

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

**Name of entity:**

**SCA Property Group** being Shopping Centres Australasia Property Group RE Limited (**SCPRE**) as responsible entity of Shopping Centres Australasia Property Management Trust (**SCA MT**) and Shopping Centres Australasia Property Retail Trust (**SCA RT**)

**ABN / ARBN:**

SCPRE: ABN 47 158 809 851  
SCA MT: ARSN 160 612 626  
SCA RT: ARSN 160 612 788

**Financial year ended:**

30 June 2020

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

This URL on our website: [www.scaproperty.com.au/about/governance](http://www.scaproperty.com.au/about/governance)

The Corporate Governance Statement is accurate and up to date as at 5 October 2020 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 22 October 2020

Sign here:



Erica Rees, Company Secretary

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## 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 ... <sup>4</sup>  |
|---|--|--|
| <b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>   |  |  |
| 1.1 A listed entity should disclose:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management.  | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> at Principle 1.1 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a><br>... 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):<br><input checked="" type="checkbox"/> at Principle 1.1 of the Corporate Governance Statement located at <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a> and refer also to the Board Charter located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 A listed entity should:<br>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and<br>(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:<br><input checked="" type="checkbox"/> at Principle 1.2 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a>  | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><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:<br><input checked="" type="checkbox"/> at Principle 1.3 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a>  | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><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:<br><input checked="" type="checkbox"/> at Principle 1.4 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a>  | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

<sup>4</sup> 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.

| 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 ... <sup>4</sup>  |
|---|---|--|--|
| 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><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at</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><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at</p> | <p><input checked="" type="checkbox"/> an explanation why that is so at Principle 1.5 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p> <p>... and the information referred to in paragraph (c)(1):</p> <p><input checked="" type="checkbox"/> at Principle 1.5 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></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><input checked="" type="checkbox"/> at Principle 1.6 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> at Principle 1.6 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p>   | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>  |

| 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 ... <sup>4</sup>   |
|---|---|--|---|
| 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><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at Principle 1.7 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at Principle 1.7 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| 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 ... <sup>4</sup>  |   |
|---|--|--|---|
| <b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b> |  |  |   |
| 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>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> at Principle 2.1 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> located at <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> pages 61 to 74 of the Directors' Report in SCA Property Group's 2020 Annual Report located at: <a href="http://www.scaproperty.com.au/investor/reports">www.scaproperty.com.au/investor/reports</a></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></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"/> at Principle 2.2 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p>   | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| 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 ... <sup>4</sup>  |
|--|---|--|--|
| 2.3  | A listed entity should disclose:<br>(a) the names of the directors considered by the board to be independent directors;<br>(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<br>(c) the length of service of each director. | ... the names of the directors considered by the board to be independent directors:<br><input checked="" type="checkbox"/> at Principles 2.3 & 2.4 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a><br>... and, where applicable, the information referred to in paragraph (b):<br><input type="checkbox"/> in our Corporate Governance Statement<br>... and the length of service of each director:<br><input checked="" type="checkbox"/> at Principles 2.3 & 2.4 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a> | <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:<br><input checked="" type="checkbox"/> at Principles 2.3 & 2.4 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a>   | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><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:<br><input checked="" type="checkbox"/> at Principle 2.5 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a>  | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><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:<br><input checked="" type="checkbox"/> at Principle 2.6 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a>  | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| <b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b> |   |  |  |
| 3.1  | A listed entity should:<br>(a) have a code of conduct for its directors, senior executives and employees; and<br>(b) disclose that code or a summary of it.   | ... our code of conduct or a summary of it:<br><input checked="" type="checkbox"/> at Principle 3.1 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a> and refer also to the Code of Conduct located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a>  | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement   |

| 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 ... <sup>4</sup>  |   |
|---|--|--|---|
| <b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b> |  |  |   |
| 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>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> at Principle 4.1 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> located at <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> pages 61 to 74 of the Directors' Report in SCA Property Group's 2020 Annual Report located at: <a href="http://www.scaproperty.com.au/investor/reports">www.scaproperty.com.au/investor/reports</a></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

| 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 ... <sup>4</sup>  |
|---|---|--|--|
| 4.2   | 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. | ... the fact that we follow this recommendation:<br><input type="checkbox"/> at Principle 4.2 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a>   | <input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement<br><br>Prior to approving the entity's financial statements for the full-year FY-20 financial period, the Board received 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, give a true and fair view of the financial position and performance of the entity and that the entity will be able to pay its debts as and when they fall due and payable. The opinion as it related to risk management and internal control was omitted in error. This opinion was included in the CEO and CFO declaration for the half-year FY20 financial period. |
| 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:<br><input checked="" type="checkbox"/> at Principle 4.3 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a> and  | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable  |
| <b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>    |   |  |  |
| 5.1   | A listed entity should:<br>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and<br>(b) disclose that policy or a summary of it.  | ... our continuous disclosure compliance policy or a summary of it:<br><input checked="" type="checkbox"/> at Principle 5.1 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a> and a copy of the policy located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement   |
| <b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b> |   |  |  |
| 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:<br><input checked="" type="checkbox"/> located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a> and at <a href="http://www.scaproperty.com.au/investor/reports">www.scaproperty.com.au/investor/reports</a>  | <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:<br><input checked="" type="checkbox"/> at Principle 6.2 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a>  | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement   |



| 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 ... <sup>4</sup>  |
|--|--|--|--|
| 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.  | <p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p><input checked="" type="checkbox"/> at Principle 6.3 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p>   | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><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</p> |
| 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.   | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> at Principle 6.4 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p>   | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>  |
| <b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b> |  |  |  |
| 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>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> at Principle 7.1 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> pages 61 to 74 of the Directors' Report in SCA Property Group's 2020 Annual Report located at: <a href="http://www.scaproperty.com.au/investor/reports">www.scaproperty.com.au/investor/reports</a></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>  |

| 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 ... <sup>4</sup> |
|---|--|--|---|
| 7.2   | The board or a committee of the board should:<br>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and<br>(b) disclose, in relation to each reporting period, whether such a review has taken place.  | ... 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:<br><input checked="" type="checkbox"/> at Principle 7.2 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a><br>... and that such a review has taken place in the reporting period covered by this Appendix 4G:<br><input checked="" type="checkbox"/> at Principle 7.2 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement                          |
| 7.3   | A listed entity should disclose:<br>(a) if it has an internal audit function, how the function is structured and what role it performs; or<br>(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. | ... how our internal audit function is structured and what role it performs:<br><input checked="" type="checkbox"/> at Principle 7.3 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a>  | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement                          |
| 7.4   | A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.  | ... 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:<br><input checked="" type="checkbox"/> at Principle 7.4 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a>  | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement                          |

| 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 ... <sup>4</sup>  |   |
|--|--|--|---|
| <b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b> |  |  |   |
| 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>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> at Principle 8.1 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> located at <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> pages 61 to 74 of the Directors' Report in SCA Property Group's 2020 Annual Report located at: <a href="http://www.scaproperty.com.au/investor/reports">www.scaproperty.com.au/investor/reports</a></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></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><input checked="" type="checkbox"/> at Principle 8.2 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a> <b>AND</b></p> <p><input checked="" type="checkbox"/> the Remuneration Report at pages 31 to 59 of SCA Property Group's 2020 Annual Report located at: <a href="http://www.scaproperty.com.au/investor/reports">www.scaproperty.com.au/investor/reports</a></p>  | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| 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 ... <sup>4</sup>  |
|--|--|--|
| <p>8.3 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 checked="" type="checkbox"/> at Principle 8.3 of the Corporate Governance Statement located at: <a href="http://www.scaproperty.com.au/about/governance">www.scaproperty.com.au/about/governance</a></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |



# Corporate Governance Statement

2020

SCA Property Group is an internally managed real estate investment trust and is listed on the Australian Securities Exchange (ASX: SCP).

SCA Property Group (SCP or the Group) is comprised of Shopping Centres Australasia Property Group RE Limited (ACN 158 809 851) (SCPRE or Company), the Responsible Entity to the Shopping Centres Australasia Property Management Trust (ARSN 160 612 626) (SCA Management Trust) and the Shopping Centres Australasia Property Retail Trust (ARSN 160 612 788) (SCA Retail Trust) (each a Trust and, together, Trusts).

The units of each Trust are stapled together.

The Group is subject to regulation from multiple sources, including:

- ASX Listing Rules;
- Corporations Act 2001 (Cth) (Act) – as a company, as a holder of an Australian Financial Services Licence and as registered managed investment schemes;
- Trusts' Constitutions; and
- Trusts' Compliance Plans.

The Board of SCPRE, together with Management, recognise the value to the business's stakeholders of establishing and maintaining best practice corporate governance systems.

The Group's governance systems are reviewed and monitored by the SCPRE Board and reflect the requirements of the market regulators and the expectations of stapled unitholders (Unitholders), market participants and other stakeholders. This corporate governance statement outlines the governance systems in effect during the period from 1 July 2019 to 30 June 2020 (Reporting Period) by reference to the 3rd Edition of the ASX Corporate Governance Principles and Recommendations (Recommendations) and to the Act. As at 30 June 2020, the Group had achieved substantial compliance with the Recommendations.

The Group notes the publication of the 4th Edition of the ASX Principles and intends to report against the 4th Edition in its 2021 Corporate Governance Statement. Relevant governance practices were updated during the year to reflect the 4th Edition of the Principles and Recommendations from the end of FY20.

SCA Property Group's Board and Committee charters and the Group's policies referred to in this statement can be found on SCA Property Group's website: [www.scaproperty.com.au/about/governance](http://www.scaproperty.com.au/about/governance).

This statement was approved by the Board on 5 October 2020.

## **PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

### **1.1 Roles and responsibilities of Board and Management**

The primary role of the Board of SCPRE (Board), as the Responsible Entity of the Group, is to represent the interests of Unitholders by managing delivery of the Group's corporate strategies, policies and performance. The Board has adopted a charter (Board Charter) that establishes and discloses the respective roles and responsibilities of the Board and of Management.

The responsibilities retained by the Board include:

- approving corporate strategic initiatives and reviewing strategic direction;
- reviewing budgets and monitoring financial performance, including approval of major capital expenditure, acquisitions and divestments;
- overseeing the integrity of financial reporting, including external audit;
- appointing the Chief Executive Officer (CEO) and other senior Executives;
- evaluating the performance of senior Executives;
- overseeing remuneration and succession planning;
- reviewing and monitoring corporate governance policies and practices;
- overseeing the effectiveness of the risk management system;
- overseeing disclosure of material information;
- approving distributions calculated in accordance with the Trusts' Constitutions;
- considering any social, ethical and environmental impact of operations; and
- appointing the Chair.

The Board Charter sets out the particular responsibilities of the Chair and the process by which Directors can seek independent professional advice.

The Board has established the following standing Committees to assist with carrying out its responsibilities:

- Audit, Risk Management and Compliance Committee;
- Nomination Committee;
- Remuneration Committee; and
- Investment Committee.

Each Committee has its own charter which describes its delegated roles and responsibilities.

The Board has delegated to the CEO the day-to-day management and operation of the Group's business. Under the terms of the Board Charter, the CEO is accountable to the Board for the exercise of the delegated authority and, with the support of senior management, must provide succinct, clear, verifiable and high-quality reports and information to the Board that will enable the Board to effectively discharge its duties.

The Board is committed to the ongoing safety and wellbeing of the Group's stakeholders and undertakes appropriate due diligence to ensure Management is taking all reasonable steps to ensure health and safety at SCP's centres and for all SCP employees. Workplace health, safety and environment (WHSE) is a standing agenda item at each Board meeting. Refer to the Sustainability Report, which is available at [www.scaproperty.com.au/about/sustainability](http://www.scaproperty.com.au/about/sustainability), for details of the Group's activities in respect of WHSE in the Reporting Period.

The qualifications and experience of the Directors of the Board, the number of Board meetings and Committee meetings held and the number of meetings attended by each Director in the Reporting Period are set out in the Directors' Report, starting on page 61 of SCP's 2020 Annual Report, which is available at [www.scaproperty.com.au/investor/reports](http://www.scaproperty.com.au/investor/reports).

The Board Charter and Committee charters are available at [www.scaproperty.com.au/about/governance](http://www.scaproperty.com.au/about/governance).

## 1.2 Pre-appointment verification of Directors

In accordance with the processes and procedures set out in the Group's Nomination Committee Charter, satisfactory confirmation as to any Director-candidate's character, experience, education and qualifications and lack of criminal record or bankruptcy history must be sought. Prior to an appointment, any Director-candidate must confirm that they consider they have adequate time to dedicate to the affairs of the Group.

In accordance with SCPRE's Constitution, the Board has determined that Philip Marcus Clark AO will stand for re-election at the 2020 Annual General Meeting (AGM).

Information about Mr Clark's re-election is included in the Notice of Meeting for the Group's 2020 AGM.

## 1.3 Written agreements with Directors and senior Executives

The terms of the appointment of each Non-Executive Director are set out in an appointment letter between the Company and the Non-Executive Director. The appointment letters are reviewed regularly to ensure they accurately reflect the roles and responsibilities of each Non-Executive Director and SCPRE's expectations of them. Each Executive Director and senior Executive has been appointed pursuant to a service agreement, and in the case of the two Executive Directors, the terms of their service agreements have been disclosed to the market.

## 1.4 Company Secretary directly accountable to the Board

SCPRE's Company Secretaries are accountable directly to the Board through the Chair on all matters to do with the proper functioning of the Board, and the decision to appoint or remove a Company Secretary rests with the Board. Details of the Board's delegation of authority to the Company Secretaries are set out in the Board Charter.

While the Company Secretaries report directly to the Board, the Board has delegated certain functional reporting obligations to the CEO. Each Director is able to communicate directly with the Company Secretaries, and the Company Secretaries may communicate directly with each Director.

## 1.5 Diversity and Inclusion Policy

SCA Property Group's continued success depends largely on its staff, who must continually meet the high expectations of investors in the changing and competitive finance and property services industries. The Group depends, therefore, on the support of a body of competent, informed and motivated employees. To maintain these standards and to continue meeting our business goals, it is essential the Group recruits appropriately qualified personnel.

SCA Property Group recognises the value of a diverse Board and employee base and is committed to creating and maintaining an environment where the diverse backgrounds, experiences and perspectives of our people can be leveraged to drive the overall performance of the Group in meeting its stated objectives.

The Group rewards and promotes team members based on assessments of individual performance, capability and potential and recognises that team members may assume changing domestic and carer responsibilities during their careers.

Gender balance and inclusion remain strong focus areas of SCA Property Group's approach to diversity. However, as SCP has less than 100 employees, measurable diversity-related objectives and targets have not been set and SCP's diversity-related reporting continues to be consistent with Recommendation 1.5(c)(1). The Board will continue to monitor this as the Group grows in size.

In respect of SCA Property Group, as at 30 June 2020, the gender-related statistics are as follows:

|   |     |
|---|-----|
| Female Board Directors <sup>1</sup>                 | 38% |
| Female Non-Executive Board Directors <sup>2</sup>   | 50% |
| Female Executives in senior management <sup>3</sup> | 38% |
| Female employees                                    | 57% |

1. Percentage of all Board Directors.
2. Percentage of Non-Executive Board Directors.
3. Senior Management means the CEO, his direct or functional reports and certain of their reports who have responsibility for an area and/or report regularly to the Board or a Committee of the Board on the performance of that area.

The Remuneration Committee closely monitors diversity and related activities and reports to the Board on the effectiveness of the Group's diversity-related initiatives.

The Group's Diversity and Inclusion Policy is available at [www.scaproperty.com.au/about/governance](http://www.scaproperty.com.au/about/governance).

## 1.6 Board performance evaluation

Each year consideration is given to the form of the Board performance evaluation, including whether an external facilitator should be used in the process.

For the Reporting Period, the Nomination Committee recommended that the evaluation of the Board, including the Board's Committees, be conducted by way of a confidential questionnaire. The questionnaire included questions on those areas identified for improvement in previous cycles as well as areas appropriate for examination during this Reporting Period.

During this Reporting Period, the results of the performance questionnaires were considered by the Board and the Board Committees, with each Director (Non-Executive and Executive) having completed the Board and Board Committee performance questionnaires.

## 1.7 Evaluation of senior Executives

The Remuneration Committee assessed the performance of each senior Executive against agreed formal financial and operational objectives and key performance indicators, in addition to agreed personal objectives for the Reporting Period. The Remuneration Committee, together with the Board, reported the findings to the relevant Executives.



## PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

### 2.1 Nomination Committee

The Board has established a Nomination Committee. During the Reporting Period, the Nomination Committee comprised at least three Non-Executive Directors, all of whom were Independent Directors. The Nomination Committee was chaired by an Independent Director. The responsibilities of the Nomination Committee are set out in a Board-approved Nomination Committee Charter and include making recommendations to the Board in relation to:

- succession planning for the Board and Chair;
- developing and implementing plans for identifying, assessing and enhancing Director competencies;
- ensuring an effective induction process is in place;
- appointment and re-election of Directors;
- overseeing the recruitment of new Directors in accordance with the policy and procedure for selection and appointment of new Directors; and
- evaluating the performance of the Board, its Committees and individual Directors against appropriate measures.

The terms of the Nomination Committee Charter delegate authority to the Committee to:

- obtain independent professional advice; and
- obtain information to reasonably fulfil its duties.

The Nomination Committee Charter is available at [www.scaproperty.com.au/about/governance](http://www.scaproperty.com.au/about/governance).

The qualifications and experience of the members of the Nomination Committee, the number of meetings held and the number of meetings attended by each Nomination Committee member in the Reporting Period are set out in the Directors' Report, starting on page 61 of SCP's 2020 Annual Report, which is available at [www.scaproperty.com.au/investor/reports](http://www.scaproperty.com.au/investor/reports).

### 2.2 Board Skills Matrix

To maximise the effectiveness with which it discharges its responsibilities, the Board ensures that it has an appropriate mix of skills, experience, diversity and expertise. At least annually, the Nomination Committee reviews the composition of the Board and makes recommendations to the Board in respect of the appropriateness of the skills mix of Directors, giving due consideration to the business's strategy and operations. Diversity is also considered; however, in this context, diversity is not limited to gender diversity.

A summary of SCPRE's Board Skills Matrix as at 30 June 2020 is set out below. Additional commentary on the skills of Board members is included in the Directors' Report, starting on page 61 of SCP's 2020 Annual Report, which is available at [www.scaproperty.com.au/investor/reports](http://www.scaproperty.com.au/investor/reports).

| Theme                                      | Desired skill/experience                         | Rating | Directors' assessment  |
|--|--|--------|--|
| M&A/Capital Markets                        | Listed company experience                        | 8/8    | Strong   |
|  | Capital markets/M&A experience                   | 7/8    | Strong   |
| Corporate Finance                          | Knowledge of accounting standards                | 8/8    | Strong   |
|  | Treasury experience                              | 4/8    | Adequate experience balanced between Non-Executive Directors and Executive Directors   |
| Real Estate/Property Management            | Retailer/Supermarket experience                  | 4/8    | Adequate expertise on the Board with strong experience provided by Executive Directors |
|  | REIT and/or property experience                  | 6/8    | Strong   |
| Capital/Funds Management                   | Knowledge of legal duties                        | 7/8    | Strong   |
|  | Funds management experience                      | 7/8    | Strong   |
|  | Legal, compliance and risk management experience | 8/8    | Strong   |
| Public Policy                              | Remuneration/HR experience                       | 8/8    | Strong   |
| Social/WHS/Environment                     | Workplace health and safety experience           | 5/8    | Adequate experience balance between Non-Executive and Executive Directors              |
| Communications/Marketing/Customer Services | Stakeholder engagement experience                | 8/8    | Strong   |
|  | Marketing/social media experience                | 4/8    | Adequate experience on the Board supporting the wider management team                  |

## 2.3 and 2.4 The majority of the Board should be Independent Directors

As at 30 June 2020, the Board comprised eight Directors, six of whom the Board considered to be Independent Directors. The SCPRE Directors, as at 30 June 2020, were:

| Directors' name        | Executive or Non-Executive | Independent     | Date first appointed |
|------------------------|----------------------------|-----------------|----------------------|
| Philip Marcus Clark AO | Non-Executive              | Independent     | 19 September 2012    |
| Steven Crane           | Non-Executive              | Independent     | 13 December 2018     |
| Dr Kirstin Ferguson    | Non-Executive              | Independent     | 01 January 2015      |
| Beth Laughton          | Non-Executive              | Independent     | 13 December 2018     |
| Philip Redmond         | Non-Executive              | Independent     | 26 September 2012    |
| Belinda Robson         | Non-Executive              | Independent     | 27 September 2012    |
| Anthony Mellowes       | Executive (CEO)            | Non-Independent | 02 October 2012      |
| Mark Fleming           | Executive (CFO)            | Non-Independent | 26 May 2015          |

The Board considers a Director Independent if they:

- are not a substantial Unitholder in SCA Property Group, nor an officer of or otherwise associated directly with a substantial Unitholder of the Group;
- are not a member of Management and have not been employed in an Executive capacity by the Group in the last three years;
- have not, within the last three years, been a partner, Director or senior employee of a material professional adviser to the Group;
- are not a material supplier to or customer or tenant of the Group, nor an officer of or otherwise associated directly or indirectly with a material supplier, customer or tenant;
- do not have a material contractual relationship with the Group in any capacity other than as Director;
- do not have close family ties with any person who falls within any of the categories described above;
- have not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Group; and
- are free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

The Board regularly assesses whether each Non-Executive Director is Independent. Each Non-Executive Director provides the Board with the information necessary for the Board to assess whether they remain an Independent Director under the above criteria. No Non-Executive Director that the Board has determined is an Independent Director has an interest, position, association or relationship ("connection") of the type noted above that has caused the Directors to have to consider their independence in spite of that connection.

## 2.5 The Chair should be an Independent Director and not the CEO

The roles of the Chair of the Board and the CEO are held by separate Directors.

The Board has elected Philip Marcus Clark AO as Chair of the Board. The Board is satisfied Mr Clark is and was for the entire Reporting Period an Independent Director. Mr Clark's details are provided in the Directors' Report, starting on page 61 of SCP's 2020 Annual Report, which is available at [www.scaproperty.com.au/investor/reports](http://www.scaproperty.com.au/investor/reports).

Anthony Mellowes was appointed as CEO with effect from 1 July 2013. Details of Mr Mellowes' experience are included in the Directors' Report, starting on page 61 of SCP's 2020 Annual Report, which is available at [www.scaproperty.com.au/investor/reports](http://www.scaproperty.com.au/investor/reports).

## 2.6 New Director induction and continuing education program for all Directors

The Company Secretaries provide new Directors with copies of the Group's Board and Committee charters and the policies and procedures relevant to the role of a Director. They are provided with copies of past Financial Statements and Board and Committee papers, as well as full access to those members of management the new Director considers would be useful for them to meet.

Management coordinates site inspections for the Board to increase their familiarity with the Group's assets. The Company Secretaries bring to the attention of the Board changes in laws relevant to their role as a Director of SCA Property Group, and Board members are encouraged at Board meetings to share experiences learned in other roles.

Directors are provided with continuing education and professional development opportunities to update and enhance their skills and knowledge needed to perform their role effectively.

## **PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY**

### **3.1 Listed entities should establish a Code of Conduct**

SCA Property Group has a Code of Conduct that is a reference point for the standards and behaviours required of all Directors, officers and staff members. The Code of Conduct articulates the commitment of the Group to:

- the maintenance of high ethical standards, integrity and respect in all business relationships;
- honest, responsible and fair conduct;
- compliance with all laws and regulations applicable to the Group's operations;
- identification and effective management of actual or potential conflicts of interest;
- transparency in respect of any gift or benefits, donations and political activity;
- prohibiting any form of fraud, bribery or corruption;
- identifying and reporting breaches;
- providing and supporting processes and procedures that facilitate the reporting and investigation of any breaches; and
- compliance with the Group's delegation of authority and the Group's policies in relation to use of the Group's assets.

The Code of Conduct is reviewed on a regular basis in response to changes in the Group's operational and regulatory environment. Staff members are provided with regular training in the Code of Conduct, and those policies and procedures referred to in the Code of Conduct, both on joining and at least annually. On joining, Directors and staff members are required to confirm that they have read and understood the Code of Conduct.

A copy of the Code of Conduct is available at [www.scaproperty.com.au/about/governance](http://www.scaproperty.com.au/about/governance).

## **PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

### **4.1 Establish an appropriately structured audit Committee and disclose information about it**

The Board has an Audit, Risk Management and Compliance Committee (ARMCC). During the Reporting Period, the ARMCC was comprised of at least three Non-Executive Directors, all of whom were Independent. The Chair of the ARMCC was an Independent Director who was not the Chair of the Board. The responsibilities of the ARMCC are set out in the Board-approved ARMCC Charter, and in respect of corporate reporting, include making recommendations to the Board pursuant to:

- external audit function, including appointment and removal of the auditor, rotation of the audit partner, oversight of audit scope, auditor independence, performance and provision of non-audit services;
- internal audit function, including appointment of external provider of internal audit service and scope and performance (refer to Principle 7.3 in this Statement for additional details of internal audit function);
- financial reporting and disclosure processes, including oversight of the application of critical accounting policies, review of the Financial Statements for accuracy and confirmation that the Financial Statements reflect a true and fair view of the Group's performance; and
- internal accounting and control systems.

The terms of the ARMCC Charter delegate authority to the ARMCC Committee to:

- obtain independent professional advice;
- obtain information to reasonably fulfil its duties;
- have access to the Group's records and personnel without Management present; and
- have access to the Group's internal and external auditors, with or without Management present.

The ARMCC also has the responsibility of monitoring the effectiveness of the design, implementation and management of SCPRE's Compliance Management Framework, including reviewing compliance-related policies, systems and processes and of making recommendations to the Board in respect of compliance matters.

The ARMCC is also responsible for making recommendations to the Board on risk management, see Section 7.1.

The members of the ARMCC, between them, have expertise in the areas of accounting and finance and property. The qualifications and experience of the members of the ARMCC, the number of meetings held and the number of meetings attended by each ARMCC member in the Reporting Period, are set out in the

Directors' Report, starting on page 61 of SCP's 2020 Annual Report, which is available at [www.scaproperty.com.au/investor/reports](http://www.scaproperty.com.au/investor/reports).

The ARMCC Charter can be found at [www.scaproperty.com.au/about/governance](http://www.scaproperty.com.au/about/governance).

#### **4.2 The Board should receive a declaration from the CEO and Chief Financial Officer (CFO) relating to the control environment and the quality of the Financial Statements**

In respect of both the half-year Financial Statements and the full-year Financial Statements, the CEO and the CFO confirm in writing to the Board that in their opinion:

- the financial records have been properly maintained in accordance with Section 286 of the Corporations Act;
- the Financial Statements and associated notes comply with the applicable Accounting Standards as required by the Act;
- the Financial Statements and the notes to the Financial Statements give a true and fair view of the financial position and performance;
- all other matters prescribed by the regulations in the Financial Statements and notes have been complied with; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

#### **4.3 Auditor to attend AGM**

SCA Property Group is not an entity that is required to hold an AGM. The Board, however, has determined that the Group will hold an AGM and will include in that meeting those resolutions usually considered by shareholders of a publicly listed company at its AGM. The 2020 AGM will be a virtual meeting due to restrictions imposed by COVID-19 on the physical attendance of Unitholders at the meeting.

The Group appointed Deloitte Touche Tohmatsu (Deloitte) as its Auditor in 2012. SCP has and will continue to ensure that Deloitte is invited to and attends the virtual AGM and is available to answer questions from Unitholders relevant to the audit.

In addition, the Group includes with its Notice of Meeting for the virtual AGM a form that Unitholders may complete asking questions of the auditor in advance of the virtual AGM.

### **PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURES**

#### **5.1 Listed entities should have a written policy designed to ensure compliance with ASX Listing Rules disclosure requirements and disclose it**

The Group's Continuous Disclosure Policy underlines the Group's commitment to ensuring Unitholders and the market receive timely, accurate and relevant information regarding the Group. The Group acknowledges that providing information in this way enables investors to trade in SCP units in an informed, efficient and competitive market.

All staff members are trained in the Group's Continuous Disclosure Policy to ensure all market-sensitive information is provided to senior management, enabling prompt disclosure. Discussion of events relevant to the Group that may require disclosure to the market is a standing agenda item at all Board meetings.

The Group's Continuous Disclosure Policy is available at [www.scaproperty.com.au/about/governance](http://www.scaproperty.com.au/about/governance).

### **PRINCIPLE 6: RESPECT THE RIGHTS OF UNITHOLDERS**

#### **6.1 A listed entity should provide information about itself and its governance to its investors via its website**

One of the Group's key communication tools is its website [www.scaproperty.com.au](http://www.scaproperty.com.au). The Group endeavours to keep its website up to date, complete and accurate. Important information about the Group can be found in the "About us", "Investor Centre" and "News & Announcements" sections.

#### **6.2 Listed entities should have a two-way investor relations program**

The CEO and CFO regularly engage with investors. SCA Property Group's results presentations are webcast, and investors, financial analysts and others are invited to participate in the discussion forum that follows.

The Board, through its Chair, and the Chairs of each Committee make themselves available to stakeholders and engage with them as required. The Chair and Deputy Chair and Chair of the Remuneration Committee meet with institutional investors, proxy advisors and representatives of Australian Shareholders Association.

The Group is conscious of the large number of retail Unitholders on its register and has considered their

needs in each communication, both in terms of content and the channels used for the dissemination of information. The Board has balanced the communication preferences of some Unitholders against the cost to the Group of meeting those Unitholders' preference for personal contact or paper-based communication. Consistent with the Group's sustainability commitment, wherever possible, it will communicate with investors electronically.

### 6.3 Participation at meetings

Comprising stapled managed investment schemes, the Group is not required to hold an AGM. The Board has determined, however, that the Group will follow the AGM regime specified for companies to the extent reasonably practicable. The 2020 AGM will be a virtual meeting due to restrictions imposed by COVID-19 on the physical attendance of Unitholders at the meeting.

To ensure the virtual AGM is productive and the Board is addressing Unitholders' concerns, investors are invited to pose a question or comment to the Board, Management or the external auditors in advance of the virtual AGM. These questions and comments are reviewed, collated and themes identified. The Chair of the Board will endeavour to respond to some of the more common questions and comments at the virtual AGM.

The virtual AGM will be webcast and made available on the Group's website.

### 6.4 Electronic communication between investors and SCP and its registry

SCA Property Group strongly encourages investors to provide contact details that permit us and our registry provider to communicate with them electronically. Communicating electronically with investors is more secure and reliable and also reduces the Group's carbon footprint, assisting us in meeting our sustainability goals. The Group provides email addresses on its website to allow investors and the wider public to contact us electronically.

Apart from making announcements to the ASX, our website remains one of the most important methods we use to keep investors up to date. Investors are encouraged to visit it regularly to receive the latest news from the Group.

## PRINCIPLE 7: RECOGNISE AND MANAGE RISK

### 7.1 Risk Committee

The Board has established an Audit, Risk Management and Compliance Committee (ARMCC) to oversee risk management. During the Reporting Period, the ARMCC was comprised of at least three Independent members, all of whom were Independent Directors. The ARMCC was chaired by an Independent Director who was not the Chair of the Board. The responsibilities of the ARMCC are set out in the Board-approved ARMCC Charter and, in respect of risk management, include making recommendations to the Board in relation to:

- governance processes and procedures for managing risk, such as the Group's Risk Management Policy, Risk Management Framework and Risk Registers, to ensure the appropriateness and adequacy of the risk management system;
- the Group's insurance arrangements in the context of any insurable business risks; and
- any evaluation arising from any exposure, or allegation of such, of the Group to fraud, malfeasance or any other significant risk event or breakdown of internal controls.

The terms of the ARMCC Charter delegate authority to the Committee to:

- obtain independent professional advice;
- obtain information to reasonably fulfil its duties;
- have access to the Group's records and personnel without Management present; and
- have access to the Group's internal and external auditor, with or without Management present.

The qualifications and experience of the members of the ARMCC, the number of meetings held and the number of meetings attended by each ARMCC member in the Reporting Period are set out in the Directors' Report starting on page 61 of SCP's 2020 Annual Report, which is available at [www.scaproperty.com.au/investor/reports](http://www.scaproperty.com.au/investor/reports).

The ARMCC Charter is available at [www.scaproperty.com.au/about/governance](http://www.scaproperty.com.au/about/governance).

## 7.2 Review of Risk Management Framework

The ARMCC is responsible for advising the Board on the adequacy of the Group's risk management system. In the Reporting Period, the ARMCC reviewed the Group's Risk Management Framework (Framework) and advised the Board that the Framework was consistent with AS/NZS ISO 31000:2009: Risk Management – Principles and Guidelines, and that the Group continued to have an approach to risk oversight, management and internal control that was appropriate for the Group's business.

## 7.3 Internal audit

The Group's ARMCC oversees the internal audit function and is responsible for examining the nature, extent and effectiveness of the internal audit program and delivery of the approved annual Internal Audit Plan. The Group has engaged an external professional internal audit provider to ensure that a systematic, disciplined and objective approach is applied to internal control processes. The internal audit function has direct access to the ARMCC members, and the Internal Audit Plan is developed with Management to ensure it appropriately reflects business value and risks and is approved by the ARMCC.

## 7.4 Material exposure to economic, environmental and social sustainability risk

SCA Property Group recognises that its operations can have social and environmental implications for its stakeholders, most significantly with regards to the wellbeing of the communities in which it operates and environmental sustainability. This can be material to investment value. The Group seeks to preserve or enhance investment value through managing environmental, social and governance risks and leveraging associated opportunities, and takes a practical, measurable and accountable approach, including:

- actively identifying potential environmental, social and governance risks;
- engaging its key stakeholders to understand relevant environmental, social and governance issues;
- being transparent with its performance on sustainability, setting and reporting against targets annually;
- integrating sustainability into its day-to-day operations and culture while continuously improving; and
- providing leadership in the communities in which shopping centres are located.

The Group's Sustainability Policy and the 2020 Sustainability Report are available at [www.scaproperty.com.au/about/sustainability](http://www.scaproperty.com.au/about/sustainability).

## PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

### 8.1 Remuneration Committee

The Board has a Remuneration Committee. In the Reporting Period, the Remuneration Committee was comprised of at least three Non-Executive Directors, all of whom were Independent Directors. The Remuneration Committee was chaired by an Independent Director. The responsibilities of the Remuneration Committee are set out in a Board-approved Remuneration Committee Charter and include making recommendations to the Board in relation to:

- remuneration of Executive Directors and senior management;
- the design of long-term incentive and equity plans, including employee participation in the plans;
- remuneration for Non-Executive Directors;
- succession planning for the CEO and other key management personnel;
- provision of superannuation; and
- review of remuneration by gender.

The terms of the Remuneration Charter delegate authority to the Committee to:

- obtain independent professional advice; and
- obtain information to reasonably fulfil its duties.

The qualifications and experience of the members of the Remuneration Committee, the number of meetings held and the number of meetings attended by each Remuneration Committee member in the Reporting Period are set out in the Directors' Report, starting on page 61 of SCP's 2020 Annual Report, which is available at [www.scaproperty.com.au/investor/reports](http://www.scaproperty.com.au/investor/reports).

The Remuneration Committee's Charter can be found at [www.scaproperty.com.au/about/governance](http://www.scaproperty.com.au/about/governance).

## 8.2 Remuneration policies and practices

In accordance with the terms of the Remuneration Committee Charter, in the Reporting Period the Remuneration Committee reviewed and approved the Group's overall remuneration policy in order to assess whether remuneration was market competitive and designed to attract, align and retain valuable members of staff.

While details of the Group's remuneration policies and practices are set out in the Remuneration Report, broadly:

- Non-Executive Directors receive their fees in cash. They receive a fixed amount and do not receive options, bonus payments or other performance incentives. They are not entitled to retirement benefits (other than superannuation); and
- Executive Directors and other Executive Key Management Personnel (KMP) receive both fixed and incentive-based remuneration. Details of remuneration and the policies and practices adopted by the Group in setting the remuneration of Executive Directors and of other Executive KMPs are outlined in the Remuneration Report, starting on page 31 of SCP's 2020 Annual Report, which is available at [www.scaproperty.com.au/investor/reports](http://www.scaproperty.com.au/investor/reports).

## 8.3 Prohibition on the use of derivatives

The Group's Securities Trading Policy prohibits the use of any derivatives in relation to any unvested SCP units (including unvested rights over SCP units) or vested SCP units that are still subject to disposal restrictions. Confirmation of this policy is included in the Remuneration Report, starting on page 31 of SCP's 2020 Annual Report, which is available at [www.scaproperty.com.au/investor/reports](http://www.scaproperty.com.au/investor/reports).



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