>The Board of a listed entity should have an audit committee which:</p> <ul style="list-style-type: none"> > has at least three members, all of whom are non-executive directors and a majority of independent directors; > is chaired by an independent chair, who is not chair of the Board; <p>and disclose:</p> <ul style="list-style-type: none"> > the charter of the committee; > the relevant qualifications and experience of its members; and > the number of times the committee met throughout the period and the individual attendances of the members of those meetings. 		✓
4.2	The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its Chief Executive Officer and Chief Financial Officer, a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		✓
4.3	A listed entity that has an Annual General Meeting should ensure that its external auditor attends the same and is available to answer queries from Securityholders relevant to the audit.		✓

1. Please refer to the Group's disclosure in relation to recommendation 2.1 on page 6.

ASX Principles Summary

continued

No.	Description	Reference	Comply
Principle 5 – Make timely and balanced disclosure		Page 7	
5.1	A listed entity should: <ul style="list-style-type: none"> (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules. (b) disclose that policy or a summary of it. 		
Principle 6 – Respect the rights of shareholders		Page 8	
6.1	A listed entity should provide information about itself and its governance to investors via its website.	growthpoint.com.au	
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.		
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of Securityholders.		
6.4	A listed entity should give Securityholders the option to receive communications from, and send communications to, the entity and its security registry electronically.		
Principle 7 – Recognise and manage risk		Page 8	
7.1	(a) The Board of a listed entity should have a committee or committees to oversee risk which: <ul style="list-style-type: none"> – has at least three members, a majority of whom are independent directors; – is chaired by an independent director; and disclose: <ul style="list-style-type: none"> – its charter of the Committee; – its members of the Committee; and – as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings. 		
7.2	The Board or a committee of the Board should: <ul style="list-style-type: none"> (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound. (b) disclose, in relation to each reporting period, whether such a review has taken place. 		
7.3	A listed entity should disclose: <ul style="list-style-type: none"> (a) if it has an internal audit function, how the function is structured and what role it performs. (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. 		
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.		
Principle 8 – Remunerate fairly and responsibly		Page 9	
8.1	The Board of a listed entity should have a remuneration committee which: <ul style="list-style-type: none"> > has at least three members, a majority of whom are independent directors; > is chaired by an independent director; and disclose: <ul style="list-style-type: none"> > the charter of the committee; > the members of the committee; and > at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings. 	 	¹
8.2	A listed entity should separately disclose its policies and practices regarding remuneration of non-executive directors and the remuneration of executive directors and other senior executives.		
8.3	A listed entity which has an equity-based remuneration scheme should: <ul style="list-style-type: none"> (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. (b) disclose that policy or a summary of it. 		

1. Please refer to the Group's disclosure in relation to recommendation 8.1 on page 10.

ASX principles.

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1 (a)

The board of directors (“**Board**”) is responsible for the overall governance of the Group, with the aim of achieving consistent growth in total Securityholder returns.

Specifically, the Board is responsible for the:

1. adoption and implementation of appropriate corporate governance practices;
2. establishment of the Group’s strategic objectives;
3. approval of material transactions;
4. approval of an annual budget including major capital expenditure;
5. adoption of relevant internal compliance controls and risk management processes;
6. employment, remuneration and performance monitoring of the Managing Director; and
7. establishment and monitoring of the Board’s performance and each of its sub-committees.

The Board has approved a Delegations of Authority Policy (“**Policy**”) under which authority for certain matters (which are, by themselves, not considered material to the operations or value of the Group) have been delegated to the Executive Management Team of the Group.

Under this Policy, the Executive Management Team is responsible for:

1. the implementation of strategic objectives and operating within the risk parameters approved by the Board;
2. all other aspects of the day to-day running of the Group; and
3. providing accurate and timely information to enable the Board to perform its responsibilities.

Please refer to our website for more details of the role and responsibilities of Executive Management Team.



[growthpoint.com.au/about/
executive-management/](http://growthpoint.com.au/about/executive-management/)

Recommendation 1.1 (b)

The Board has approved a “Delegations of Authority Policy”.

The following key delegation limits apply to the Executive Management Team under the Policy:

1. up to \$30 million for normal business contracting (subject to certain conditions);
2. up to \$10,000 for donations and gifts (excluding any donations to political parties);
3. up to \$100,000 for authorised sponsorships;
4. up to \$50 million in new debt facilities; and
5. up to \$2 million for bad debts provision.

The Policy also sets out payment authority limits.

Recommendation 1.2 (a)

The following checks are undertaken prior to the appointment of a new Director or Executive Management Team member:

1. Australian Federal Police;
2. bankruptcy; and
3. background and character.

Recommendation 1.2 (b)

All Securityholders who are entitled to attend and vote at the Annual General Meeting are provided with detailed explanatory notes including:

- > relevant qualifications, experience and the skills each Director contributed to the Board; and
- > eligibility for election or re-election based on the election rules of the Company’s Constitution.

Recommendation 1.3

All Non-executive Directors have formal agreements governing their appointment which include:

- > remuneration (including any superannuation entitlements);
- > expectations in relation to attending Board and Committee meetings and other directorships, if any;
- > procedures in relation to potential and actual conflicts of interests and related party transactions;
- > ability to access to independent advice (at the Group’s expense);
- > the requirement to comply with the Group’s policies;
- > the sole Executive Director has a formal agreement governing his employment which includes:
 - remuneration (including any superannuation entitlements);
 - expectations in relation to attending Board and Committee meetings and other directorships, if any; and
 - procedures in relation to potential and actual conflicts of interests and related party transactions.

All other Executive Management Team members have formal agreements governing their employment which includes remuneration.

Recommendation 1.4

The Company Secretary reports directly to the Board (via the Chairman) in relation to corporate governance and the proper functioning of the Board and each Committee.

In FY19, the Chairman and the Company Secretary met regularly to discuss matters that relate specifically to corporate governance matters and reviews were undertaken to reinforce controls and reporting processes.

The Chairman undertook formal reviews of the Company Secretary in relation to corporate governance matters not less than twice during FY19.

Recommendation 1.5 (a)

The Board has established a Diversity Policy, a copy of which is available at the Group’s website:



[growthpoint.com.au/uploads/pdf/
GOZ-Diversity-Policy-13-08-15.pdf](http://growthpoint.com.au/uploads/pdf/GOZ-Diversity-Policy-13-08-15.pdf)

The following measurable objectives for achieving gender diversity are in place:

1. Growthpoint is committed to providing work experience to female graduates and undergraduates in order to encourage greater female involvement and participation in the property industry;

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2. Six female employees (including a member of the Executive Management Team) were appointed during the 12 months to 30 June 2019 as follows:
 - Property Analyst
 - Executive Assistant (2)
 - Legal Counsel
 - Front Office Coordinator
 - Chief Operating Officer
3. Growthpoint's selection team for the recruitment of any employee will be obliged to encourage and appropriately advertise for applications from women and men, to consider male and female candidates and to interview at least one appropriately qualified female candidate and one appropriately qualified male candidate for any available position;
4. Growthpoint requires the Executive Management Team to identify and support emerging female executives by providing executive mentoring, including developing processes to identify women with the skills and capabilities of filling a Board position; and
5. The Board currently has two female Directors representing 25% of the Board.¹

Recommendation 1.5 (b)

The Diversity Policy ("Diversity Policy") is available at the Group's website:

 growthpoint.com.au/uploads/pdf/GOZ-Diversity-Policy-13-08-15.pdf

Recommendation 1.5 (c)

The Group's performance in relation to the objectives listed above from the date the Diversity Policy was released to the date of this report are as follows:

As at the date of this report:

1. approximately 25% of the Board of Directors are women; and
2. approximately 56% of the Group's employees (15 out of 27) are women, two in senior management and one in executive management.

During FY19, the Group successfully achieved its objective in relation to gender diversity across employees, executive management team and the Board.

Recommendation 1.6 (a):

In accordance with its charter, the Nomination, Remuneration & HR Committee reviews the competence, expertise, performance, training, constitution and succession of the Board and individual Directors and makes recommendations to the Board.

Recommendation 1.6 (b)

For FY19, the following process was undertaken:

1. The Chairman met with the whole Board to discuss and review its composition, function and performance. Part of the performance review entailed the corporate secretariat function and processes in place to assist the proper function of the Board.
2. The Chairman met with the Managing Director separately to discuss his performance.

Recommendation 1.7 (a)

The Managing Director's performance is reviewed by the Nomination, Remuneration & HR Committee.

The performance of other senior executives is reviewed half-yearly by the Managing Director.

The Chairman undertakes formal review of the Company Secretary in relation to corporate governance matters not less than twice each year.

Recommendation 1.7 (b)

Performance reviews of the Managing Director, by the Chairman, occurred following each calendar quarter during FY19.

Performance reviews for the Executive Management Team occurred in April 2019.

In FY19, the Chairman and the Company Secretary met regularly to discuss matters that relate specifically to corporate governance matters and reviews were undertaken to reinforce controls and reporting processes.

The Chairman undertakes formal review of the Company Secretary in relation to corporate governance matters not less than twice each year.

Principle 2 – Structure the board to add value

Recommendation 2.1

The Board has established a Nomination, Remuneration & HR Committee. A copy of the Charter of the Nomination, Remuneration & HR Committee is available at the Group's website:

 growthpoint.com.au/uploads/pdf/Nomination-Remuneration-and-HR-Committee-Charter-17.08.17.pdf

The Nomination, Remuneration & HR Committee comprises four members, all of whom are Non-executive Directors and two are independent Directors. The Chair of the Nomination, Remuneration & HR Committee and the Committee member, Norbert Sasse and Francois Marais, are respectively the Group CEO and the independent Chairman of the Group's major Securityholder, Growthpoint Properties Limited, and are therefore not deemed to be independent Directors. The Board has determined that the appointment of Norbert Sasse as the Chair and Francois Marais as a member of the Nomination, Remuneration & HR Committee is appropriate having regard to:

1. the reason for Norbert Sasse and Francois Marais not being deemed to be independent (i.e. their respective roles as Group CEO and Chairman of the Group's major Securityholder) are unlikely to have any adverse impact, from Securityholders' perspective, on their roles in recommending and determining remuneration;
2. the interest of Growthpoint Properties Limited wanting to ensure executives are remunerated appropriately and in a manner which maximises Securityholder value aligns with the interests of all Securityholders; and
3. half of the Committee comprises of independent Directors including the independent Chairman of the Board.

The Nomination, Remuneration & HR Committee has sought independent remuneration advice from PwC.

The table above sets out the number of Nomination, Remuneration & HR Committee meetings held during FY19 and the attendance of each Director.

1. As at the date this report was approved, there are eight directors.

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Meetings of Directors (FY19)

Board member	Growthpoint Board		Audit, Risk & Compliance Committee		Nomination, Remuneration & HR Committee	
	eligible to attend	attended	eligible to attend	attended	eligible to attend	attended
G. Tomlinson (Chairman)	12	12	4	4	6	5
M. Brenner	12	11	4	4		
T. Collyer (Managing Director) ^{1,2}	12	12		4		6
E. de Klerk	12	11	4	4		
G. Jackson	12	12	4	4		
F. Marais	12	11			6	6
J. Sukkar	12	11			6	6
N. Sasse	12	11			6	6

1. As Managing Director, Timothy Collyer, has a standing invitation to all committee meetings, unless its members determine otherwise, but is not a member of the Audit, Risk & Compliance Committee.

2. As Managing Director, Timothy Collyer, has a standing invitation to all committee meetings, unless its members determine otherwise, but is not a member of the Nomination, Remuneration & HR Committee. Mr Collyer is not present for any part of meetings which consider his remuneration except to answer questions from the Committee.

Recommendation 2.2

 Refer to page 30 of the 2019 Annual Report for more details on the Board's skills as at the date of that report.

Recommendation 2.3 (a)

The Group's Independent Directors are:

- > Geoffrey Tomlinson
- > Maxine Brenner
- > Grant Jackson
- > Josephine Sukkar

Recommendation 2.3 (b)

Not applicable.

Recommendation 2.3 (c)

The following Directors were appointed effective from:

- > Estienne De Klerk – 5 August 2009
- > Grant Jackson – 5 August 2009
- > Francois Marais – 5 August 2009
- > Norbert Sasse – 5 August 2009
- > Timothy Collyer – 12 July 2010
- > Maxine Brenner – 19 March 2012
- > Geoffrey Tomlinson – 1 September 2013
- > Josephine Sukkar – 1 October 2017

Recommendation 2.4

The Board currently comprises seven Non-executive Directors and one executive Director. Four of the Non-executive Directors are considered "independent".

The Board considers that a director is independent if the director is a non-executive director and satisfies criteria set by the Board from time to time including that the Director:

1. is not a substantial Securityholder in the Group or an executive officer of a substantial Securityholder of the Group where "substantial Securityholder" means a holder of 5% of more of the Group's voting securities;

2. has not, within the last three years, been employed in an executive capacity by the Group or its related entities;
3. is not an executive officer or otherwise associated directly or indirectly with a material supplier to, or customer of, the Group;
4. has no material contractual relationship with the Group or its related entities other than as a director of a company in the Group;
5. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Group's Securityholders; and
6. is free from any business of other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Group's Securityholders.

Of the three Non-executive Directors who are deemed not independent, Estienne de Klerk is the CEO (South Africa), Norbert Sasse is the Group CEO and Francois Marais is the independent Chairman of the Board of the Group's major Securityholder, Growthpoint Properties Limited. While not having a majority of independent directors, the Board has determined that the appointment of these Directors is appropriate having regard to:

- > The Board consisting of four independent Directors including the independent Chairman of the Board which, although falling short of a majority bring to bear a sufficient level of objectivity to Board decisions;
- > The reason for Estienne de Klerk, Norbert Sasse and Francois Marais not being deemed independent (due to their respective roles as CEO (South Africa), Group CEO and Chairman of Growthpoint Properties Limited) is unlikely to have an adverse impact from Securityholders' perspective on their roles as directors governing the Group on behalf of all Securityholders; and
- > The interests of Growthpoint Properties Limited wanting to ensure that the Group is being governed in a manner which maximises Securityholder value aligns with the interests of all Securityholders.

Recommendation 2.5

The Chairman, Geoffrey Tomlinson, is an independent director and the role of chief executive officer, is fulfilled by the Managing Director, Timothy Collyer.

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continued

Recommendation 2.6

Any new Director appointed to the Board is provided with an induction primarily in relation to policies, corporate governance, compliance, risk management, continuous disclosures, corporate structure and operations.

Regular training is provided in relation to compliance, legislation changes, accounting standards and property matters to the Board.

Principle 3 – Act ethically and responsibly

Recommendation 3.1 (a)

The Board has established a code of conduct for all Directors and employees of the Group.

Recommendation 3.1 (b)

Refer to a copy of the Code of Conduct which is available at the Group's website:



growthpoint.com.au/uploads/pdf/Code-of-Conduct-approved-06.08.18.docx

Principle 4 – Safeguard integrity in financial reporting

Recommendation 4.1

The Board has established an Audit, Risk & Compliance Committee.

The Audit, Risk & Compliance Committee comprises four members, all of whom are Non-executive Directors and a majority of whom are independent Directors.

The Chair of the Audit, Risk & Compliance Committee, Maxine Brenner, is an independent Director and is not the Chairman of the Board.

The Board has established a formal charter for the Audit, Risk & Compliance Committee. The charter is available at the Group's website:



growthpoint.com.au/uploads/pdf/ARC-Charter-18-06-19.pdf



Refer to page 30 of the 2019 Annual Report for more details in relation to the qualifications and experience of the Audit, Risk & Compliance Committee's members.

Refer to table on page 6 which sets out the number of Audit, Risk & Compliance Committee meetings held during FY19 and the attendance of each director.

Recommendation 4.2

The Board received assurance from the Managing Director (being the person acting in the capacity as chief executive officer) and the Chief Financial Officer that the declaration provided in relation to the consolidated accounts of the Group is in accordance with section 286 of the *Corporations Act 2001* (Cth) based on a sound system of risk management, internal controls and compliance with accounting standards.

Recommendation 4.3

The Group's auditor, KPMG, attends the Company's Annual General Meeting each year.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1 (a)

The Group has established a number of policies designed to ensure compliance with ASX Listing Rule disclosure requirements including "Continuous Disclosure, Media and Public Comments Policy", "Delegations of Authority Policy", "Communications Procedure" and "Rapid Response Policy and Procedure".

The policies referred to above ensure:

1. full and timely disclosure to the ASX;
2. procedures are in place to ensure the Group identifies information required to be disclosed to the ASX and that such information is disclosed in a clear and factual manner;
3. external presentations, media releases and other public statements are reviewed internally and, where necessary, released to the ASX in advance of being provided to third parties (unless an ASX Listing Rule exception applies);
4. the ability of persons to make public comment is clearly delineated to certain nominated persons of the Company;
5. where an external statement has not been signed off by the Board, it is signed off by a nominated delegate of the Board; and
6. all Directors and employees are aware of their obligations to ensure that the Group complies with the ASX Listing Rules and of the limits of their respective authority.

As Growthpoint Properties Limited is the major shareholder of Growthpoint Properties Australia Limited and the major unitholder of Growthpoint Properties Australia Trust, the Board has resolved that the Group's employees may provide certain confidential information to Growthpoint Properties Limited on request subject to several exceptions including where the Board directs otherwise and where the disclosure would breach any law (including the ASX Listing Rules). Growthpoint Properties Limited has, among other things, agreed to ensure it complies at all times with the requirements of Australian law (including the ASX Listing Rules).

Recommendation 5.1 (b)

1. The Continuous Disclosure, Media and Public Comments Policy sets out the procedure for ensuring the Group achieves best practice in complying with its disclosure obligations under the Corporations Act, ASX Listing Rules and any other rules or regulations which may be applicable.
2. The Board has approved a "Delegations of Authority Policy" under which authority for certain matters not considered material to the operation or value of the Group have been delegated to nominated directors and managers of the Group.
3. The Communications Procedure sets out authority on delegated limits of authority to the Managing Director and employees in relation to dealing with incoming correspondence (including emails, phone calls, letters) from regulators, the press, financiers and investors (retail and institutional).
4. The Rapid Response Policy and Procedure sets out the processes to be used by the Company Secretary (or the Managing Director in his or her absence or the Chairman) in unusual or emergency circumstances such as an unsolicited takeover, natural disaster or sudden potential significant loss of income.

ASX Principles continued

Principle 6 – Respect the rights of shareholders

Recommendation 6.1

The Group provides a range of information about itself and its governance on its website including:

1. the Group's strategy and philosophy;
2. the structure of the Group;
3. role of the Board of Directors;
4. details of the Board and Executive Management;
5. the role of the Audit, Risk & Compliance Committee;
6. description of the Compliance Plan;
7. the role of the Nomination, Remuneration & HR Committee;
8. the Group's compliance with the reporting and disclosure obligations under the ASX listing rules and Corporations Act;
9. the Group's Securities Trading Policy;
10. how to make a complaint and the process to resolve it;
11. the details of the external auditor;
12. the Group's commitment to diversity; and
13. the Group's corporate directory.

Recommendation 6.2

The Group continues to communicate with Securityholders through:

1. a webcast following the release of half year and annual results where management explain results and respond to questions raised by analysts and institutional investors in real time (retail investors can send questions in writing prior to the presentation and these will be answered during the presentation);
2. a dedicated email address info@growthpoint.com.au has been established where queries or complaints from investors can be directed;
3. regular investor presentations and investor tours across Australian cities and overseas; and
4. the Annual Report, the Half Yearly Report and quarterly investor updates are published and available on Growthpoint's website.

As only a small minority of Securityholders have elected to receive the full Annual Report in print, only a printed summary is sent to all Securityholders.

There are opportunities for directors, management and auditors to respond to queries from Securityholders at the Annual General Meeting.

Recommendation 6.3

Securityholders are invited to attend the Annual General Meeting in person, through the webcast or by proxy. Securityholders attending the meeting in person or through the webcast are invited to ask questions or make comments at or prior to the Annual General Meeting.

The Annual General Meeting has been webcast since 2016. Securityholders who are unable to attend the Annual General Meeting in person, will be able to view the meeting online at their convenience. Any Securityholder may provide questions or comments they would like addressed at the meeting via email prior to the meeting.

Recommendation 6.4

Securityholders may elect to receive, free of charge, a printed copy of the Annual Report or alternatively investor communications by email.

Principle 7 – Recognise and manage risk

Recommendation 7.1 (a)

The Board has established an Audit, Risk & Compliance Committee. Refer to the website link in relation to the Audit, Risk & Compliance Committee under the corporate governance section of the Group's website:

 growthpoint.com.au/about/corporate-governance/

The Audit, Risk & Compliance Committee is primarily responsible for the review of the effectiveness of the risk management and internal control process.

The Audit, Risk & Compliance Committee comprises four members, all of whom are Non-executivedirectors and a majority of whom are independent directors.

The Chair of the Audit, Risk & Compliance Committee during the whole period to which this report relates was Maxine Brenner who is an independent director.

The Board has established a Risk Management Framework.

The Audit, Risk & Compliance Committee meets at least four times a year. See page 6 for attendance.

Recommendation 7.2 (a)

The Audit, Risk & Compliance Committee provides oversight for the Group in relation to key risks although ultimate responsibility remains with the Board.

The Board approves a Strategic Risk Summary Report including Risk, Rank and Control Matrix, as prepared by the Executive Management Team every year.

The Audit, Risk & Compliance Committee appointed external consultants, Deloitte, to review and restructure the Group's Risk Management Framework which was completed in February 2019.

During each half year, the Audit, Risk & Compliance Committee reviews the changes, if any, made to the Risk Report regarding:

1. the residual risk ratings and the control activities, status of the control activities, key performance indicators and respective achievements; and
2. the Risk Action Plan for some of the key strategic risks which have a residual risk rating which may be outside the target risk ratings established by the Board.

Recommendation 7.2 (b)

The Managing Director provides a quarterly report to the Board in relation to risks and opportunities for the business.

Prior to the end of each half year period, the Audit, Risk & Compliance Committee reviews changes to the Risk Report formulated by the Risk Identification Committee comprising the Executive Management Team and occasional Directors and external advisors, if required. These changes are recommended by the Audit, Risk & Compliance Committee for the Board's approval as and when required.

The Group's external auditor, currently KPMG, reviews the Group's Risk Report not less than annually and reports to the Audit, Risk & Compliance Committee on its suitability.

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Recommendation 7.3 (a)

An internal audit function was established based on an internal audit plan prepared by external consultants, Deloitte, during FY16.

The factors considered and steps undertaken as part of this approval were:

1. consideration of staffing model and size of the organisation;
2. reporting responsibilities;
3. the completion of a risk assurance map assessment involving the Executive Management Team, the Audit, Risk & Compliance Committee and the external consultants, Deloitte;
4. an Internal Audit Plan by external consultants, Deloitte; and
5. the planning and execution of the internal audit work including a system to monitor and follow up on the recommendations.

Whilst acknowledging issues of conflict and independence, it was management's view that the internal audit function should be undertaken by the Compliance and Risk Manager. The Audit, Risk & Compliance Committee has agreed that the consultants, Deloitte, will undertake internal audit of any work (including control and monitoring) that conflicts with the Compliance and Risk Manager's role.

Since the introduction of the internal audit function, the Compliance and Risk Manager has reported and made recommendations to management and the Audit, Risk & Compliance Committee on key areas around:

1. business cycle (corporate card expenses transactions);
2. compliance and governance (Australian Financial Services Licence and Custodial requirements);
3. accounts receivable and debtor management;
4. remuneration (including total fixed remuneration, short-term incentive and long-term incentive); and
5. financial reporting processes.

The external consultants, Deloitte, reported and made recommendations to management and the Audit, Risk & Compliance Committee on key areas around the compliance management framework and controls.

Recommendation 7.3 (b)

Not applicable.

Recommendation 7.4:

The Group has in place a Risk Management Framework to:

1. provide a structured and consistent approach in identifying and managing risks;
2. provide appropriate communication to the responsible person/s within the business and to the Board on those risks.

A Risk Identification Committee comprising the Executive Management Team, and from time to time Directors and external advisers, if required, meets not less than twice a year to consider and review the material risks faced by the Group.



Refer to page 31 for more details on the key material risks faced by the Group as at the date of this report.

Each year, the Audit, Risk & Compliance Committee reviews the Risk Report regarding:

1. the Strategic Risk Summary Report including a summary description of each risk;
2. the velocity of onset; and
3. the residual rating and target rating of each risk; and
4. any identified action plan where the residual risk rating is outside of the target risk rating.

The Group has also identified the following new risks:

1. lower than anticipated government infrastructure investment;
2. climate change leading to material financial impact;
3. shareholder/public activism/risk of class action; and
4. environmental contamination causing material financial impact.

During FY19, the Sustainability Task Force continues to seek independent advice from external consultants in relation to sustainability matters relevant to the Group.

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1:

The Nomination, Remuneration & HR Committee comprises four members, all of whom are Non-executive Directors and two are independent Directors. The Chair of the Nomination, Remuneration & HR Committee and the Committee member, Norbert Sasse and Francois Marais are respectively the Group CEO and the independent Chairman of the Group's major Securityholder, Growthpoint Properties Limited, and are therefore not deemed to be independent directors. The Board has determined that the appointment of Norbert Sasse as the Chair and of Francois Marais' as a member of the Nomination, Remuneration & HR Committee is appropriate having regard to:

1. the reason for Norbert Sasse and Francois Marais not being deemed to be independent (i.e. their respective roles as Group CEO and Chairman of the Group's major Securityholder) is unlikely to have any adverse impact, from Securityholders' perspective, on their roles in recommending and determining remuneration;
2. the interest of Growthpoint Properties Limited wanting to ensure executives are remunerated appropriately and in a manner which maximises Securityholder value aligns with the interests of all Securityholders; and
3. half of the Nomination, Remuneration & HR Committee comprises of independent directors including the independent Chairman of the Board.

The Board has established a charter for the Nomination, Remuneration & HR Committee which is available at the Group's website:



[growthpoint.com.au/uploads/pdf/Nomination-Remuneration-and-HR-Committee-Charter-17.08.17.pdf](https://www.growthpoint.com.au/uploads/pdf/Nomination-Remuneration-and-HR-Committee-Charter-17.08.17.pdf)

The Nomination, Remuneration & HR Committee has sought independent remuneration advice from PwC.

The table on page 6 sets out the number of Nomination, Remuneration & HR Committee meetings held during FY19 and the attendance of each director.

ASX Principles

continued

Recommendation 8.2:

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Refer to page 48 of the 2019 Annual Report for details of Non-executive remuneration.

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Refer to page 45 of the 2019 Annual Report for more details of executive Director remuneration.

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Refer to page 45 of the 2019 Annual Report for more details of executive remuneration.

Recommendation 8.3 (a):

Under the Group's Securities Trading Policy, employees are not authorised to enter into a transaction that will limit the economic risk of securities allocated under the employee share plan within the period those securities remain unvested or subject to other restrictions under the terms of the plan.

A copy of the Securities Trading Policy is available at the Group's website:



growthpoint.com.au/uploads/pdf/Securities-Trading-Policy-31-March-2016.pdf