



# CORPORATE GOVERNANCE STATEMENT

## Introduction

The GPT Group (GPT or the Group) comprises GPT Management Holdings Limited (ACN 113 510 188) (GPTMHL) and General Property Trust (Trust). GPT RE Limited (ACN 107 426 504) (GPTRE) AFSL (286511) is the Responsible Entity of the Trust. GPT's stapled securities are listed on the Australian Securities Exchange (ASX).

The ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' 3rd Edition (Principles), provide a framework for good corporate governance. GPT has complied with the Principles for the 2019 year and lodged an Appendix 4G (Key to Disclosure – Corporate Governance Principles and Recommendations) with the ASX. GPT will report against the 4th Edition of the Principles in respect of the year ending 31 December 2020.

GPT regards good corporate governance as a fundamental component of GPT's commitment to Securityholders. GPT's Board strives to ensure that GPT meets high standards of governance across its operations.

Information on GPT's governance practices together with copies of relevant policies such as Board and Committee Charters, Code of Conduct, Continuous Disclosure Policy, Whistleblower Policy and Personal Dealing Policy can also be found in the 'Corporate Governance' section of GPT's website ([www.gpt.com.au](http://www.gpt.com.au)).

As a result of the stapling of the units in the Trust and the shares in GPTMHL, both entities operate as a coordinated group. For example, the entities must, to the extent possible, ensure the Boards of GPTRE and GPTMHL have the same composition and that meetings are held concurrently or consecutively. References to the "Board" in this statement are references to the Board of GPTRE and GPTMHL.

This statement is current as at 31 December 2019 and has been approved by the Board.

## Principle 1: Lay solid foundations for management and oversight

### 1.1 Role and Responsibilities of the Board and Delegation to Management

The Board is accountable to Securityholders for GPT's performance and responsible for the overall management and governance of GPT.

Specific responsibilities of the Board are set out in the Board Charter and include:

- setting the strategic objectives for GPT and ensuring it is followed;
- approving and monitoring business plans to execute strategy;
- overseeing financial and operational performance;
- approving major investments and strategic commitments;
- reviewing and monitoring systems of risk management, internal compliance and control, legal compliance and codes of conduct;
- approving the remuneration framework;
- reviewing Chief Executive Officer and Leadership Team performance and results;
- reviewing Director and Leadership Team compensation and benefits; and
- approving and monitoring financial and other reporting.



A copy of the Board Charter is available on GPT's website ([www.gpt.com.au](http://www.gpt.com.au)).

All matters not specifically reserved for the Board and necessary for the day-to-day management of GPT are delegated to management and the Board has approved delegated authority limits for management in this context which are subject to periodic review.

The Board has also delegated responsibilities to the Board Committees to deal with particular matters. A summary of the Board Committees and their membership during 2019 is set out below. The roles and responsibilities of the Board Committees is discussed in more detail throughout this statement.

Nomination Committee	Human Resources and Remuneration Committee	Audit Committee	Sustainability and Risk Committee
Vickki McFadden (Chairman)	Tracey Horton AO (Chairman) <sup>1</sup>	Michelle Somerville (Chairman)	Gene Tilbrook (Chairman) <sup>1</sup>
Eileen Doyle <sup>2</sup>	Gene Tilbrook <sup>3</sup>	Eileen Doyle <sup>2</sup>	Eileen Doyle <sup>3</sup>
Gene Tilbrook	Vickki McFadden	Gene Tilbrook <sup>4</sup>	Swe Guan Lim <sup>5</sup>
Swe Guan Lim	Angus McNaughton	Swe Guan Lim	Michelle Somerville
Michelle Somerville		Angus McNaughton	Tracey Horton AO <sup>4</sup>
Tracey Horton AO <sup>4</sup>			Mark Menhinnitt <sup>6</sup>
Mark Menhinnitt <sup>6</sup>			
Bob Johnston			
Angus McNaughton			

The Board and the Board Committees review GPT's governance framework to ensure it remains appropriate and takes into account any relevant regulatory changes. The Board and Board Committee Charters are reviewed annually.

## 1.2 Director and Senior Executive Appointments

All new Directors have formal agreements governing their appointment. These agreements set out:

- term of appointment – subject to Securityholder approval;
- remuneration;
- expectations in relation to attendance at meetings;
- expectations and procedures in relation to other directorships;
- procedures in relation to conflicts of interest;
- insurance and indemnity arrangements;
- compliance with governance policies (including Code of Conduct, Board and Committee Charters, Personal Dealing Policy and Conflicts Management Policy);
- access to independent advice; and
- confidentiality and access to information.

Appropriate background checks are undertaken in respect of all new Directors prior to their appointment. This includes background checks on character, experience, education, criminal record and bankruptcy history. Where a Director is standing for election or re-election, GPT provides Securityholders with a Notice of Meeting and Explanatory Memorandum which includes all information in the Group's possession to enable Securityholders to make an informed decision on whether to elect or re-elect a director.

All Senior Executives have formal agreements governing their employment. These agreements set out:

- job description;
- remuneration;
- requirements to comply with GPT's governance policies (including Code of Conduct, Personal Dealing Policy and Conflicts Management Policy);
- confidentiality obligations; and
- notice period and rights on termination of employment.

1. Appointed as Chairman and a member in May 2019.

2. Retired as a member and as a Director in May 2019.

3. Retired as Chairman and a member in May 2019.

4. Appointed as a member in May 2019.

5. Retired as a member in October 2019. Retired as a Director on 31 December 2019.

6. Appointed as a member in October 2019.

7. Excluding the Chief Executive Officer and Managing Director.

8. The quartiles are determined by remuneration, reflecting the principle that remuneration generally increases with seniority. GPT considers the top quartile of the business to be the 'senior leadership' of the Group.

## 1.3 Role of the Company Secretary

The Board must approve the appointment or removal of the Company Secretary and the Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

## 1.4 Diversity

GPT promotes an inclusive workplace where employee differences such as gender, age, ethnicity, culture, disability and sexuality are respected. GPT believes that an inclusive culture enhances the performance of the business and delivers long-term benefits for all its stakeholders. With this in mind, GPT is committed to recruitment, selection, development and succession processes for roles that ensures candidates are developed, selected or promoted on the basis of individual merit without bias, patronage or favouritism.

During 2019, GPT made further progress on its Diversity objectives, implementing strategies to promote gender diversity, increase First Nations representation, support the ageing workforce and advance LGBTI inclusion.

GPT has a gender diverse workforce which is 57% female and has a gender balanced Board<sup>7</sup> led by Chairman Vickki McFadden. Increasing female representation in the Leadership Team and within specific functions and occupations remains a focus for the Group. At the end of 2019, female representation in the top quartile of the Group was 46%<sup>8</sup>.

GPT continues to look at ways to provide development opportunities to emerging leaders to ensure that there is strong group of future successors within the Group. In addition, we seek to mitigate the challenges that may prevent our employees from pursuing their careers and realising their full potential at work due to carer responsibilities. This has included expanding

access to flexible work, providing enhanced parental leave, addressing the gender-based retirement savings gap by continuation of superannuation payments while on parental leave, and easing the financial burden of employees returning to work with a subsidy on childcare costs for eligible individuals. GPT continues to actively encourage and support men to access GPT's parental leave benefits to become a primary carer. The Group's progress and achievements in respect of gender diversity was recognised in February 2019 when the Group achieved its second consecutive Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality citation.

Prior to 2013 GPT had no employees that identified as First Nations, however as at the end of 2019, First Nations employees represent around 1.95% of GPT's permanent workforce and intern population. The Group aspires for First Nation representation to reach 3% and to accelerate progress, GPT has committed to a 10-year agreement with the Career Trackers program to increase our pipeline of First Nations interns. In addition, as part of GPT's current Stretch Reconciliation Action Plan (RAP) in 2019:

- the centre management team of each asset under management has developed relationships with Traditional Custodians in its region of operation, and across the portfolio GPT hosted more than 20 activations and events with community stakeholders to recognise and celebrate First Nations cultures in our communities; and
- the Group formalised a Social Plan at Casuarina Square in Darwin that has promoted a greater understanding of the role a shopping centre can play in supporting its community to prosper and, in partnership with retailers and government, has enabled a wide range of youth education activities aimed at 'at-risk' young people to be initiated in its first year of operation.

GPT also made further progress in 2019 with its LGBTI strategy under the auspices of GLAD, GPT's LGBTI Awareness & Diversity network. GLAD has now extended the "ally" network to cover a quarter of GPT's employees and provided training to employees through our partnership with Pride in Diversity. GPT was proud to participate in the Australian Workplace Equality Index (AWEI) and achieved a score of 77, consistent with the property sector average.

**i** A copy of GPT's Diversity Policy and additional information regarding diversity is available on GPT's website ([www.gpt.com.au](http://www.gpt.com.au)).

GPT's most recent 'Gender Equality Indicators' as defined and published under the Workforce Gender Equality Act are available at [www.wgea.gov.au](http://www.wgea.gov.au).

## 1.5 Review of Board Performance

The Board considers that annual reviews of its performance are essential in enhancing the Board's effectiveness, as well as providing an opportunity to raise and resolve issues. Performance reviews may be undertaken internally or with the assistance of an external facilitator and cover the activities of the Board and each of its Committees with feedback being provided by the Directors and members of the Leadership Team.

An evaluation of the Board's performance was undertaken by an external facilitator in 2019 in accordance with the current policy of an external review being undertaken every three years. The review indicated that the Board is performing well, with some minor refinements recommended which the Board and management continue to work through in 2020.

The Group also participates in investor surveys conducted by the Corporate Confidence Index and those results are considered by the Board.

## 1.6 Review of Senior Executives Performance

GPT has a performance management system to provide senior executives with clear performance objectives. Components of this system include GPT or business unit financial and non-financial key performance indicators, as well as an assessment of behaviours being consistent with GPT's desired values and culture. Key performance indicators are initially set by the Board for the Chief Executive Officer and then cascaded into the business.

The Human Resources and Remuneration Committee is responsible for making recommendations to the Board on the remuneration policy for senior executive remuneration. The Chairman of the Board and the Chairman of the Human Resources and Remuneration Committee meet with a number of institutional securityholders each year to discuss GPT's remuneration framework.

The Human Resources and Remuneration Committee conducts a performance review of the Chief Executive Officer annually. In turn, the Chief Executive Officer conducts annual performance reviews of the Leadership Team.

The performance of the Chief Executive Officer and Leadership Team during 2019 was reviewed in accordance with these principles.

**i** Further details can be found in the Remuneration Report on pages 16 to 26 of the Directors' Report in the GPT Group 2019 Annual Financial Report

## 1.7 Attendance at Board and Committee Meetings by Directors

The number of Board and Committee meetings held and Directors' attendance at those meetings during 2019 is set out in the Directors' Report in the GPT Group 2019 Annual Financial Report.

## 1.8 Access to Information and Independent Advice

Each Director enters into an Access and Indemnity Deed with GPT to ensure seven years access to documents after their retirement as a Director. The Board collectively, and each Director individually, subject to prior consultation with the Chairman of the Board, has the right to seek independent professional advice in the performance of their duties as a Director. Each Director also has unfettered access to internal records and senior management.

## Principle 2: Structure the board to add value

### 2.1 Composition of the Board and its Committees

The Board is committed to ensuring that directors have a collective mix of skills, experience, expertise and diversity (including gender diversity). The Board also seeks to have a mix of tenure for its directors to balance those who have established knowledge of GPT's business and history, with those who bring a fresh perspective and different insights.

The Board comprises six Non-Executive independent Directors and one Executive Director, with the Chairman being an independent Non-Executive Director. Details concerning the membership of the Board, the period of office and the experience and expertise of each of the Directors are set out in the GPT Group 2019 Annual Financial Report and are also available on GPT's website.

The Board has established the Nomination Committee, Audit Committee, Human Resources and Remuneration Committee and Sustainability and Risk Committee to assist it in carrying out its responsibilities. Each Committee has a formal Charter setting out its responsibilities and functions which is reviewed annually. The Chairman of each Committee is an independent Non-Executive Director with the appropriate qualifications and experience to carry out that role. Members of the Committees must all be Non-Executive Directors.

**i** Copies of the Committee Charters are available on GPT's website ([www.gpt.com.au](http://www.gpt.com.au)).

The Board receives minutes of Board Committee meetings and updates from the Chairman of each Board Committee.

### 2.2 Nomination Committee

GPT's Nomination Committee is responsible for undertaking the following activities on behalf of the Board:

- overseeing the succession planning process for the Board and Chief Executive Officer;
- maintaining and updating a skills matrix for Directors to enable the Board to ensure that the appropriate balance of skills, experience, expertise and diversity is maintained and, as appropriate, and that new directors are appointed to incorporate new ideas and challenge existing approaches;
- reviewing and recommending Non-Executive Director and Chief Executive Officer appointments;
- assisting in the selection and appointment of Non-Executive Directors in accordance with GPT's policy on Selection and Appointment of Directors; and
- when considered appropriate, reviewing the composition of the Board's committees and will make recommendations to the Board on any proposed changes to those committees.

All Directors are members of the Nomination Committee as set out in section 1.1.

The GPT Board is responsible for reviewing its succession planning requirements and needs. If a new Non-Executive director is required to be appointed to the Board, the Nomination Committee is responsible for overseeing the selection process. Before making a recommendation to the Board regarding potential candidates for the appointment of a new Non-Executive Director, the Nomination Committee will assess the skills matrix (refer to section 2.3), any future succession planning needs including the tenure of the Directors and diversity on the Board in accordance with GPT's policy on the Selection and Appointment of Directors. An external professional recruitment search firm may also be employed. This process was applied in the context of the Director appointments made in 2019.

**i** A copy of GPT's Selection and Appointment of Directors Policy is available on GPT's website ([www.gpt.com.au](http://www.gpt.com.au)).

### 2.3 Skills Matrix

The Board is committed to maintaining a diversity of skills, experience and attributes in the membership of the Board. The Board has identified the skills and experience set out in the table below as those required for GPT's directors to provide effective governance and direction for the Group.

#### Skills and experience

<b>Technical</b>	Property – Investment and Funds Management
	Property – Asset Management
	Property – Development
	Sustainability in the Built Environment
	Finance and Capital Management
	Accounting and Audit

<b>General</b>	Mergers and Acquisitions
	Strategy
	Risk Management
	Chairman of a substantial Board or Committee
	ASX 100 Senior Executive or Director
	Health and Safety
	Governance
	Legal, regulatory, compliance
	HR and Remuneration
	Digital Transformation

For each of the skills and experience identified, the level of experience is assessed using a set of objective criteria which include: tertiary qualifications; relevant industry experience or qualifications; and length of experience at a senior level.

For the 'Technical' areas identified above, the Board looks to have several members with extensive experience gained in senior executive or professional roles. For the 'General' areas, more widely spread exposure, across executive, professional and board roles is regarded by the Board as essential.

Having assessed its composition and the results of the analysis set out above, the Board considers that it has the appropriate mix of skills and experience to enable it to discharge its responsibilities.

The skills matrix continues to be reviewed and updated as appropriate and used by the Board as a key component of succession planning, committee membership and professional development. During 2019, the skills matrix was an integral part of both the planning for, and selection and appointment of both Tracey Horton AO and Mark Menhinnitt as Non-Executive independent Directors.

## 2.4 Director Independence

The Board is responsible for determining the independence of each Director. In determining each Director's independence, the Board refers to the following factors adapted from the Principles and set out in the Board Charter:

- the Director must be non-executive;
- the Director cannot be a substantial Securityholder of GPT;
- the Director must not have been employed in an executive capacity with GPT within the last three years;
- the Director must not have been a principal or employee of a material professional adviser or consultant to GPT within the last three years;
- the Director must not have been a material supplier or customer to GPT within the last three years;
- the Director has no material contractual relationship with GPT other than as a Director;
- the Director has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of GPT;
- the Director is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of GPT; and
- the Director's past performance (if applicable) in their role as a Director.

The Board recognises that the above factors are relevant in determining independence, but considers that independence is a matter of judgment having regard to all the facts and circumstances of particular relationships.

The Board considers that of the matters set out above, the most relevant consideration for determining the independence of GPT's Directors is that a Director be free from any interest, business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of GPT. This principle is also used when considering issues such as the materiality of any identified interest, business or relationship.

The Board evaluates the materiality of any interests or relationships on a case by case basis having regard to the circumstances of each Director.

Based on the criteria above, the Board considers all of its Non-Executive Directors to be independent.

## 2.5 Notification of Interests and Conflicts

Directors are required to notify the Chairman of any contract, office (including other directorships) or interest which might involve a conflict of interest and a list of interests is included at the front of the agenda for each Board meeting.

The Board has developed a Conflicts Management Policy to provide guidance in the event of a conflict of interest arising from the existence of obligations owed by certain Directors to other corporate entities, and also from any material personal interests held by the Directors. In particular, where a conflict of interest may exist, the conflicted Directors will not vote on the matter being considered or take remain present for the discussion unless all the non-conflicted directors agree otherwise.

 A copy of GPT's Conflicts Management Policy is available on GPT's website ([www.gpt.com.au](http://www.gpt.com.au)).

## 2.6 Induction and Training

On commencement of employment, all Directors and employees undertake an induction program which includes information on GPT's values, Code of Conduct, H&S and employment practices and procedures.

General compliance training is provided to all employees and specific training is provided depending on job function (e.g. to meet licensing requirements, or to meet specific industry or professional body accreditation requirements). GPT has also built an in-house learning and development capability to support the maintenance and development of required employee capabilities.

Ongoing training for Directors involves education programs which are incorporated into the Board program, visits to GPT's offices or assets and presentations on developments impacting the business or the wider economy.

# Principle 3: Act ethically and responsibly

## 3.1 Culture and Code of Conduct

The Board is committed to ensuring that there is a transparent and inclusive culture at GPT and understands the importance of the Board's and management's role in promoting and supporting behaviours that underpin the desired culture. The Board meets regularly with various levels of the organisation and at different asset locations to test and observe the organisation's culture. In addition, GPT's employee engagement surveys include questions designed to allow all GPT employees to provide their views on GPT's culture. The results of those surveys are reported to the Board. The Board has also developed a culture dashboard which it uses to assess indicators of culture.

The Group's Code of Conduct is an important aspect of establishing and maintaining that culture and assists Directors and employees to ensure that their conduct and the conduct of GPT meets the highest ethical and professional standards. All Directors and employees are bound by GPT's Code of Conduct. The Code of Conduct does not seek to provide prescriptive rules on every ethical issue that may be faced by Directors or employees. Rather it provides a benchmark for ethical behaviour to assist GPT to maintain the trust and confidence of all of GPT's stakeholders. The Code of Conduct also articulates the consequences if these standards are not met.

All employees receive Code of Conduct training on commencement of employment with GPT and routine refresher training thereafter.

### 3.2 Whistleblower Policy

GPT has a Whistleblower Policy that encourages the reporting of any misconduct including, contraventions of legal obligations; dishonest, corrupt, fraudulent or illegal conduct; conduct giving rise to significant risks to health and safety; inappropriate or unethical behaviour; and bullying or discrimination or victimisation.

The Policy requires that the CEO and Board receive updates on Whistleblower matters as required. In addition, the Audit Committee will at least once in a year receive a report in relation to the effectiveness of the Whistleblower Policy.

**i** Copies of GPT's Code of Conduct and Whistleblower Policy are available on GPT's website ([www.gpt.com.au](http://www.gpt.com.au)).

### 3.3 Trading in Securities and Hedging

In addition to its responsibilities under the Corporations Act 2001, the Board has established a Personal Dealing Policy for trading in GPT Securities. This policy provides that:

- subject to specific exemptions set out in the policy, Directors and employees are only permitted to trade in GPT Securities in the six week period beginning one day after the announcement of GPT's half year, full year results, the Annual General Meeting of Securityholders; or the provision by the Board of forecasts in an offer document released to the market;
- even during the permitted trading window, no Director or employee may deal in GPT Securities if he or she has information which, if publicly available, might have a material impact on the price of those Securities; and
- key Management Personnel (as defined by section 9 of the Corporations Act 2001) may not enter into an arrangement (with anyone) if the arrangement would have the effect of limiting that persons' risk exposure in respect of an element of their remuneration that has not vested or has vested but remains subject to a holding lock.

GPT's Code of Conduct also sets out an explanation and prohibition of insider trading.

**i** A copy of GPT's Personal Dealing Policy is available on GPT's website ([www.gpt.com.au](http://www.gpt.com.au)).

### 3.4 Political Donations

GPT's policy prohibits the Group making political donations.

### 3.5 Sustainability and Risk Committee

GPT is committed to operating a sustainable business delivering long-term Securityholder value. The Board has established a Sustainability and Risk Committee with a focus on:

- overseeing the risk management, compliance and internal control frameworks of GPT and considering any risk and compliance matters relating to the affairs of GPT that it determines to be desirable;
- reviewing GPT's system for compliance with relevant laws, regulations, industry standards and codes;
- reviewing and monitoring GPT's sustainability strategy, and overseeing the implementation of policies and systems in support of GPT's sustainability strategy, and monitoring progress toward goals and initiatives for continued improvement; and
- overseeing and reviewing the health and safety framework.

The members of the Sustainability and Risk Committee are all independent Non-Executive Directors and are set out in section 1.1.

**i** A copy of the Sustainability and Risk Committee Charter is available on GPT's website ([www.gpt.com.au](http://www.gpt.com.au)).

### 3.6 Governance for Externally Managed Funds

GPT recognises that as the manager of externally managed vehicles, conflicts or potential conflicts may arise from time to time between GPT and the externally managed funds.

Therefore, effective and transparent governance procedures are vital to ensure that the interests of investors in the funds are being protected.

GPT has adopted the following basic principles for managing conflicts of interest that may arise:

- regular reporting in relation to conflicts;
- training of executives on their responsibilities in providing services to externally managed funds as part of the funds management business;
- clear delineation of the matters that require investor consent in the operation of the funds; and
- fees paid to GPT by the funds are as stipulated in the documentation establishing the fund or otherwise on an "arm's length" basis.

GPT's funds management business currently comprises the GPT Wholesale Office Fund and GPT Wholesale Shopping Centre Fund (collectively the "Wholesale Funds"). The responsible entity of the Wholesale Funds is GPT Funds Management Limited (GPTFM), a subsidiary of GPTMHL. The Board of GPTFM is responsible for all decisions in respect of the Wholesale Funds and, if there is a conflict between the investors' interests and the interests of GPT, the Board of GPTFM must give priority

to their investors' interests. Under the arrangements entered into between GPT and investors in the Wholesale Funds, it has been agreed that the Board of GPTFM will be comprised of a majority of independent directors and transactions between the Wholesale Funds and GPT are to be approved by the Board of GPTFM (comprised only of its independent directors).

## Principle 4: Safeguard integrity in corporate reporting

### 4.1 Audit Committee

The Board has established the Audit Committee to give assurance regarding the quality and reliability of financial information used by the Board and to review and report on financial statements issued by GPT.

In addition, the Audit Committee performs a range of roles for the Board, including:

- reviewing the quality and reliability of the financial reporting processes;
- reviewing and reporting on financial statements issued by GPT;
- reviewing the external auditor's qualifications, performance, audit plans and independence;
- overseeing the internal audit function;
- overseeing the risk management framework to identify and manage all major tax risks; and
- ensuring that policies and procedures are in place to identify, measure, manage and monitor treasury risks, and that those policies and procedures are complied with.

At least one member of the Audit Committee has relevant accounting qualifications and experience and all members have a good understanding of financial reporting and risk management.

The members of the Audit Committee are all independent Non-Executive Directors and are set out in section 1.1.

### 4.2 Integrity in Financial Reporting, Risk Management and Internal Control

For the period ended 31 December 2019, the Board has received written assurance from the Chief Executive Officer and Chief Financial Officer that the declaration provided by them in accordance with section 295A of the Corporations Act is, in their opinion, founded on a sound system of risk management and internal compliance and control which, in all material respects, implements the policies adopted by the Board and that this system is operating effectively and efficiently in all material respects in relation to financial reporting. Since 31 December 2019 nothing has come to the attention of the Chief Executive Officer and Chief Financial Officer that would indicate any material change to these statements.

### 4.3 External Auditor

GPT's external auditor PricewaterhouseCoopers (PwC) was appointed in 2013. Under the Board's guidelines for the engagement of, and dealing with, the auditor which deal specifically with the independence of the auditor:

- the auditor's appointment will be reviewed every five years and the lead audit and review partner must be rotated every five years;
- any major non-audit work to be undertaken by the auditor must be approved by the Audit Committee;
- the Audit Committee regularly monitors the type of non-audit work undertaken by the auditor and the fees paid for such work; and
- the Audit Committee provides advice to the Board in relation to the independence of the auditor.

The Audit Committee is responsible for making recommendations to the Board on the appointment, reappointment, replacement, and remuneration of external Auditors. A new lead audit and review partner from PwC was appointed in 2018 in accordance with the guidelines.

All fees paid to the auditors are disclosed in GPT's Annual Financial Report. In relation to the audit of the Annual Financial Report of GPT for the year ended 31 December 2019, PwC has provided written confirmation to the Board that, to the best of its knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001; and
- any applicable code of professional conduct.

**i** A copy of PwC's independence declaration is included at page 27 of the GPT Group 2019 Annual Financial Report.

GPT's auditor attends GPT's Annual General Meeting and is available to answer Securityholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

## Principle 5: Make timely and balanced disclosure

### 5.1 Continuous Disclosure Policy

The Board is committed to ensuring that all stakeholders are fully informed in a timely manner so that trading in GPT Securities takes place in an informed and competitive market.

GPT has a Continuous Disclosure Policy which outlines the concepts and principles of continuous disclosure, how they apply in practice, the obligations on GPT personnel to keep the market informed at all times, the procedures to be followed in the case of a disclosable event and the penalties for contravening continuous disclosure obligations. All relevant employees receive training on GPT's continuous disclosure obligations to ensure timely disclosure of material information.

The Group has a Disclosure Committee comprising the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and the General Counsel & Company Secretary that meets regularly to ensure that GPT complies with its continuous disclosure obligations.

The Company Secretary and the Head of Investor Relations & Corporate Affairs are jointly responsible for communication with the Australian Securities Exchange in relation to listing rule obligations including continuous disclosure.

**i** A copy of the Continuous Disclosure Policy is available on GPT's website ([www.gpt.com.au](http://www.gpt.com.au)).

## Principle 6: Respect the rights of securityholders

The Board is committed to effective communication with GPT's stakeholders on all major developments and events concerning GPT's operations and financial results.

### 6.1 Communication with Stakeholders

In addition to complying with GPT's continuous disclosure obligations, timely and accurate information is made available to all stakeholders in the following manner.

Announcements are:

- released to the Australian Securities Exchange in the case of market sensitive information;
- posted to the 'News and Media' section of the GPT website (additionally, interested parties can register for GPT's 'Alert Service' to receive an emailed message following new announcements); and
- distributed to major media and investor contacts.

Major communication forums, such as Annual and Half-Year results briefings and the Annual General Meeting, are webcast. Securityholders are also able to elect to receive and send communications to the registry electronically.

GPT's extensive website includes the following information:

- copies of Annual Reports;
- historical information in relation to distributions including all distributions paid since 1985;
- detailed property information; and
- corporate governance documents such as Board and Committee charters and policies.

Executives also meet with investors and their representatives on a regular basis to discuss GPT's performance.

**i** Additional information regarding stakeholder engagement is available on GPT's website under the section on Sustainability.

## 6.2 Annual General Meeting

GPT's Annual General Meeting is held each year, typically between April and June. In addition to formal business, the meeting is an opportunity for Securityholders to be briefed on GPT's activities and to ask questions of the Board and management.

A Notice of Meeting and accompanying Explanatory Memorandum on proposed resolutions is provided to Securityholders well in advance of any meeting of Securityholders. It is also posted on GPT's website and lodged with the Australian Securities Exchange.

Securityholders who are not able to attend GPT's Annual General Meeting are able to vote by proxy in accordance with the Corporations Act 2001 and also view the Annual General Meeting by webcast. Additionally, the Chairman's address is immediately announced to the Australian Securities Exchange following the Annual General Meeting.

GPT has a practice of resolutions at the Annual General Meeting being decided by poll rather than a show of hands.

## Principle 7: Recognise and manage risk

### 7.1 Board oversight of risk

The Board is ultimately accountable for corporate governance and the appropriate management of risk. The Board determines the risk appetite and oversees the risk profile to ensure activities are consistent with GPT's strategy and values. The Sustainability and Risk Committee supports the Board and is responsible for overseeing and reviewing the effectiveness of the risk management framework.

The Sustainability and Risk Committee's specific responsibilities relating to risk management include:

- overseeing and reviewing the effectiveness of GPT's risk management framework that incorporates a system of assurance confirming that GPT's material risks are being considered and appropriately managed;
- overseeing management establishing a sound risk culture to ensure the effective operation of the risk management framework;
- monitoring and assessing whether GPT operates within the Group's stated appetite for risk;
- receiving and reviewing reports regarding material business risks undertaken in accordance with the risk management framework and through these reports, monitoring the progress of management action plans;
- making recommendations to the Board on any material issues arising from reports to the Sustainability and Risk Committee;
- reviewing the adequacy of insurance cover;
- reviewing GPT's crisis management, business continuity and disaster recovery plans and annual testing of those plans; and
- reviewing GPT's Risk Management Policy.

The Chairman of the Sustainability and Risk Committee reports the proceedings, deliberations and recommendations of the Committee to the next meeting of the Board following any meeting of the Committee.

**i** A copy of the Sustainability and Risk Committee Charter is available on GPT's website ([www.gpt.com.au](http://www.gpt.com.au)).

## 7.2 Reviewing GPT's risk management framework

The Sustainability and Risk Committee's Charter requires members to oversee and review the effectiveness of GPT's risk management framework and to review the GPT Risk Management Policy. A review has been undertaken for 2019 and the Sustainability and Risk Committee is satisfied that the Group's risk management framework and related Risk Management Policy effectively support management's execution of strategy within the Board's appetite for risk.

## 7.3 Internal Audit

Internal Audit's purpose is to provide the Board and management with independent and objective assurance and advice on the effectiveness of the GPT Group's system of risk management, internal compliance, control and governance. Internal Audit personnel report to the Chief Risk Officer, and both have separate direct reporting responsibilities to the Audit Committee. The Audit Committee review and approve GPT's Internal Audit Charter and strategic internal audit plan. The Audit Committee receives and reviews reports regarding internal audit activity undertaken, and through these reports monitors the progress of management action plans. The Audit Committee make recommendations to the GPT Board on any material issues arising from the reports. Internal Audit has unfettered access to all of GPT's assets, systems, employees and records to execute its role and activities.

## 7.4 Material risk exposure

The Directors' Report in the 2019 Annual Financial Report addresses the Group's material risks (including any material exposure to environmental and social sustainability risks) and the strategies used to manage them.

During 2019, GPT undertook work to create a series of climate change disclosures aligned to the Taskforce for Climate-related Financial Disclosure (TCFD) recommendations.

 GPT's detailed TCFD disclosure statement is available on our website: [gpt.com.au/index.php/sustainability](http://gpt.com.au/index.php/sustainability)

# Principle 8: Remunerate fairly and responsibly

## 8.1 Role of the Human Resources and Remuneration Committee

The Board has established a Human Resources and Remuneration Committee to undertake the following activities on behalf of the Board:

- overseeing the management of culture;
- implementing, monitoring, evaluating and overseeing GPT's remuneration framework;

- reviewing and recommending to the Board for approval the remuneration for the Board and Chief Executive Officer and approving remuneration for other members of the Leadership Team;
- reviewing and recommending to the Board for approval the key performance indicators for the Chief Executive Officer and assessing the Chief Executive Officer's performance against those key performance indicators;
- reviewing compliance with legal and regulatory requirements associated with the activities of the Committee;
- overseeing the succession planning process for the Leadership Team (excluding the Chief Executive Officer, which is a responsibility of the Nomination Committee);
- approving and overseeing the implementation of GPT's diversity and inclusion strategy, initiatives and policies; and
- receiving reports in relation to talent development and employee engagement initiatives.

## 8.2 Remuneration Framework

GPT's remuneration framework is designed to demonstrate a clear and direct link between GPT's performance and an individual's performance and remuneration.

The Board, with the assistance of the Human Resources and Remuneration Committee, aims to create a remuneration system that:

- is transparent;
- is fair and market competitive;
- encourages superior performance by aligning employee rewards with the interests of all stakeholders and balances appropriate risk taking behaviours;
- attracts, motivates, retains and rewards talented and skilled directors, executives and employees; and
- rewards employees who align their conduct and performance with the core values and culture of GPT.

Non-Executive Directors receive fees which reflect their skills, responsibility and time commitment in the discharge of their duties. There is no performance link, in that fees are fixed with no short or long term incentive schemes in place. Non-Executive Directors do not receive any retirement benefits.

GPT's philosophy and the policies and procedures (including in relation to performance rights granted under GPT's incentive plans) that are applied to determine the nature and amount of remuneration paid to Directors and key management personnel are set out in the Remuneration section of the Directors' Report in the GPT Group 2019 Annual Financial Report (pages 3 to 26).

GPT's Personal Dealing Policy restricts employees from entering into arrangements which have the effect of limiting that employee's risk exposure in respect of an element of their remuneration that has not vested, or has vested but remains subject to a holding lock.

# ASX Corporate Governance Recommendation Reconciliation to 31 December 2019

Principles and Recommendations	Reference	Comply
<b>1 Lay Solid Foundations for Management and oversight</b>		<b>Yes</b>
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.	1.1 Board Charter	Yes
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.	1.2 Selection and Appointment of Directors Policy	Yes
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	1.2 Nomination Committee Charter Human Resources and Remuneration Committee Charter	Yes
1.4 The company secretary is a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	1.3 Board Charter	Yes
1.5 A listed entity should: a. have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; b. disclose that policy or a summary of it; and 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: 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 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.	1.4 Human Resources and Remuneration Committee Charter	Yes
1.6 A listed entity should: a. have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	1.5 Board Charter Nomination Committee Charter	Yes
1.7 A listed entity should: a. have and disclose a process for periodically evaluating the performance of its senior executives; and b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	1.6, 8.2	Yes
<b>2 Structure the Board to add value</b>		<b>Yes</b>
2.1 The board of a listed entity should: a. have a nomination committee which: 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, and disclose: 3. the charter of the committee; 4. the members of the committee; and 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 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.	1.7, 2.1, 2.2, 8.1 Directors' Report	Yes

Principles and Recommendations	Reference	Comply
2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	2.3	Yes
2.3 A listed entity should disclose:	2.4	Yes
a. the names of the directors considered by the board to be independent directors;	Board Charter	
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	Directors' Report	
c. the length of service of each director.		
2.4 A majority of the board of a listed entity should be independent directors.	2.1, 2.4	Yes
	Board Charter	
	Directors' Report	
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.	2.1	Yes
	Board Charter	
	Directors' Report	
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.	2.6	Yes
<b>3 Act ethically and responsibly</b>		<b>Yes</b>
3.1 A listed entity should:	3.1	Yes
a. have a code of conduct for its directors, senior executives and employees; and	Board Charter	
b. disclose that code or a summary of it.		
<b>4 Safeguard integrity in corporate reporting</b>		<b>Yes</b>
4.1 The board of a listed entity should:	1.7, 2.1, 4.1, 7.1	Yes
a. have an audit committee which:	Audit Committee Charter	
1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and	Directors' Report	
2. is chaired by an independent director, who is not the chair of the board, and disclose:		
3. the charter of the committee;		
4. the relevant qualifications and experience of the members of the committee; and		
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		
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 financial reporting.		
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.	4.2	Yes
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.	4.3	Yes
<b>5 Make timely and balanced disclosure</b>		<b>Yes</b>
5.1 A listed entity should:	5.1	Yes
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.		
<b>6 Respect the rights of security holders</b>		<b>Yes</b>
6.1 A listed entity should provide information about itself and its governance to investors via its website.	6.1	Yes
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	6.1	Yes
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.	6.2	Yes
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.	6.1	Yes

Principles and Recommendations		Reference	Comply
<b>7</b>	<b>Recognise and manage risk</b>		<b>Yes</b>
7.1	The board of a listed entity should: <ul style="list-style-type: none"> <li>a. have a committee or committees to oversee risk, each of which: <ol style="list-style-type: none"> <li>1. has at least three members, a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director, and disclose: <ol style="list-style-type: none"> <li>3. the charter of the committee;</li> <li>4. the members of the committee; and</li> <li>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</li> </ol> </li> </ol> </li> <li>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.</li> </ul>	1.7, 2.1, 4.1, 7.1 Sustainability and Risk Committee Charter Directors' Report	Yes
7.2	The board or a committee of the board should: <ul style="list-style-type: none"> <li>a. review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>b. disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul>	7.2	Yes
7.3	A listed entity should disclose: <ul style="list-style-type: none"> <li>a. if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>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.</li> </ul>	7.3	Yes
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.	7.4	Yes
<b>8</b>	<b>Remunerate fairly and responsibly</b>		<b>Yes</b>
8.1	The Board of a listed entity should: <ul style="list-style-type: none"> <li>a. have a remuneration committee which: <ol style="list-style-type: none"> <li>1. has at least three members, a majority of whom are independent directors;</li> <li>2. is chaired by an independent director, and disclose <ol style="list-style-type: none"> <li>3. the charter of the committee;</li> <li>4. the members of the committee;</li> <li>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</li> </ol> </li> </ol> </li> <li>b. if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level.</li> </ul>	1.7, 2.1, 2.2 Human Resources and Remuneration Committee Charter	Yes
8.2	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.	8.2 Directors' Report	Yes
8.3	A listed entity which has an equity-based remuneration scheme should: <ul style="list-style-type: none"> <li>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</li> <li>b. disclose that policy or a summary of it.</li> </ul>	8.2	Yes