



Message from the Chairman

We are pleased to present our 2023 Corporate Governance Statement (**Statement**). This Statement is an important document which outlines the key governance practices we have adopted to support delivery of our strategy in accordance with the 4th edition of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (**ASX Recommendations**).

We are committed to high standards of governance in everything we do – it is part of doing the right thing for our organisation and stakeholders.

We regularly review our governance practices to ensure they are fit for purpose and appropriately reflect the dynamic environment in which we operate, and the expectations of our stakeholders and the community. During FY23, our corporate governance framework was consistent with the 4th edition of the ASX Recommendations.

This Statement has been approved by the Board and is current as at 16 August 2023.



Trevor Gerber
Chairman



This Statement and Vicinity’s key governance policies and charters are available in the Corporate Governance section of our website [CORPORATE GOVERNANCE](#)

FIGURE 1



The following symbols are used in this Statement to cross-refer to more information on a topic:



Additional information available on our website [VICINITY.COM.AU](#)



Additional information within our 2023 Annual Report located in the Financial Results section of our website [FINANCIAL RESULTS](#)

Our Board

Our Board comprises ten directors, a majority of whom are independent.

The table below sets out our Directors and their independence status, length of service and the Annual General Meeting (**AGM**) at which they were last elected or re-elected.

TABLE 1

Director	Independence status	Length of service ¹	Last elected/re-elected
Trevor Gerber Non-executive Chairman ²	Independent	7 years 9 months (appointed 28 October 2015) ³	2022
Peter Huddle CEO and Managing Director	Non-independent ⁴	6 months (appointed 1 February 2023)	Managing Director not required to stand for election or re-election
Clive Appleton Non-executive Director	Non-independent ⁵	4 years 11 months (appointed 1 September 2018)	2021
Tiffany Fuller Non-executive Director	Independent	9 months (appointed 16 November 2022)	2022
Tim Hammon Non-executive Director	Independent	11 years 8 months (appointed 15 December 2011)	2021
Michael Hawker AM Non-executive Director	Independent	9 months (appointed 16 November 2022)	2022
Peter Kahan Non-executive Director	Independent	8 years 2 months (appointed 11 June 2015)	2020
Janette Kendall Non-executive Director	Independent	5 years 8 months (appointed 1 December 2017)	2021
Georgina Lynch Non-executive Director	Independent	9 months (appointed 16 November 2022)	2022
Dion Werbeloff Non-executive Director	Non-independent ⁶	9 months (appointed 16 November 2022)	2022

1. Relates to length of service on the Board of the Company and the RE. Messrs Gerber and Kahan were previously Non-executive Directors of Novion Property Group which merged with Federation Centres in June 2015 (**Merger**).

2. Mr Gerber was appointed as Chairman of the Board in November 2019.

3. In June 2015, following the Merger, Mr Gerber was appointed as a Director of the RE. Mr Gerber was appointed as a consultant to, and alternate Director of, the Company as the Company's constitution contained a limit on the maximum number of directors, being eight. Securityholders resolved to remove this limit at the Company's 2015 AGM in October 2015. Subsequently, Mr Gerber was appointed as a Director of the Company.

4. Mr Huddle is considered a Non-independent Director as he is an executive of Vicinity.

5. Mr Appleton is considered a Non-independent Director as he is connected with The Gandel Group, a major securityholder of Vicinity.

6. Mr Werbeloff is considered a Non-independent Director as he is connected with The Gandel Group, a major securityholder of Vicinity.

Our Board (continued)

BOARD RENEWAL

During FY23, Tiffany Fuller, Michael Hawker AM, Georgina Lynch and Dion Werbeloff were elected as Non-executive Directors as part of our Board's commitment to orderly renewal and ongoing review of its mix of skills and experience. This followed the retirement of Karen Penrose and David Thurin AM from the Board. Our recently elected Non-executive Directors bring leadership experience across a range of sectors, providing valuable input into guiding our business operations and future growth aspirations.

With effect from 1 February 2023, Peter Huddle was appointed Chief Executive Officer and Managing Director (**CEO**) following the completion of a global search.

DIRECTOR INDEPENDENCE

Our Board annually, and prior to appointment, assesses the independence of each Non-executive Director in accordance with the Board Charter by considering the factors relevant to assessing the independence of a director set out in the ASX Recommendations and the interests that the Directors have disclosed. Directors are required to disclose any information which may affect their independence to the Chairman or the Group Company Secretary.

RESPONSIBILITIES OF THE BOARD

Our Board is responsible for demonstrating leadership, providing strategic direction and overseeing the effective management and performance of Vicinity. In doing so, our Board aims to create long-term value and sustainable earnings growth for Vicinity's securityholders and wholesale fund investors, having due regard to the interests of all of Vicinity's stakeholders.

Other key responsibilities of our Board include:

- setting Vicinity's strategy, purpose and vision, and overseeing management in its implementation of strategic objectives;
- approving and monitoring major business initiatives in excess of management's delegated authority thresholds, including major capital expenditure and capital management initiatives, acquisitions and divestments;
- demonstrating leadership and setting the tone from the top, including approving the values and code of conduct to underpin the desired culture and monitoring the effectiveness of corporate governance practices at Vicinity;
- monitoring the performance of management, challenging management and holding it to account where appropriate;
- overseeing the processes for making timely and balanced disclosure of material information concerning Vicinity;
- setting Vicinity's risk appetite, approving the risk appetite statement and monitoring the effectiveness of the risk management framework for both financial and non-financial risks and whether Vicinity is operating with due regard to the risk appetite statement;
- overseeing the social, ethical and environmental impact of Vicinity's activities;
- approving the remuneration framework and policies and ensuring that they are aligned to Vicinity's purpose, values, strategic objectives and risk appetite; and
- appointing, removing and planning the succession of the CEO.

Our Board and each Director may seek independent professional advice, at Vicinity's cost, on any matter relevant to the discharge of duties to assist our Directors in fulfilling their responsibilities.

Full details of the responsibilities and functions reserved for our Board are set out in the Board Charter.



CORPORATE GOVERNANCE

APPOINTMENT OF NON-EXECUTIVE DIRECTORS

For new appointments to the Board, detailed background checks and screening of the potential nominee are undertaken prior to appointment, including in relation to character, experience, qualifications, criminal and bankruptcy history. In some instances, external search firms may be retained by the Board to identify suitable candidates.

All new Non-executive Director appointments are confirmed by a formal letter of appointment, which sets out the terms of appointment and the obligations of the Director to comply with key policies and procedures.

Securityholders are provided with material information in Vicinity's possession regarding the election or re-election of a Director.

DIRECTOR INDUCTION AND ONGOING EDUCATION

New Directors are offered a tailored induction program to educate them about Vicinity's business and key issues.

Each year, our Directors are provided with the opportunity to visit a selection of Vicinity's assets and to meet with management to gain a better understanding of business operations, investment opportunities and organisational culture.

Briefings or education sessions on relevant topics are facilitated by management or external presenters to ensure Directors are appropriately informed about key issues relevant to Vicinity and to support the Directors with the effective discharge of their obligations. These sessions may relate to strategic matters, including material or emerging risks, or other important matters such as legal, regulatory or ESG developments.

PERFORMANCE EVALUATION

Our Nominations Committee is responsible for recommending to the Board the process for assessing the performance of the Board, Board Committees, the Chairman and individual Directors, including whether to use external facilitators.

An evaluation of our Board led by the Chairman is underway in respect of FY23.

Our Board (continued)

BOARD SKILLS, EXPERIENCE AND ATTRIBUTES

Our Board is committed to maintaining diversity of skills, experience and attributes in its membership so it can effectively discharge its duties.

Our Board skills matrix identifies the capability of Directors in areas considered most relevant to Vicinity. Following the end of the financial year, Directors were required to classify their level of capability for each skill in the matrix as either expert, advanced or competent based on a set of descriptive guidelines. Directors who assessed their skill level as expert or advanced satisfied the capability requirement for inclusion in the Board skills matrix.

Having assessed its composition and the results of the analysis set out above, our Board considers that it has the appropriate mix of skills and experience to discharge its responsibilities effectively as set out in Table 2 below.

The relevant qualifications, experience and other directorships of each Director are available on our website and in our 2023 Annual Report.

TABLE 2

Skills/experience category	Description of capability	Number of Directors (out of 10) with expert or advanced capability	
Industry experience	Property/development	Experience in property management or design and construction of major property projects	8
	Funds management	Experience in third party property funds management	6
Functional and operational management experience	Leadership and people	Leadership experience; experience in influencing organisational culture and in relation to remuneration frameworks	10
	Financial acumen	Experience in financial accounting and reporting, including analysing financial statements and assessing financial viability	9
	Capital management	Experience in capital management strategies, including capital partnerships, debt financing and capital raisings; and/or experience in being a part of, or overseeing, a treasury function	7
	Strategy	Experience in developing, implementing and challenging strategic plans to achieve the long-term goals of an organisation	10
	M&A execution	Experience in merger and acquisition transaction execution and integration	10
	Legal/risk/health and safety	Executive experience in managing areas of major risk to the organisation (including legal risk); and/or experience in workplace health and safety	10
	Digital innovation or disruption	Experience in developing and applying digital and emerging technology or product; and/or experience in leading or responding to digital disruption	2



Our Board (continued)

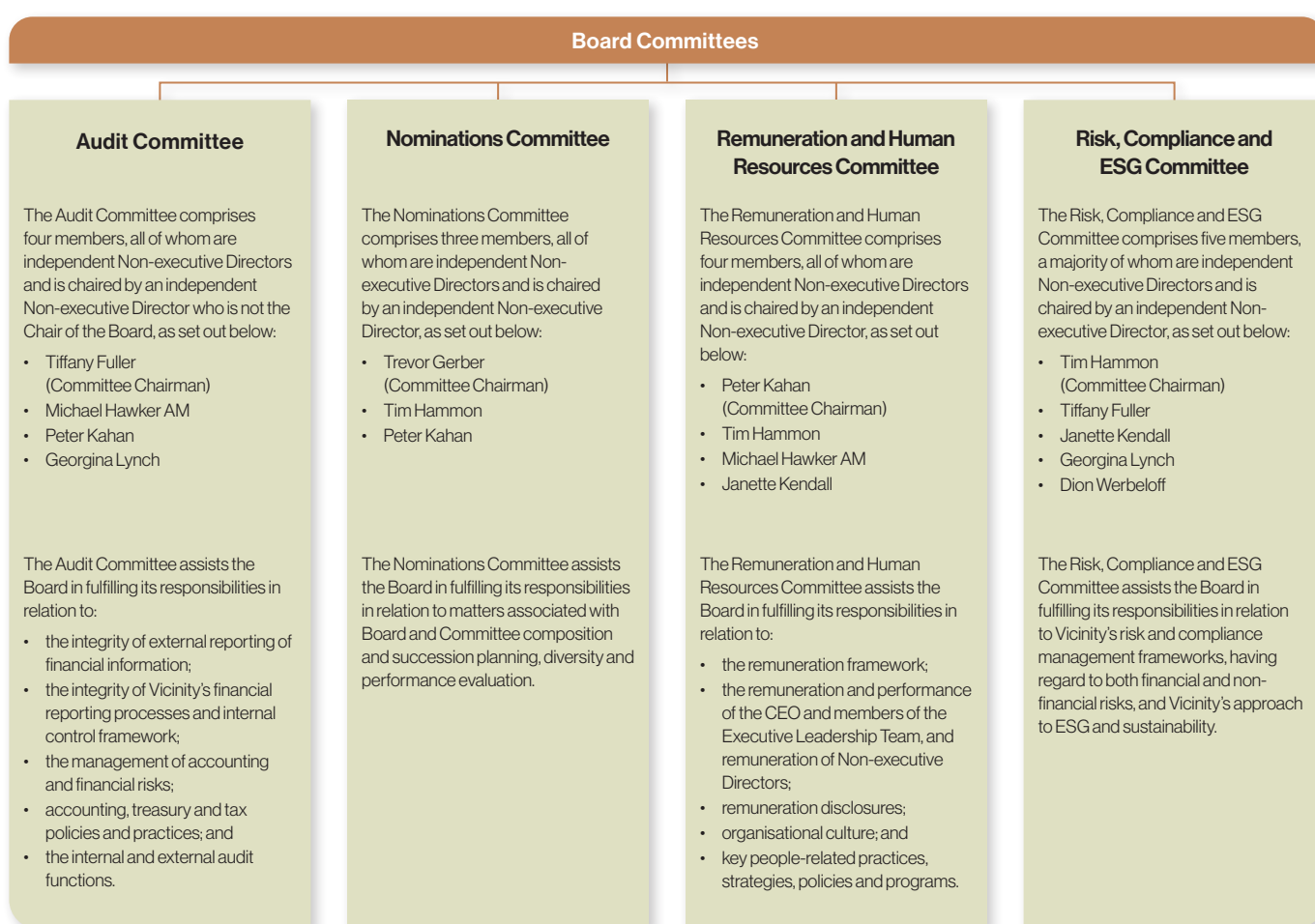
BOARD COMMITTEES

Our Board has established an Audit Committee, Nominations Committee, Remuneration and Human Resources Committee, and Risk, Compliance and ESG Committee to assist the Board in discharging its duties. Each Committee operates under a charter approved by the Board. All Directors have a standing invitation to attend Committee meetings and receive copies of the minutes of all Committee meetings. The Committees provide recommendations to the Board as required.

The composition and role of each Committee is outlined below, noting full details of each Committee's responsibilities are included in its respective charter and the Board may delegate further powers to, or determine additional responsibilities for, any of the Committees.

In recognition of the Board's increased focus on ESG and sustainability and to further support and enhance its oversight of ESG and sustainability matters, following the conclusion of FY23, the name of the Risk and Compliance Committee was changed to the Risk, Compliance and ESG Committee, with its charter broadened to better reflect the role it plays with respect to ESG and sustainability matters.

FIGURE 2



Full details of the responsibilities and functions reserved for our Committees are set out in the Committee Charters.



Relationship of the Board with Management

ALLOCATION OF RESPONSIBILITIES

Our CEO, together with the members of our Executive Leadership Team and senior leaders, is responsible for implementing Vicinity’s strategy, achieving Vicinity’s business objectives and carrying out the day-to-day management of Vicinity.

Management is also responsible for providing our Board with accurate, timely and transparent information to enable the Board to perform its responsibilities.

APPOINTMENT OF EXECUTIVE LEADERSHIP TEAM AND EMPLOYEES

We have a formal recruitment process for all employees. All employees, including Executive Leadership Team members, are required to undertake background checks prior to their commencement. Relevant additional background checks were undertaken for Executive Leadership Team promotions during the year.

Each Executive Leadership Team member has an executive services agreement with Vicinity setting out their appointment terms.

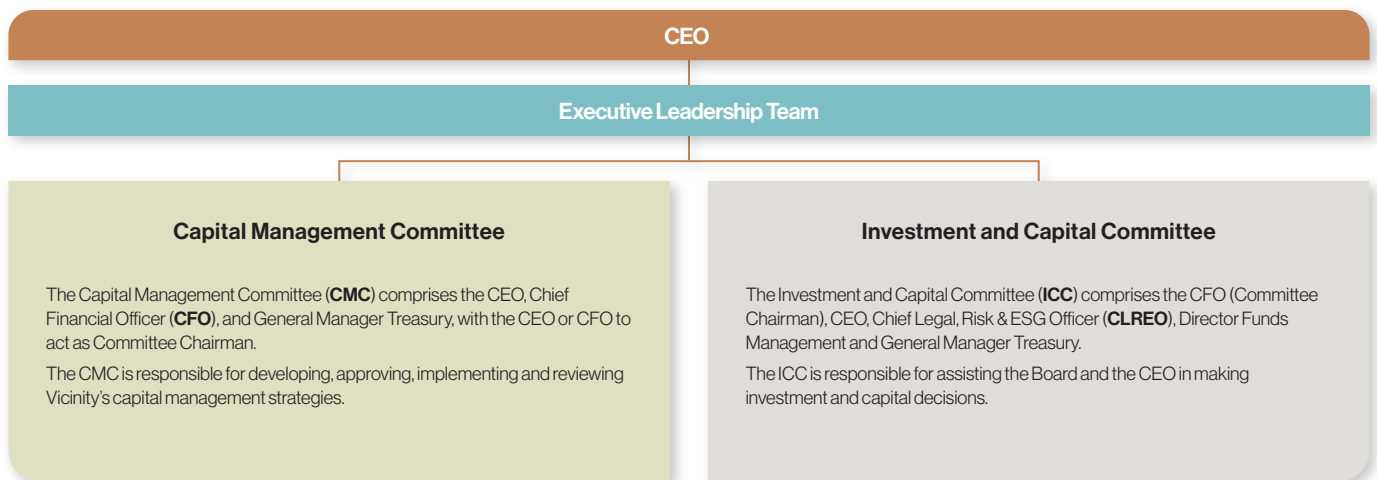
DELEGATED AUTHORITY FRAMEWORK

We have in place a Delegated Authority Policy which supports our purpose and strategy through efficient decision making and effective risk management. The policy sets out who has authority to make decisions on behalf of Vicinity. All Vicinity employees must operate in accordance with the Board approved Delegated Authority Policy and associated authority limits.

MANAGEMENT COMMITTEES

Our CEO has established management committees to facilitate decision making by management as outlined below:

FIGURE 3



COMPANY SECRETARY

Our Board is responsible for the appointment of Vicinity’s Company Secretaries. The Group Company Secretary is accountable to the Board, through the Chairman, for all matters to do with the proper functioning of the Board and advises on governance matters. The CLREO is also appointed as a Company Secretary and provides legal and governance advice to our Board as required.

All Directors have access to the Group Company Secretary and CLREO for advice and information on governance matters.




Performance & Organisational Development Framework

REMUNERATION FRAMEWORK

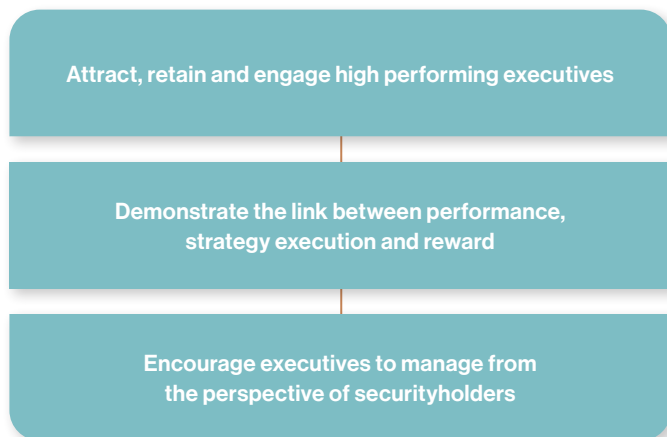
The objective of our remuneration framework is to build capability by attracting, retaining and engaging a talented executive team capable of managing and enhancing Vicinity’s business, while aligning their actions with securityholder interests. We recognise that remuneration represents just one of the factors that enables the attraction and retention of talent.

We also seek to engage our executives over the long-term and to provide challenging work and development opportunities. This is assisted through linking executive remuneration to both the short and long-term performance of Vicinity. Our framework encourages executives to focus on creating long-term value and growth, and complements our purpose, while ensuring that short-term actions do not have a detrimental effect on Vicinity in the longer-term.

Our remuneration framework that operated throughout FY23 is detailed in the Remuneration Report in our 2023 Annual Report.

 Remuneration Report – Page 48

The Remuneration Report details the remuneration of Non-executive Directors and Executive Key Management Personnel (together, **Key Management Personnel**) in line with the following reward principles:



In discharging its responsibilities with respect to remunerating all employees fairly and responsibly, the Remuneration and Human Resources Committee has regard to external Australian benchmarking and engages independent consultants as necessary.

MINIMUM SECURITYHOLDING POLICY – NON-EXECUTIVE DIRECTORS

We operate a minimum securityholding requirement for our Non-executive Directors. This encourages our independent Non-executive Directors to acquire a holding of securities with a minimum cost equal in value to one year of Non-executive Director base fees (net of income tax and superannuation) within five years from the Director’s commencement date.


The principal consideration of this policy is to reinforce the alignment of the independent Non-executive Directors’ interests with those of our securityholders.

MINIMUM SECURITYHOLDING POLICY – EXECUTIVE LEADERSHIP TEAM

We operate a minimum securityholding requirement for our Executive Leadership Team. This requires the CEO and other members of our Executive Leadership Team to build and retain a minimum holding of securities equal to 100% and 60% of total fixed remuneration respectively within five years from the end of the first full financial year following an executive’s commencement date.

Our Board has the discretion to extend the five-year period for the CEO and other members of our Executive Leadership Team, should the minimum securityholding requirement be unattainable due to the lapsing of the FY18-FY20 and any subsequent long-term incentive grants, and the cancellation of the FY20 short-term incentive (**STI**) which was impacted by COVID-19.

Further detail on the minimum securityholding requirement is available in the 2023 Remuneration Report.

 Remuneration Report – Page 48


EVALUATING PERFORMANCE OF MANAGEMENT

All our employees are required to participate in a mandatory annual performance evaluation process, which involves, to the extent applicable, mid-year and end of year performance conversations and a mandatory performance evaluation, including an assessment against our values and behaviours.

The annual performance objectives established for our CEO are cascaded, where appropriate, to our Executive Leadership Team and other employees.

On an annual basis, the Remuneration and Human Resources Committee and the Board formally review the performance of our CEO, and our CEO and the Remuneration and Human Resources Committee formally review the performance of each Executive Leadership Team member. The assessment criteria include both qualitative and quantitative measures covering financial, strategy and portfolio enhancement, leadership, governance and operational excellence objectives.

Further details on the reward framework, performance measures for the short-term and long-term incentive plans and the assessment criteria for our Executive Key Management Personnel that operated during FY23 are set out in the Remuneration Report within our 2023 Annual Report.

 Remuneration Report – Page 48

Diversity, Inclusion and Belonging

Our Diversity, Inclusion and Belonging (**DIBS**) strategy demonstrates our commitment to creating an environment where the unique backgrounds, perspectives and experience of all employees are valued and considered key to Vicinity's performance.

Our DIBS strategy is set and governed by a Diversity Governance Forum (**Diversity Forum**), which is chaired by our CEO, and includes all Executive Leadership Team members. The Diversity Forum meets regularly as part of Executive Leadership Team meetings to consider and monitor progress against the DIBS strategy and metrics and to provide suitable executive sponsorship for DIBS activities. Progress against delivery of the DIBS strategy is reported to the Remuneration and Human Resources Committee periodically.

In addition, our DIBS Employee Advocacy Groups (**EAGS**) for Gender Balance, Pride and Allies, Disability, and Cultural Diversity enable team members involvement in areas of diversity they are passionate about, connect with and build communities of allyship, and help in raising awareness and supporting Vicinity to create an inclusive culture. Each EAG is co-sponsored by a member of the Executive Leadership Team.

In FY23, we continued to be a member and participant in key external advocacy bodies including Pride in Diversity, the Australian Network on Disability and the Diversity Council of Australia. Our commitment to diversity is also demonstrated via the ongoing delivery of our Innovate Reconciliation Action Plan, and through regular recognition of days of cultural significance, including Harmony Day, International Women's Day, Pride Month, NAIDOC week and International Day of People with Disability.

Enabling our workplace to be one that promotes and embraces diversity, inclusion and belonging of all employees are our hybrid working model and policies such as the Diversity, Inclusion and Belonging Policy, Recruitment Policy (including frameworks for gender diverse shortlisting and interview panels), 'Every Family' Paid Parental Leave Policy and Workplace Behaviour Policy. Additionally, DIBS leadership commitments are embedded into the FY24 STI objectives for the Executive Leadership Team and Business Leadership Team to foster ownership and accountability, further strengthening our commitment to diversity, inclusion and belonging at Vicinity.

GENDER DIVERSITY

We previously announced a gender diversity target of 40% female, 40% male and 20% any gender (40:40:20) across all of Vicinity's organisational levels by the end of FY23. While we did not meet this target, it was pleasing to see meaningful increases in female representation at both Board and Business Leadership Team levels during FY23 as set out in Table 3 below. We recognise that ongoing focus is required to meet our 40:40:20 target, which has been extended to the end of FY25, and are consciously seeking to improve female representation at senior levels of the organisation. Progress towards meeting our 40:40:20 target is reflected in the STI objectives for the Executive Leadership Team.

TABLE 3

Vicinity organisational level	Gender representation as at 30 June 2023	Gender representation as at 30 June 2022
Board including CEO	30% female	25% female
	70% male	75% male
Executive Leadership Team¹ including CEO	38% female	40% female
	62% male	60% male
Business Leadership Team²	34% female	21% female
	66% male	79% male
People Leader	56% female	55% female
	44% male	45% male
Whole of organisation	61% female	60% female
	39% male	40% male

1. The Executive Leadership Team comprises those executives listed in the 'Our Leadership' section of our website at vicinity.com.au/about-us/our-people.

2. The Business Leadership Team comprises direct reports to the Executive Leadership Team and other key business leaders.

Our CEO is a member of the Champions of Change Property Group, a forum established by the Property Council of Australia to achieve a significant and sustainable increase in the number of women in senior leadership positions across the property industry.

As a relevant employer, we report to the Workplace Gender Equality Agency (**WGEA**). Our most recent publicly available WGEA report, including progress against the WGEA Gender Equality Indicators, can be viewed via the WGEA website – wgea.gov.au.

RESPECT@VICINITY

In FY23, we launched our Respect@Vicinity training and education initiative, promoting a 'speak up' culture. The training module focuses on sexual harassment and also addresses bullying, harassment and racism to further support the behavioural standards in our Workplace Behaviour Policy. In addition, face-to-face Respect@Work workshops were delivered to the Board, Executive Leadership Team and Business Leadership Team.

Ethical and Responsible Decision Making

CULTURE AND VALUES

We are committed to complying with laws and conducting our business ethically, with integrity and in accordance with our values.

Our culture and values are central to creating unique and relevant consumer experiences, delivering value to our retail partners, and striving for excellence in everything we do.

We have adopted the following values which guide our culture.



Underpinning each value is a set of behaviours which guide our decisions and define the way we conduct business. Our values and behaviours are embedded into our performance and reward frameworks. Enabling good business is how we describe a high-performance culture where our organisational values and ways of working are an enabler of strong performance and promote a thriving, safe work environment for everyone.

CODE OF CONDUCT

We are committed to the highest level of integrity and ethical standards in all business practices and our Code of Conduct (**Code**) supports our values and behaviours by ensuring appropriate standards of ethical and legal behaviour are maintained by our Directors, Executive Leadership Team, team members and contractors directly engaged by Vicinity (together, **Team Members**). The Code outlines how we expect our Team Members to behave and conduct business in the workplace and with stakeholders outside our organisation.

Our Code is available on our website and any material breaches of the Code are reported to the Remuneration and Human Resources Committee or the Board as appropriate.



[CORPORATE GOVERNANCE](#)

ANTI-BRIBERY AND CORRUPTION

We have a zero tolerance of bribery or corruption in any form within all aspects of our business.

Our Anti-Bribery and Corruption Policy applies to Team Members and parties with whom we deal, for example, tenants, suppliers, external contractors, government authorities and joint venture parties.

We recognise that bribery and financial crime present a serious threat to Vicinity's reputation and our ongoing business. The policy is an important part of our commitment to combat financial crime in all forms.

The policy is available on our website and any breaches of the policy are required to be reported to the Risk, Compliance and ESG Committee.



[CORPORATE GOVERNANCE](#)

WHISTLEBLOWING AT VICINITY

We are committed to creating and maintaining a working environment that adheres to corporate compliance, good corporate governance and lawful, ethical and responsible behaviour.

Our Whistleblower Policy enables and encourages Eligible Persons (as defined in the policy) to report concerns about any wrongdoing involving Vicinity and provides protections so that those persons can report matters confidentially and without fear of reprisal through various channels, including anonymously through an external hotline.

The policy provides for all formal investigations to be conducted discreetly and in a fair, timely and objective manner. We will take reasonable steps to protect a whistleblower who makes a report in accordance with the policy and we will not tolerate any form of harassment, discrimination, victimisation or retaliation against a whistleblower.

The policy is available on our website and the Risk, Compliance and ESG Committee is notified of any incidents reported under the policy and, in the case of formal investigations, the Committee will be provided with appropriate details of the incident and the findings and recommendations of an investigation.



[CORPORATE GOVERNANCE](#)

Ethical and Responsible Decision Making (continued)

CONFLICTS OF INTEREST

We are committed to effectively managing conflicts of interest to protect Vicinity's interests and reputation.

Our Conflicts of Interest Policy outlines the procedures for managing conflicts of interest to ensure that the personal interests of Team Members do not interfere with, and are not perceived to interfere with, the interests of Vicinity.

Directors are required to disclose any potential conflicts of interest in accordance with the *Corporations Act 2001* (Cth) (**Corporations Act**) so that the Board is aware of the potential conflict and can implement appropriate procedures to manage the conflict. Under their letters of appointment, all Non-executive Directors are required to consult with the Chairman before accepting a new external appointment which might conflict with, or impact on, the time they are able to devote to their Non-executive Director role with Vicinity or give rise to an actual or perceived conflict of interest.

The policy is available on our website and any material conflicts or non-compliance with the policy are reported to the Risk, Compliance and ESG Committee.



[CORPORATE GOVERNANCE](#)

CONTINUOUS DISCLOSURE

We are committed to complying with our continuous disclosure obligations and have put in place measures to enable Vicinity to comply with those obligations.

Our Group Disclosure and External Communications Policy assists Team Members in understanding Vicinity's commitment to complying with its continuous disclosure obligations, and their own obligations and responsibilities.

The policy outlines, among other matters:

- the processes to ensure timely and meaningful disclosure of price sensitive information to Vicinity's securityholders and the market;
- the processes for general market updates regarding strategic, operational and financial performance of Vicinity, including preventing selective disclosure; and
- the approval procedures for market announcements.

The Board has established a Disclosure Committee comprising the CEO, CFO and CLREO (or the Group Company Secretary as alternate). The Disclosure Committee is responsible for disclosure matters not reserved for the Board.

Each Executive Leadership Team member is responsible for monitoring the activities of their respective business units and teams to assess if any matter arises that may require disclosure to the ASX and for bringing forward matters to the attention of a Disclosure Officer (as defined in the policy).

Our Directors are provided with copies of all material market announcements made to the ASX and all market announcements are made available on Vicinity's website.

The policy is available on our website.



[CORPORATE GOVERNANCE](#)

TRADING IN VICINITY SECURITIES AND HEDGING

We are committed to complying with insider trading laws.

Our Securities Trading Policy outlines insider trading laws and the ramifications of a breach of those laws, and the obligations of Team Members to deal in Vicinity securities in a lawful and appropriate manner.

Our Securities Trading Policy prohibits trading in Vicinity securities by Team Members during the following blackout periods and any other period determined by the Board:

- from 1 January until the trading day after the release of Vicinity's half year financial results; and
- from 1 July until the trading day after the release of Vicinity's full year financial results.

Restricted Officers (as defined in the policy), which includes Directors, Executive Leadership Team, other designated employees and their close associates, are required to obtain approval before dealing in Vicinity securities.

The policy is subject to the overriding prohibition against trading while in possession of inside information and prohibits Restricted Officers and their close associates from hedging or otherwise limiting their exposure to risk in relation to unvested Vicinity securities issued or acquired under any applicable equity arrangements and from entering into margin lending arrangements in respect of Vicinity securities.

The policy is available on our website.



[CORPORATE GOVERNANCE](#)

Risk Management

RISK MANAGEMENT FRAMEWORK

The identification, assessment and management of risks and opportunities are core competencies supporting the achievement of our strategy and objectives. We have adopted a structured and comprehensive approach to managing financial and non-financial risk which extends to environmental and social risks, as discussed further in the 'Environmental and Social Risks' section below.

Our business model is to operate responsibly in taking well understood and well managed risks within the bounds of the risk appetite set by the Board. Our Risk Management Policy, Risk Appetite Statement and Enterprise Risk Profile, together the foundations of our Enterprise Risk Management Framework, are monitored by management and reviewed annually by the Board or Risk, Compliance and ESG Committee, as appropriate. Our Risk Appetite Statement and Enterprise Risk Profile were reviewed during FY23. Our Enterprise Risk Management Framework also considers relevant contemporary and emerging risks based on processes and procedures that management have in place to identify and assess those risks.

During the year, we monitored the general macroeconomic environment on Vicinity's risk profile. Further details can be found in the risk disclosures in the 'Our Management of Risk' section of the 2023 Annual Report. Vicinity's risk management approach will continue to evolve as our business model adapts to longer-term economic, environmental and social trends and structural changes in the industry.

At each half year and full year reporting period, our Board receives assurance from management as to the existence of a sound system of risk management and internal control.

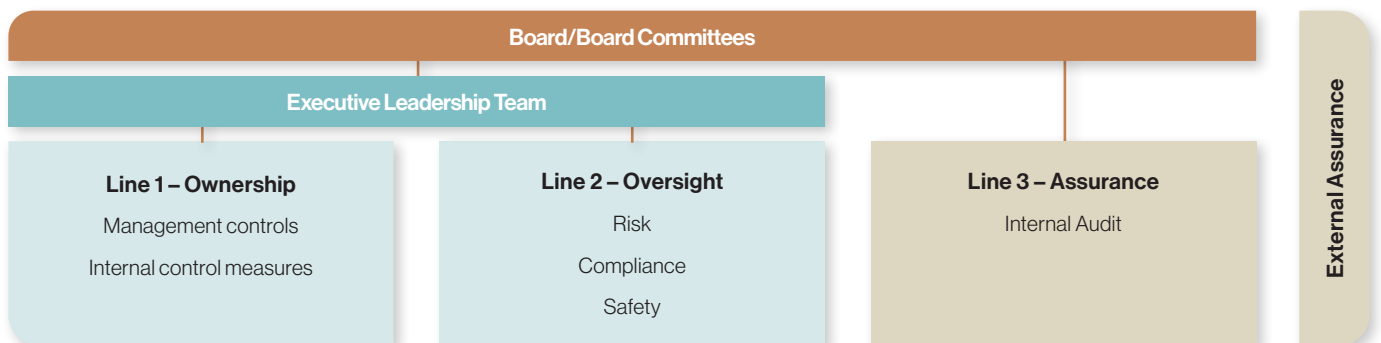
The Risk, Compliance and ESG Committee also receives quarterly risk reports which are made available to all Directors.

Responsibility for risk management

The assignment of roles and responsibilities for risk management activities follows a 'Three Lines Model' to ensure risks are appropriately managed through the establishment of an efficient and effective governance, risk and control framework.

The Three Lines Model is summarised in Figure 4 below:

FIGURE 4



- **Line 1** – Management is responsible for developing a risk aware culture and identifying, assessing and managing risks associated with pursuing Vicinity's strategic objectives.
- **Line 2** – Functions such as Risk, Compliance and Health, Safety, Environment & Wellbeing (**HSEW**) are responsible for establishing and overseeing risk, compliance and HSEW frameworks, constructively challenging business risk assessments and for reporting the aggregate risk position to management, the Risk, Compliance and ESG Committee and the Board.
- **Line 3** – Internal Audit is responsible for the provision of independent and objective assurance on the effectiveness of risk management, controls and governance processes.



Risk Management (continued)

ENVIRONMENTAL AND SOCIAL RISKS

We recognise that sustainability is critical to the long-term performance of our business and that we must identify and manage exposure to a range of material economic, environmental and social risks (**Material Sustainability Risks**). Our Material Sustainability Risks are overseen by the Executive Leadership Team, the Risk, Compliance and ESG Committee, and the Board.

We believe that having a sustainable business is critical to delivering long-term value for all our stakeholders. We have made meaningful advancements in our Social and Governance priorities, and we continue to progress our Environmental initiatives with pragmatism and purpose.

We periodically undertake independent materiality assessments to identify our long-term Material Sustainability Risks with the results of these assessments integrated within Vicinity's Enterprise Risk Profile.

Our Material Sustainability Risks (including physical and transition climate-related risks) and how we manage or intend to manage those risks are disclosed in the 'Our Management of Risk' section of the 2023 Annual Report, and in the Sustainability section of our website, which has been prepared in accordance with the Global Reporting Initiative Standard. We are a supporter of the Task Force on Climate-related Financial Disclosures (**TCFD**) and our climate-related risk disclosures align with the TCFD recommendations. We published our first TCFD Statement in March 2023.

In December 2022, we published our 2022 Sustainability Report and our third Modern Slavery Statement. Our Modern Slavery Statement outlines the actions undertaken in FY22 to assess and address modern slavery risks in our operations and supply chain. Our modern slavery program of work is overseen by an internal working group, which is chaired by the CEO.

Our sustainability strategy is integrated into our Group strategy and seeks to address our Material Sustainability Risks.



SUSTAINABILITY

Integrity in Financial and Corporate Reporting

CEO AND CFO DECLARATIONS

Our Board receives a declaration from the CEO and CFO in accordance with the ASX Recommendations and section 295A of the Corporations Act for the full year financial period and an equivalent declaration for the half year financial period.

The declarations confirm whether, in their opinion, the financial records of Vicinity have been properly maintained, whether the financial statements comply with Australian Accounting Standards and the Corporations Act and give a true and fair view of the financial position and performance of Vicinity, whether the opinion has been formed on the basis of a sound system of risk management and internal control and whether the system is operating effectively in all material respects.

EXTERNAL AUDITOR

Ernst & Young (**EY**) is the external auditor for the Company, the Trust and their controlled entities and for the wholesale funds for which VFRE is the responsible entity or trustee. The lead audit partner from EY attends Vicinity's AGM and is available to answer questions on the Group's financial statements and the conduct of the audit.

We have an External Audit Policy which provides that the Audit Committee will review the auditor's independence, taking into account the requirements prescribed in the Corporations Act and the standards agreed between Vicinity and the auditor, which include:

- rotation of the lead audit partner every five years;
- half yearly confirmation by the auditor that it has satisfied all professional regulations relating to auditor independence;
- half yearly reporting on the level of audit and non-audit services; and
- any non-audit work performed by the auditor, which must be carried out in accordance with the protocols outlined in the policy.

INTERNAL AUDITOR

We have adopted a co-sourced internal audit model comprising an internal resource and an external service provider that is appointed by the Audit Committee. The Internal Audit function reports operationally to Finance Operations and, functionally, has a joint reporting line to the Deputy CFO and the Audit Committee. Internal Audit provides independent assurance on the internal control environment and has no direct authority or responsibility for the activities it reviews.

Progress against the annual internal audit plan and status of the implementation of agreed internal audit recommendations are reported to the Audit Committee on a quarterly basis. In addition the Head of Internal Audit (external provider) has direct access to the Chairman of the Board, the CEO, and the Chairman and other members of the Audit Committee.

VERIFICATION OF PERIODIC CORPORATE REPORTS

We release a number of periodic corporate reports to the market, including our Annual Report, Corporate Governance Statement and full year and half year results.

We have processes in place to verify the integrity of our periodic corporate reports, which include the following:

- review and cross-checking of information by internal subject matter experts;
- review of information by relevant Executive Leadership Team members;
- audit and review of our full and half year financial reports respectively by our external auditor, EY;
- limited assurance of selected sustainability performance data included in the Annual Report by EY; and
- review by our Internal Audit function of certain information not otherwise audited or reviewed by EY in our key corporate reports and other selected market disclosures.

Communication with Securityholders

KEEPING OUR SECURITYHOLDERS INFORMED

Our Investor Relations team coordinates an investor relations program that is designed to provide investors with appropriate information regarding Vicinity's business, governance, financial performance and prospects, and to facilitate effective two-way communications with investors. This program includes:

- the AGM which all securityholders are encouraged to participate in and attend. The AGM provides an opportunity for securityholders to ask questions of the Board and management and express their views. All resolutions at the AGM are decided on a poll. Securityholders can also follow the proceedings of the AGM live from a webcast available on our website. The webcasts are available for replay shortly after the live event via the Annual General Meetings section on our website;
- the Annual Report which includes an overview of operations and financial results for the year. Securityholders can elect to receive an electronic or printed copy of the Annual Report, or they may elect not to receive a copy of the Annual Report; and
- results briefings which follow the release of the half year and full year financial statements and reports which securityholders can follow live from a webcast available on our website. The webcasts are available for replay shortly after the live event via the Financial Results section on our website.

From time to time, we conduct briefings with investors and analysts in accordance with the protocols set out in the Group Disclosure and External Communications Policy. Care is always taken to ensure that no market sensitive information is discussed or disclosed in any meetings with investors or analysts. Any new or substantive investor or analyst presentations are released to the ASX ahead of the meeting or presentation, which are then subsequently made available in the Investors section on our website. Our Investor Relations team and our security registry also manage securityholder enquiries.

ELECTRONIC COMMUNICATION WITH SECURITYHOLDERS

Our securityholders are encouraged to receive communications from, and send communications to, our security registry electronically.

We provide information about Vicinity and its governance to our securityholders through the Investors section on our website, which is regularly updated and contains:

- announcements made to the ASX;
- key financial information, Annual Reports and Notices of AGMs;
- key corporate governance policies, constitutions of the Company and the Trust, and Board and Committee charters;
- key dates and events for securityholders; and
- webcasts of half year and full year results briefings and AGMs.



[ANNUAL GENERAL MEETINGS](#)



[FINANCIAL RESULTS](#)



[INVESTORS](#)

Glossary

Board	The Boards of the Company, the Responsible Entity and VFRE
Company	Vicinity Limited ACN 114 757 783
FY23	The financial year ended 30 June 2023
Responsible Entity or RE	Vicinity Centres RE Ltd ACN 149 781 322, the responsible entity of the Trust
Trust	Vicinity Centres Trust ARSN 104 931 928
VFRE	Vicinity Funds RE Ltd ACN 084 098 180, the responsible entity of the Wholesale Funds managed by Vicinity
Vicinity, Vicinity Centres, or any references to Group, us, we or our	The Company, the Trust, the Responsible Entity, VFRE and each of their respective controlled or managed entities