



ASX/Media Release

8 September 2017

ASX APPENDIX 4G AND CORPORATE GOVERNANCE STATEMENT 2017

Astro Japan Property Group (ASX: AJA) refers to the Annual Report 2017 released earlier today, and attaches the following related documents:

- ASX Appendix 4G – Key to Corporate Governance Disclosures
- Astro Group Corporate Governance Statement 2017

These documents are also available on the Astro Group website at

<http://www.astrojapanproperty.com/about-us/corporate-governance/annual-corporate-governance-statement>.

ENDS

About Astro Japan Property Group (AJA)

Astro Japan Property Group is a listed property group which invests in the Japan real estate market. It currently holds interests in a portfolio comprising 29 retail, office, residential and hotel properties. Asset management services in Japan are generally undertaken by Spring Investment Co., Ltd.

AJA is a stapled entity comprising Astro Japan Property Trust (ARSN 112 799 854) and Astro Japan Property Group Limited (ABN 25 135 381 663). For further information please visit our website:

www.astrojapanproperty.com.

Astro Japan Property Group

Astro Japan Property Group Limited ABN 25 135 381 663

Astro Japan Property Management Limited ABN 94 111 874 563 AFSL 283142

as responsible entity of the Astro Japan Property Trust ARSN 112 799 854

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ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ✓ at these locations: in our Corporate Governance Statement and in our Board Charter, available on our website at www.astrojapanproperty.com/about-us/corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	<p>A listed entity should:</p> <p>(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;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(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:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p>✓ our Diversity Policy is available on our website at www.astrojapanproperty.com/about-us/corporate-governance</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>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.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 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; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and the length of service of each director: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: ✓ at these locations: in our Corporate Governance Statement and our Code of Conduct is available on our website at www.astrojapanproperty.com/about-us/corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p>✓ a copy of the Audit, Risk & Compliance Committee Charter is available on our website at www.astrojapanproperty.com/about-us/corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ at these locations: in our Corporate Governance Statement and in the Directors' Report of the 2017 Financial Report of the Astro Group</p> <p>[[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO 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.</p>	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> at these locations: in our Corporate Governance Statement and our Continuous Disclosure Policy is available on our website at www.astrojapanproperty.com/about-us/corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at these locations: information about the Astro Group is available on our website at www.astrojapanproperty.com , and information regarding governance at the Astro Group can be found at www.astrojapanproperty.com/about-us/corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p>✓ a copy of the Audit, Risk & Compliance Committee Charter is available on our website at www.astrojapanproperty.com/about-us/corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ at these locations: in our Corporate Governance Statement and in the Directors' Report of the 2017 Financial Report of the Astro Group</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>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.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p>✓ a copy of the Remuneration Committee Charter is available on our website at www.astrojapanproperty.com/about-us/corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ at these locations: in our Corporate Governance Statement and in the Directors' Report of the 2017 Financial Report of the Astro Group</p> <p>[[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p>✓ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES		
<p>- <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>- <i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

CORPORATE GOVERNANCE STATEMENT 2017

Astro Japan Property Group (**Astro Group**) is required under the ASX Listing Rules to prepare an annual Corporate Governance Statement (**Statement**).

This Statement outlines the Astro Group's corporate governance policies and practices, and the extent of its compliance with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (3RD Edition)* for the reporting period 1 July 2016 to 30 June 2017. This Statement is effective as at 30 June 2017, and was approved by the Board on 23 August 2017.

The Astro Group's website (www.astrojapanproperty.com) contains further information in the Corporate Governance section on its governance practices, including copies and summaries of charters, codes and policies referred to in this Statement.

The Astro Group comprises the Astro Japan Property Trust (ARSN 112 799 854) (**AJT**) and Astro Japan Property Group Limited (ABN 25 135 381 663) (**AJCo**). Astro Japan Property Management Limited (ABN 94 111 874 563) (**Responsible Entity**) is the Responsible Entity of AJT. The units in AJT are stapled to the shares in AJCo on a 'one for one' basis, and are traded on the ASX as stapled securities under the code 'AJA'.

In this Statement, the Board of the Responsible Entity (as responsible entity of AJT) and the Board of AJCo are jointly referred to as the '**Board**'. Due to the nature of the stapled structure of the Astro Group, the Board of AJT and the Board of AJCo have the same composition, have adopted the same corporate governance policies, have adopted a common Board Charter, and have delegated certain responsibilities to a joint Audit, Risk & Compliance Committee and a joint Remuneration Committee.

ASX PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 *Role of the Board and Management*

The Board has adopted a formal *Board Charter* which details the functions and responsibilities of the Board, and distinguishes such functions and responsibilities from those which have been delegated to management.

The Board Charter sets out the specific powers and responsibilities that are delegated to the senior executive, which are subject to the specific powers and authorities delegated to the Chairman and the Board Committees and certain specific powers which are retained by the Board.

The Board has delegated a number of its responsibilities to the Audit, Risk & Compliance Committee as outlined in section 4 of this Statement, and to the Remuneration Committee as outlined in section 8.

A copy of the Board Charter is located on the Astro Group website at www.astrojapanproperty.com/about-us/corporate-governance.

1.2 *Election of Directors*

The Astro Group will undertake appropriate checks regarding a person's character, experience, education, criminal record and bankruptcy history, consistent with the guidance contained in Recommendation 1.2, in relation to any new candidate who is appointed as a director of the Astro Group or who is put forward to securityholders as new candidate for election as a director. No new candidates were appointed or put forward during the period.

The Astro Group discloses to securityholders all material information consistent with the guidance contained in Recommendation 1.2 in relation to a candidate standing for election or re-election as a director of the Astro Group to enable securityholders to make an informed decision on whether or not to elect or re-elect the candidate.

1.3 Contracts of Appointment

The Astro Group has a written agreement with each of its directors and senior executives which sets out the terms of their appointment, including their roles and responsibilities. The Astro Group complies with the ASX Listing Rules in disclosing material terms of any employment agreement it has with its directors and senior executives.

1.4 Accountability of the Company Secretary

The Company Secretary of the Astro Group is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Astro Group has clearly defined the role of the Company Secretary consistent with guidance in Recommendation 1.4, details of which are set out in the Board Charter. A copy of the Board Charter is located on the Astro Group website at www.astrojapanproperty.com/about-us/corporate-governance.

1.5 Diversity

The Astro Group is committed to workplace diversity, in particular gender diversity. The Astro Group recognises diversity in the workplace as including, but is not limited to, gender, age, ethnicity and cultural background. The Astro Group also recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention and benefits arising from the contributions of people with diverse backgrounds, experiences and perspectives.

The Board has adopted a Diversity Policy under which it seeks to achieve the following objectives to develop and maintain a diverse workplace:

- maintain a workplace culture that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity;
- maintain a workplace culture in which employees have equal access to opportunities available at work, in particular to improve employment and career opportunities for women; and
- recruit from a diverse pool of candidates for all positions, including senior management and Board.

Under the Policy and the Board Charter, the Board must establish measurable objectives for achieving gender diversity, and annually review and assess the measurable gender diversity objectives and the progress towards achieving those objectives.

In accordance with the Policy, it is the responsibility of the directors to foster a culture at the Board level that embraces diversity in the composition of the Board, with a focus on the participation of woman, and it is the responsibility of the Chief Financial Officer (or equivalent) to implement the principles of the Diversity Policy across the Astro Group workplace and to foster a culture that embraces diversity within the workplace.

A copy of the Diversity Policy is located on the Astro Group website at www.astrojapanproperty.com/about-us/corporate-governance.

In accordance with the Diversity Policy, the Board has established the following measurable gender diversity objective:

The measurable gender diversity objective is that for each available position within the Astro Group, 50% of the candidates considered for the position be female and 50% male.

The Board believes that, given the small size of the Astro Group work force (7 employees as at 30 June 2017), the objective is appropriate for the purposes of seeking to achieve a diverse workforce by ensuring that a broad and diverse pool of candidates are considered for each position. The Board believes that the continued application of the objective will assist in seeking to achieve a diverse workforce from a gender perspective.

There were no available positions in the Astro Group during the financial year.

In accordance with the Diversity Policy and the Board Charter, the Board is responsible for conducting an annual review of the relative proportion of women and men in the workforce at all levels of the Astro Group. The below table sets out details of the relative proportion of employees by gender in the Astro Group workforce as at 30 June 2017.

Gender	Proportion of employees at Board level by gender	Proportion of employees in senior executive positions by gender ¹	Proportion of employees across the whole Astro Group by gender
Women	1 out of 4 positions – 25%	0 out of 1 positions – 0%	3 out of 7 positions – 43%
Men	3 out of 4 positions – 75%	1 out of 1 positions – 100%	4 out of 7 positions – 57%

¹ The one Senior Executive position is the CFO

1.6 Process for evaluating the performance of the Board, its Committees and individual Directors

Given the small size of the Board and the fact that it has not established a Nomination Committee, the Board itself is responsible for reviewing and monitoring its performance and the performance of its committees and the individual directors.

The Board Charter requires the Board, at least once a year, to review and evaluate the performance of the Board, its committees and each individual director against relevant charters, corporate governance policies and agreed goals and objectives. During each review and evaluation, the Board considers how to improve its performance and sets the goals and objectives for itself and its committees for the following year.

During the financial year:

- the Board conducted a self-evaluation of its performance against its Charter, goals and objectives, including the performance of its Directors, and also reviewed its corporate governance practices. The results of the evaluation were positive and identified that the Board had fulfilled its obligations under its Charter and that no material changes were required to the Charter or its corporate governance practices;
- the Audit, Risk & Compliance Committee conducted a self-evaluation of its performance against its Charter, goals and objectives. The evaluation, which was reviewed by the Board, identified that the Committee had fulfilled its obligations under its Charter and met its objectives and that no material changes were required to the Charter; and
- the Remuneration Committee conducted a self-evaluation of its performance against its Charter, goals and objectives. The evaluation, which was reviewed by the Board, identified that the Committee had fulfilled its obligations under its Charter and met its objectives and that no material changes were required to the Charter.

1.7 Process for evaluating the performance of the senior executives

The Board has delegated the process for evaluating the performance of the senior executives to the Remuneration Committee. The Remuneration Committee assesses the performance of each executive in the context of the annual remuneration review. The Remuneration Committee conducts an assessment of each executive based on the individual's performance and achievements during the financial year and takes into account the overall performance and achievements of the Astro Group. This assessment is made in conjunction with advice from the Astro Group's Senior Advisor, Mr Eric Lucas.

A performance evaluation of the executives was conducted on 24 May 2017 in accordance with the above process. You should refer to section 8 of this Statement and the Remuneration Report in the 2017 Financial Report of the Astro Group for further information regarding the role of the Remuneration Committee and the 2017 performance evaluation.

ASX PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

2.1 Nomination Committee

Given the small size of the Board, the Board considers that it can deal efficiently and effectively with board composition and succession issues without establishing a separate nomination committee.

The Board has processes in place to consider issues relating to Board appointments and succession that would otherwise be considered by a nomination committee. As part of its annual corporate governance and self-evaluation assessment as outlined in section 1.6, the Board considers issues such as whether the Board is the appropriate size and composition, whether it is performing its functions effectively, the independence of directors and whether the Board comprises directors with the appropriate range of skills and expertise taking into consideration the Board skills matrix as outlined in

section 2.2. In addition, Board composition issues are considered as part of the annual review of the Board skills matrix and the annual review of diversity within the Astro Group.

The Board will determine the selection of any candidates for election as director taking into consideration the size and composition of the Board and the range of skills and expertise on the Board. The Board will also assess any proposed re-appointment of a director to the Board. The Board Charter provides that *‘the Board should be of a size and composition that is conducive to effective decision making, with the benefit of a variety of perspectives and skills and in the interests of the Astro Group’*.

2.2 Board Skills Matrix

The Board has considered the balance of skills, experience and expertise required to effectively discharge its duties and responsibilities and has developed the below skills matrix. The Board considers that an appropriate balance of skills, experience and expertise is currently represented on the Board, which cover the areas identified in the skills matrix.

Skills Matrix	
• Property industry experience	• Accounting, finance and audit
• Strategy	• Banking, treasury and capital markets
• Commercial acumen	• Risk management
• Executive leadership	• Legal, governance and compliance
• Listed company board experience	• Human resources and remuneration
• Former CEO (or equivalent)	

2.3 Independence and Length of Service of Directors

The Board conducts an annual assessment of the independence of each director, taking into consideration the factors set out in Recommendation 2.3. The below table sets out details of the independent status and length of service of each director.

Name	Position held	Independent Y/N	Date appointed to Responsible Entity Board	Date appointed to AJCo Board	Length of service as at 01/09/17 ¹
Allan McDonald	Non-Executive Chairman	Y	19/02/05	20/03/09	12.6 years
Doug Clemson	Non-Executive Director	Y	31/12/11	31/12/11	5.8 years
Kate McCann	Non-Executive Director	Y	31/12/11	31/12/11	5.8 years
John Pettigrew	Executive Director, Chief Financial Officer	N	19/02/05	20/03/09	12.6 years

1. Length of tenure calculated from date of appointment to the Responsible Entity Board

Mr Allan McDonald, Chairman of the Astro Group, has served in that position for more than 10 years, however, the Board is of the opinion that his length of service does not compromise his independent status.

2.4 Majority of Directors Independent

Throughout the financial year the Board comprised a majority of independent directors, having three independent non-executive directors and an executive director.

2.5 Independent Chairman

The Chairman of the Astro Group, Mr Allan McDonald, is an independent non-executive director.

The fact that the Chairman is an independent non-executive director ensures that there is a clear division of responsibility between the Chairman and the executive functions of the Astro Group. The *Board Charter* provides that the roles of the Chairman and the senior executive must not be exercised by the

same person. The independent roles and responsibilities of the Chairman and the senior executive are described in the Board Charter.

The senior executive function of the Astro Group is currently fulfilled by Mr John Pettigrew, Executive Director and Chief Financial Officer.

2.6 Induction and Professional Development

The Astro Group provides an induction program to all directors upon appointment to ensure that they have the knowledge and skills required to perform their role effectively. The induction program includes a presentation by key divisions within the Group, including finance and legal, to ensure the directors have a good understanding of the business operations and structure of the Group, and the provision to directors of Board reference documents including charters and policies.

Directors can undertake professional development opportunities with external organisations as required to maintain the skills and knowledge needed to perform their role effectively. This includes any training required in areas identified by the Board in the annual assessment of the skills matrix or the annual evaluation of the performance of each director. Each director is also a member of the AICD and therefore has access to AICD resources and seminars to keep up to date with skills and knowledge.

ASX PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

3.1 Code of Conduct

The Astro Group has a *Code of Conduct* for its directors, senior executives and employees. The *Code of Conduct* is a statement of core values and is designed to ensure that:

- high standards of corporate and individual behaviour are observed by all directors and employees in the context of their employment and in relation to all of the Astro Group's activities;
- employees are aware of their responsibilities to the Astro Group under their contract of employment and always act in an ethical and professional manner and in the best interests of the Astro Group's securityholders; and
- all persons dealing with the Astro Group, whether it be employees, securityholders, suppliers, clients or competitors, can be guided by the stated values and practices of the Astro Group.

In accordance with the Code of Conduct, the Astro Group aims to provide a work environment in which all employees can excel regardless of race, religion, age, disability, gender, sexual preference or marital status.

The Compliance & Risk Manager has responsibility for monitoring and ensuring ongoing compliance with the Code. A copy of the Code of Conduct is located on the Astro Group website at www.astrojapanproperty.com/about-us/corporate-governance.

ASX PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

4.1 Audit, Risk & Compliance Committee

The Astro Group had an Audit, Risk & Compliance Committee for the entire duration of the financial year. The role of the Committee as set out in its Charter is to:

- assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control relating to all matters affecting the Astro Group's financial performance and the audit process relating to the Astro Group;
- implement and supervise the Astro Group's risk management framework;
- assist the Board to discharge its responsibilities under the AJT Compliance Plan adopted by the Responsible Entity; and
- monitor compliance with laws and regulations applicable to the Astro Group.

The structure of the Committee was consistent with Recommendation 4.1 during the financial year, comprising three members who were independent non-executive directors, including an independent non-executive Chairman who was not the Chairman of the Board. During the period, the Committee comprised Mr Doug Clemson (independent non-executive Committee Chairman), Mr Allan McDonald and Ms Kate McCann.

The Board considers that during the financial year the Committee was of a sufficient size and independence to discharge its mandate effectively in accordance with its Charter. In addition, the Board considers that all members of the Committee during the financial year possessed the requisite accounting and financial expertise. The relevant qualifications and experience of each Committee member, and the number of times the Committee met during the period and individual attendances of

the members at those meetings, is set out in the Directors' Report in the 2017 Financial Report of the Astro Group.

The ARCC Charter sets out the Committee's role and responsibilities, composition, structure and membership requirements and procedural requirements of meetings. The Charter specifically sets out the responsibilities of the Committee with respect to financial statements, internal control, external financial audit (including procedures regarding appointment/removal and terms of engagement with the external auditor), risk management, compliance and reporting. A copy of the ARCC Charter is located on the Astro Group website at www.astrojapanproperty.com/about-us/corporate-governance.

4.2 CFO Declaration - Financial Statements

The Chief Financial Officer provided the declaration as set out in Recommendation 4.2, and in accordance with section 295A of the Corporations Act, to the directors prior to the approval of the HY17 and FY17 financial statements.

4.3 External Auditor attendance at AGM

The external auditor of the Astro Group's 2016 financial statements, BDO, attended the combined Annual General Meeting of the Company and the Trust held on 9 November 2016 to address questions from securityholders relevant to the audit.

ASX PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Continuous Disclosure Policy

The Astro Group is committed to complying with its continuous disclosure obligations pursuant to the ASX Listing Rules. The Astro Group's Continuous Disclosure Policy is designed to ensure that all securityholders have equal and timely access to material information concerning the Astro Group. The Astro Group has, at all times during the financial year, been in compliance with its continuous disclosure obligations under the ASX Listing Rules.

The Continuous Disclosure Policy is designed to ensure that materially price sensitive information arising from any part of the Astro Group is immediately notified to the ASX in a factual, complete, balanced and timely manner, unless it falls within the scope of the limited exemptions contained in Listing Rule 3.1A. The Company Secretary is appointed as the person responsible for communications with the ASX.

The Company Secretary, in conjunction with the Chief Financial Officer and the Chairman, oversee the implementation and operation of the Policy. A copy of the Continuous Disclosure Policy is located on the Astro Group website at www.astrojapanproperty.com/about-us/corporate-governance.

ASX PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITYHOLDERS

6.1 Astro Group Website

A key element of the Astro Group's securityholder communications policy is the maintenance of its website at www.astrojapanproperty.com. The Astro Group encourages securityholders to utilise its website as their primary tool to access information and announcements concerning the Astro Group. The website provides access to the following information:

- detailed information regarding the Board, executive management and the business and activities of the Astro Group;
- all ASX announcements and media releases since listing on the ASX in 2005, which are posted on the website promptly following release;
- copies of full-year and half-year financial reports;
- all relevant corporate governance information accessible from a 'corporate governance' landing page, including copies of constitutions, charters and relevant corporate governance policies, at www.astrojapanproperty.com/about-us/corporate-governance;
- copies of the Astro Group's Annual Reports;
- copies of disclosure documents relating to the Astro Group's capital raisings; and
- details of the Astro Group's security registry, Link Market Services, including a link to its website which includes an electronic facility for securityholders to amend their particulars.

6.2 Investor Relations Program

The Astro Group's investor relations program is outlined in its Continuous Disclosure Policy. The Astro Group is committed to communicating with its securityholders in an effective and timely manner to provide them with ready access to information relating to the Astro Group and to providing avenues for investors to communicate with the Astro Group.

The investor relations program consists of a number of elements to facilitate two way communication, including:

- responding to enquiries from investors, including through a specific investor relations email address that is provided on the Astro Group website;
- an investor presentation on the full year results and half year results via a conference call and webcast facility following the release of the results to the ASX, which allows investors and analysts to ask questions to the Senior Advisor, Mr Eric Lucas, and senior management, with advanced notification and invitation to the presentation provided to all securityholders and other stakeholders;
- from time to time upon request senior management attend one on one analyst and securityholder briefings; and
- actively engaging with securityholders at the annual general meeting which is conducted in a manner that allows investors to raise questions regarding the Astro Group business, operations and financial results.

6.3 Participation at Securityholder Meetings

The Astro Group encourages securityholders to attend general meetings and to use these meetings as an opportunity to ask questions. Attendance is facilitated through electronic distribution of the Notice of Meeting and meetings are held in a central location in the Sydney CBD. The Chairman ensures that the AGM is a forum at which securityholders have an opportunity to express their views to the Board and management regarding any areas of concern or interest. Due to the smaller number of securityholders on Astro Group's register, the demand for attendance at AGMs is met through holding the AGM at a single venue in Sydney's CBD.

6.4 Electronic Communications

The Astro Group encourages electronic communications with securityholders, and provides securityholders with the option to receive all communications from the Astro Group and its security registry electronically. Both the Astro Group and the security registry have a specific email address which securityholders can use for direct communications.

ASX PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1 Risk Committee

The Board has established a committee to oversee risk, and this committee is the Audit, Risk & Compliance Committee. The structure and composition of the Committee satisfies the requirements in Recommendation 7.1, and details of the Committee, its members and meetings during the financial year are outlined in section 4.1 above.

A copy of the ARCC Charter, which sets out the role of the Committee with respect to risk management, is located on the Astro Group website at www.astrojapanproperty.com/about-us/corporate-governance.

7.2 Risk Management Framework

The Astro Group has an established risk management framework to identify and manage risk on an ongoing basis. The framework consists of a Risk Management Policy and a Risk Register.

The Risk Management Policy sets out the Astro Group's risk management system that has been established to identify risks that could have a material impact on the Astro Group business (material business risks). The Policy has been developed taking into consideration AS/NZS ISO 31000:2009 (Risk management – principles and guidelines). In addition to the Policy, a Risk Register is maintained that sets out a list of potential sources of material business risks that could impact the Astro Group which is used by management to identify and manage risks to the Astro Group business.

The Audit, Risk & Compliance Committee conducts an annual review of the risk management framework to ensure that it continues to be sound. The Committee undertook a review of the framework during the reporting period and was satisfied that no changes were required and that the Astro Group was continuing to operate within the risk appetite set by the Board.

7.3 Internal Audit

Due to the size of the Australian operations of the Astro Group, there was no internal audit function during the financial year. Consequently, the Audit, Risk & Compliance Committee, together with senior management, have an increased role in evaluating and, if required, improving the effectiveness of the risk management and internal control process, and the Committee places increased reliance on the external auditor's review of these matters.

7.4 Sustainability Risks

The Audit, Risk and Compliance Committee, together with senior management, have identified potential material economic, environmental and social sustainability risks as part of the overall risk management process. These risks are set out in the table below.

The Astro Group has concluded that as at the date of this Statement it does not have any 'material exposure'¹ to these potential risks. The Astro Group will continue to monitor and assess these risks in accordance with the risk management framework and continue to implement risk management strategies to address any such risks. Additional information regarding economic risks is outlined in the Financial and Operating Review of the Directors' Report in the 2017 Financial Report of the Astro Group.

Risk Type	Identified Risk
Economic sustainability risks	Currency risk
	Japanese interest rate risk
	Japanese economy / property market risk
	Access to debt funding
	Regulatory risk
	Share price / equity market risk
	Breach of debt covenant risk
	Dependency on key personnel
Environmental sustainability risks	Nil
Social sustainability risks	Corporate conduct / reputational risk

ASX PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

8.1 Remuneration Committee

The Astro Group had a Remuneration Committee for the entire duration of the financial year. The Remuneration Committee meets annually for the purposes of, amongst other things, reviewing and making recommendations to the Board on the level of remuneration of the executives and the directors. The Remuneration Committee endeavours to ensure that the remuneration outcomes strike an appropriate balance between the interests of the Astro Group securityholders, and rewarding, retaining and motivating the executives and the directors.

The structure of the Remuneration Committee was consistent with Recommendation 8.1 during the financial year, comprising three members who were independent non-executive directors, including an independent non-executive Chairman who was not the Chairman of the Board. During the period, the Committee comprised Ms Kate McCann (independent non-executive Committee Chairman), Mr Allan McDonald and Mr Doug Clemson.

The Committee meets as required but generally two times a year. The Committee reports to the Board following each meeting and makes recommendations to the Board. The Committee met three times during the financial year, and individual attendances of the members at those meetings is set out in the Directors' Report in the 2017 Financial Report of the Astro Group.

The Remuneration Committee has adopted a formal Charter which sets out, amongst other things, the role and responsibilities of the Committee. The Charter provides that the Committee's function is to support and advise the Board in fulfilling its responsibilities to securityholders, employees and other stakeholders by endeavouring to ensure that:

- the directors and executives are remunerated fairly and appropriately;
- the remuneration policies and outcomes strike an appropriate balance between the interests of the Astro Group's securityholders and rewarding and motivating the Astro Group's executives and employees in order to secure the long term benefits of their energy and loyalty; and
- the human resources policies and practices are consistent with and complementary to the strategic direction and objectives of the Astro Group as determined by the Board.

A copy of the Remuneration Committee Charter is located on the Astro Group website at www.astrojapanproperty.com/about-us/corporate-governance.

¹ 'Material exposure' is defined in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (3rd Edition)* as 'a real possibility that the risk in question could substantively impact the listed entity's ability to create or preserve value for security holders over the short, medium or long term'.

8.2 Remuneration of Non-Executive and Executive Directors and Senior Executives

The Board determines the remuneration structure of non-executive directors, executive directors and executives based on the recommendation of the Remuneration Committee.

The non-executive directors are paid an annual fee for their services on the Board and all committees of the Board. The non-executive directors do not receive any performance based remuneration or any retirement benefits other than statutory superannuation and do not receive options or bonus payments. The non-executive directors' fees are annually reviewed by the Remuneration Committee, taking into consideration the level of fees paid to non-executive directors by companies of a similar size and stature. Fees paid to non-executive directors must fall within the aggregate fee pool approved by securityholders.

The remuneration of the executive director and the other executives consists of two components: base pay and benefits, including superannuation; and short term incentives. Base pay is determined by reference to appropriate benchmark information, taking into account an individual's responsibilities, performance, qualifications and experience. Short term incentive (STI) entitlements are entirely at the discretion of the Committee and are determined based on the Committee's assessment of each executive having regard to the activities and transactions of the Astro Group during the financial year, and any STI entitlement is paid as a cash bonus. The remuneration is annually reviewed by the Remuneration Committee.

Current director fees and KMP remuneration are fully disclosed in the Remuneration Report in the 2017 Financial Report of the Astro Group.

8.3 Equity-based Remuneration Schemes

The Astro Group does not offer an equity-based remuneration scheme to employees.