

## Appendix 4G

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

Introduced 01/07/14 Amended 02/11/15

**Name of entity**

Investa Office Fund

**ABN / ARBN**

Investa Office Fund comprising the Armstrong Jones Office Fund (ARSN 090 242 229) and the Prime Credit Property Trust (ARSN 089 849 196)

**Financial year ended:**

30 June 2017

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

- These pages of our annual report:
- This URL on our website: [www.investa.com.au/about-investa/governance#iof](http://www.investa.com.au/about-investa/governance#iof)

The Corporate Governance Statement is accurate and up to date as at 8 September 2017 and has been approved by the board.

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

Date: 26 September 2017

Name of Director or Secretary authorising lodgement: Andrew Murray, Company Secretary

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<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: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input checked="" 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: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input checked="" 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: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input checked="" 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.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <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 <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at <i>[insert location]</i></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 <i>[insert location]</i></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 <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></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 type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></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 type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" 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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ✓ in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): ✓ in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: ✓ in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<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: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> ✓ 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: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> ✓ 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: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> ✓ 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: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: ✓ in our Corporate Governance Statement <u>OR</u> ✓ at <a href="http://www.investa.com.au/about-investa/governance#iof">www.investa.com.au/about-investa/governance#iof</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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<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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p>✓ in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p>✓ at <a href="http://www.investa.com.au/about-investa/governance#iof">www.investa.com.au/about-investa/governance#iof</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.investa.com.au/about-investa/governance#iof">www.investa.com.au/about-investa/governance#iof</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<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.	<p>... information about us and our governance on our website:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.investa.com.au/about-investa/governance#iof">www.investa.com.au/about-investa/governance#iof</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
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"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <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"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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<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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



## Key to Disclosures Corporate Governance Council Principles and Recommendations

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7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<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: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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<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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p>✓ 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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p>✓ we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <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>✓ we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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

# Investa Office Fund

## 2017 Corporate Governance Statement

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### Introduction

Investa Office Fund (**IOF**) is comprised of the Armstrong Jones Office Fund (ARSN 090 242 229) (**AJO Fund**) and the Prime Credit Property Trust (ARSN 089 849 196) (**PCP Trust**), two managed investment schemes registered with the Australian Securities and Investments Commission (**ASIC**). The units in the AJO Fund are stapled to units in the PCP Trust, and the stapled securities are listed on ASX under the code IOF.

Investa Listed Funds Management Limited (ACN 149 175 655, AFSL 401 414) (**ILFML**) has acted as the responsible entity of IOF since 8 July 2011. The board of directors of ILFML (**Board**) is committed to the highest standards of corporate governance and ethical conduct, recognising these as essential components of ILFML's responsibility to investors in IOF. Through its commitment to transparency, the Board has developed a robust framework to ensure its governance objectives are met, risk is monitored and assessed, and performance is optimised.

During the year ended 30 June 2017 (**FY17**), the corporate governance framework of IOF was consistent with the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Principles**) as they apply to externally managed listed trusts. In accordance with the Principles, this Corporate Governance Statement and the policies referred to within it are published in the governance section of the Investa website at [www.investa.com.au/about-investa/governance#iof](http://www.investa.com.au/about-investa/governance#iof) rather than in the Annual Report.

This Corporate Governance Statement was approved by the ILFML Board and is current as at 8 September 2017 in accordance with ASX Listing Rule 4.10.3.

Capitalised terms in this statement have the meanings given in the glossary at the end of this statement. References to the "Annual Report" are to the IOF 2017 Annual Financial Report lodged with ASX on 26 September 2017.

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

#### 1.1 Role and responsibility of ILFML

IOF is managed under the supervision and direction of the Board of ILFML. The primary role of the Board is to operate IOF in accordance with the constitution of each of the AJO Fund and the PCP Trust, the ASX Listing Rules, and all applicable laws, including the Corporations Act 2001 (Cth) (**Corporations Act**). The Board must ensure it acts in the best interests of Unitholders and that the activities of IOF are conducted in a proper and efficient manner.

Key responsibilities of the Board include:

- reviewing the performance of management, including the Fund Manager and the adequacy of resources allocated to ILFML by Investa;
- providing input into and final approval of management's strategy and performance objectives for the Fund;
- reviewing and if appropriate approving significant transactions;
- overseeing the administration of ILFML, including risk and compliance monitoring functions;
- reviewing the appropriateness of management's risk management processes;
- reviewing the Fund's policies and procedures; and
- establishing formal committees to assist in discharging its responsibilities, for example the Audit and Compliance Committee.

The Board has adopted a Charter which sets out additional information about the role and responsibilities of the Board.

#### 1.2 Role and responsibility of Investa

The Board has engaged Investa Office Management Pty Limited (ACN 161 354 016) (**IOM**) and its subsidiaries (together, **Investa**) to provide management services to IOF and its controlled entities. Investa is responsible for providing the resources to enable ILFML to appropriately and adequately conduct its funds management operations and to administer the affairs of IOF.

In particular, Investa is responsible for implementing the strategy and performance objectives of IOF and its day to day operations.

The Board has also granted specific delegated authorities to Investa, including in respect of project expenditure, operational expenditure, leasing, accounting and treasury.

The Board retains overall responsibility for the management of IOF and oversees and reviews the activities of Investa and provides strategic guidance. The Board's oversight of the activities of Investa and its management is supported by the appointment of an Independent Director of the ILFML Board to the board of IOM.

References to actions, intentions, or commitments of Investa or IOM in this statement are made on the basis of statements reported by or on behalf of Investa to ILFML and its representatives. The Board has no reason to doubt the accuracy or reasonableness of these statements.

The corporate governance structure adopted by the Board reflects ILFML's role as responsible entity of an externally managed listed real estate trust, which is different from the corporate governance structure adopted by listed companies.

### 1.3 Directors and Senior Executives

IOM, which is the direct parent company of ILFML and the manager of IOF, ensures that all Directors have formal agreements governing their appointment. These agreements set out the term of the appointment, remuneration, and other key terms in relation to the appointment of directors.

IOF has arrangements in place with Investa under which Investa has agreed to provide IOF with senior executives responsible for the day to day management of the Fund. Investa ensures that those senior executives are appointed under written agreements which set out the terms of their appointment.

### 1.4 Company Secretary

Andrew Murray is the Company Secretary for ILFML and has over 15 years' legal experience with an extensive background in real estate, funds management and corporate transactions. Andrew is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

### 1.5 Diversity and Equal Employment

Investa is fully committed to creating a workplace in which diversity in all its forms is recognised, embraced and respected. This is grounded in a belief that a diverse and inclusive work environment drives improved commercial performance and contributes to investor value through:

- broadened perspective, thinking, creativity and decision making;
- better understanding of and connection to the diverse communities and markets in which Investa operates, allowing Investa and its funds

to better meet the needs of clients, investors and employees;

- improved employee engagement and productivity through harnessing each individual's unique capabilities; and
- achieving competitive advantage through improved reputation and optimised business performance.

Investa's commitment to diversity and inclusion in the workplace is set out in its Diversity and Inclusion Policy, which can be found in the governance section of the Investa website. While ILFML does not have any employees, ILFML reviews Investa's progress towards achieving its diversity and inclusion objectives.

Investa has also established a Diversity and Inclusion Committee, chaired by its Chief Executive Officer, Jonathan Callaghan, which consists of representatives from across the diverse groups that make up the Investa business. The aim of this committee is to guide strategies and sponsor initiatives to create an inclusive and innovative culture – one that aligns to the Investa Diversity and Inclusion Policy and supports its strategic objectives.

During FY17, Investa continued to pursue improved gender equality outcomes through enhanced reporting on gender metrics to a senior executive and board level, assessing gender as part of talent and succession processes, and targeting female talent for traditionally male dominated job functions across the business. Management training and mentoring for high potential women in the business was also conducted to maintain a pipeline of female candidates for senior management roles.

Externally facilitated gender pay equity analysis was conducted for the second consecutive year, with actions being taken as a result of the findings. Analysis of this kind was also integrated into all cyclical remuneration processes during the course of the year.

Investa's Chief Executive Officer Jonathan Callaghan continued his active involvement as a Property Male Champion of Change (**PMCC**), with a particular focus on growing the talent pool in the property sector. IOF Fund Manager Penny Ransom was appointed as Chairman of the NSW Diversity Committee of the Property Council of Australia (**PCA**). The PCA Committee was heavily involved in the successful launch of the inaugural 'Girls in Property Week', also targeting ways to further grow the pipeline of female talent into the industry. Investa will continue to work with the PMCC and PCA to drive improved gender equality across the property sector in Australia.

In early 2017, Investa further strengthened its response to issues of domestic violence in the workplace through training all people managers and first responders on managing issues of domestic and family violence in the workplace.

Investa is committed to achieving gender balance at all levels of the organisation, establishing a target for FY17 to achieve a 40:40:20 (40% female, 40% male, 20% balance variable) gender representation across all managerial and professional role categories, in accordance with the Workplace Gender Equality Act 2012 (Cth) job classifications. This target was achieved in 4 out of 5 categories, with pleasing progress made in the remaining category.

All permanent Investa employees, including senior executives, had key performance indicators linked to variable remuneration to measure the achievement of diversity objectives. Progress against this objective was reported to a board level on a regular basis. Investa has lodged its 2016/17 WGEA report with a copy available at [www.wgea.gov.au/report/public-reports](http://www.wgea.gov.au/report/public-reports).

Creating an inclusive culture is a key focus for Investa and has been the objective of a number of activities over the past 12 months. This includes targeted education for employees around LGBTI inclusion and celebration of Harmony Day in recognition of the significant cultural diversity of Investa's workforce.

Investa also has in place an Equal Employment Opportunity Policy to ensure that it develops a working environment and culture that is fair and enables all employees to make a valuable contribution to their role and the business operation. The policy also ensures that any form of discrimination or harassment is eliminated from the workplace.

## 1.6 Board performance and education

The Board undertakes a review of the Board's performance annually. This includes a review of the objectives of the Board and its Committees and progress towards achieving these objectives, a review of the Board and its Committee's processes, achievements and composition and any areas for improvement.

A performance evaluation for the Board, its Committees and Directors has taken place in respect of the reporting period in accordance with this process. The outcomes of the evaluation were then reviewed and discussed by the Board.

Directors have the opportunity to visit IOF's properties and to meet with management to gain a better understanding of IOF's operations, and receive regular updates on relevant matters such as property industry issues, economic outlook and developments in accounting standards.

The fees of the Independent Directors of ILFML are determined and paid for by ILFML and not by IOF itself.

During FY17, the remuneration paid by ILFML to its Directors was as follows:

Director	Director Category	Remuneration
Richard Longes	Independent Director and Chairman	\$200,000
John Fast	Independent Non-Executive Director	\$150,000
Geoff Kleemann	Independent Non-Executive Director	\$150,000
Robert Seidler AM	Independent Non-Executive Director	\$150,000
Jonathan Callaghan <sup>1</sup>	Executive Director (CEO, Investa)	Nil

## 1.7 Evaluation of senior executive performance

IOM, and not ILFML itself, is responsible for the remuneration and performance of Investa senior executives and employees involved in the management of IOF.

Investa has an established process for setting and measuring the performance of all senior executives and employees. This process includes the setting of annual key performance indicators for each employee which are formally reviewed on a half and full year basis. All senior executives have defined objectives and have a discretionary element to their total remuneration, which is based on achieving defined objectives. Regular reviews are undertaken to ensure that the agreed objectives are met during the year.

Furthermore, the Investa management team dedicated to IOF has performance based remuneration aligned to the performance and key objectives of IOF. Regular reviews are undertaken to ensure that the agreed objectives are met during the year. The Independent Directors review the key performance indicators associated with the variable component of the Fund Manager's remuneration to ensure alignment with Unitholder interests.

The performance of all Investa employees was reviewed in accordance with the above processes during FY17.

<sup>1</sup> Resigned on 13 December 2016

## **2 Principle 2: Structure the Board to add value**

### **2.1 Nomination and selection of Directors**

The appointment of Directors is governed by the constitution of ILFML and the Corporations Act. Under the constitution of ILFML, Directors may be appointed by the Board or by IOM. Unitholders have the opportunity to ratify the appointment of Independent Directors under the governance arrangements applying to IOF.

The Board has established a committee comprised of all of the Independent Directors in order to address board succession issues and to ensure that the Board has an appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. As announced to ASX on 8 August 2017, ILFML has appointed global search and leadership advisory firm, Russell Reynolds Associates, to assist with succession and diversity planning for the Board by expanding the number of Independent Directors and the Board's diversity.

As set out in the Board Charter, Directors are appointed with the aim of ensuring the Board has:

- an appropriate blend of skills, experience and expertise;
- a proper understanding of, and competence to understand, deal with and provide responses and reactions to the day-to-day operation of IOF; and
- a majority of Independent Directors.

### **2.2 Experience and Qualifications of Directors**

The Directors have a wide range of professional skills with particular experience in property and funds management, investment management, audit, legal and governance which are seen as the appropriate mix of skills required for their role as the directors of ILFML. An overview of the experience, qualifications, and memberships of each Director is set out below.

#### **Richard Longes – Independent Director and Non-Executive Chairman**

Richard Longes is an Independent Director and non-executive chairman of ILFML. Richard is also Chairman of Liberty Financial Pty Limited, Terrace Tower Group Pty Limited and Investec Australia Limited. He was previously Chairman of GPT and Deputy Chairman of Lend Lease, as well as a Director of a number of public companies.

#### **John Fast – Independent Non-Executive Director**

John Fast is an Independent Director of ILFML. John is the Executive Chairman of Seawick Pty Limited and was until recently joint managing director of Dragoman Pty

Limited, which he co-founded. John is also Chairman of NIEF Limited, Deputy Chairman of the Norman Beischer Medical Research Foundation, Non-Executive Director of the Australian Brandenburg Orchestra and Chairman of the Advisory Board of the Rotary Aboriginal and Torres Strait Islanders Tertiary Scholarship.

#### **Geoff Kleemann – Independent Non-Executive Director**

Geoff Kleemann is an Independent Director of ILFML and Non-Executive Chairman of the Audit and Compliance Committee of ILFML. Geoff was previously Independent and Non-Executive Director of Asciano Limited and a Non-Executive Director of Broadspectrum Limited.

#### **Robert Seidler AM – Independent Non-Executive Director**

Robert Seidler AM is an Independent Director of ILFML and a Director of IOM. Robert is also Chairman of Hunter Phillip Japan Limited, a member of CIMIC Group Limited's board and Vice-President of the Australia-Japan Business Co-operation Committee. Robert recently retired as Chairman of Leighton Asia and Chairman of Leighton Properties Pty Limited. He also previously served as a Board member for Valad Property Group and Australian Prime Property Fund.

### **2.3 Independent Directors and Length of Service**

As at the date of this statement, all of the Directors of ILFML are Independent Directors. In determining the independence of its directors, ILFML has had regard to the guidelines provided by the ASX Corporate Governance Council in Principle 2 of the Principles and section 601JA(2) of the Corporations Act. The period of office held, the independence status of each Director and the attendance at meetings of the Board during FY17 are shown in the table on the next page.

Director	Appointed	Last elected or re-elected at AGM	Independence status	Number of meetings held while the individual was a Director	Number of meetings attended by the Director
Richard Longes	15 April 2016	20 October 2016	Independent Non-Executive	17	17
John Fast	15 April 2016	20 October 2016	Independent Non-Executive	17	16
Geoff Kleemann	15 April 2016	20 October 2016	Independent Non-Executive	17	17
Robert Seidler AM	15 April 2016	20 October 2016	Independent Non-Executive	17	16
Jonathan Callaghan <sup>2</sup>	15 April 2016	N/A	Executive	7	7

To ensure that the Board remains independent, the Board has also adopted the following procedures for ensuring independence.

**(a) Disclosure of Directors who are independent**

In the event an existing Director is assessed to no longer be independent, ILFML, on behalf of IOF, will disclose this fact to the ASX as soon as practicable after the assessment has been made.

**(b) Independent decision making**

Directors have, in appropriate circumstances, and subject to prior discussion with ILFML's Chairman the right to seek independent professional advice on matters relating to the Fund, including matters relating to the discharge of ILFML's obligations under the constitution of the AJO Fund and/or the PCP Trust and the law, the cost of which may be borne by ILFML or, where permitted, IOF.

**(c) Conflicts of interest and Directors' standing notice register**

Directors owe a duty to avoid any conflicts of interest that may arise. A conflict may arise through a personal interest or a duty to a third party.

Therefore, if a possible conflict of interest arises in respect of a Director i.e. a material personal interest in a matter, that Director is required to make full disclosure to the Board as soon as possible or contact the Company Secretary. A register of Directors'

standing notices of interest is held by the Company Secretary.

In the event a conflict or potential conflict situation exists, the conflicted Director must be absent from the meeting while the Board discusses the matter and may not vote on the matter, unless the other Directors, who do not have a material personal interest in the matter are satisfied that the interest should not disqualify the Director from voting or being present.

**2.4 Majority of Independent Directors**

As at the date of this statement, all of the Directors of ILFML are Independent Directors. Under a deed poll dated 10 June 2015, IOM has agreed that:

- the Board will consist of a majority of Independent Directors and the Chairman will be an Independent Director;
- each Independent Director will have a term that expires at the conclusion of the general meeting of the Unitholders held in the third year after the year in which they were appointed or their re-appointment is approved, unless further 3 year terms are approved by an ordinary resolution of the Unitholders; and
- the appointment of an Independent Director by the Board or ILFML's parent will be subject to ratification by the Unitholders at the next general meeting, which must be held no more than 12 months after that appointment.

<sup>2</sup> Resigned on 13 December 2016



## 2.5 Independent Chairman

The Chairman of the Board is Richard Longes who is an Independent Director.

As noted above in section 2.4, under the governance arrangements applying to IOF, IOM has agreed that the chairman of the ILFML Board will be an Independent Director.

## 3 Principle 3: Act ethically and responsibly

Investa has established a Code of Conduct which outlines acceptable standards of behaviour and attitudes expected from Directors and employees to promote and maintain the confidence and trust of all those dealing with Investa. A copy of the Code of Conduct is located in the governance section of the Investa website. The key principles of the Code of Conduct are:

- acting with honesty and integrity;
- complying with the law and internal policies, including in relation to conflicts of interest;
- respecting confidentiality and not misusing information;
- maintaining professionalism; and
- avoiding conflicts of interest.

The Code of Conduct is supplemented by a number of Investa policies, including the Resolution of Conflict of Interest Policy and the Whistleblower Policy. Under the Whistleblower Policy, staff are expected to report any serious issues and these will be investigated fairly. Individuals who report serious issues in good faith are appropriately protected.

## 4 Principle 4: Safeguard integrity in corporate reporting

### 4.1 Audit and Compliance Committee

#### (a) Audit Committee

The Board has established an Audit and Compliance Committee (**Audit Committee**). As at the date of this statement, the members of the Audit Committee are the Independent Directors of ILFML.

#### (b) Chairman of the Audit Committee

The Chairman of the Audit Committee is Geoff Kleemann, who is an Independent Director.

#### (c) Audit Committee Charter

The Audit Committee operates under a Board approved charter (**Audit Committee Charter**), which is available in the governance section of the Investa website.

#### (d) Qualifications and experience of Audit Committee members

The qualifications and experience of the members of the Audit Committee are set out in section 2.2 above and on the Investa website. As required by the Audit Committee Charter, all members are financially literate and at least one has accounting or related financial expertise.

#### (e) Meetings of the Audit Committee

The Audit Committee is required to meet a minimum of four times per year, or more frequently if required. Attendance at the meetings of the Audit Committee for FY17 is shown in the table below.

Committee member	Number of meetings held while the individual was a member of the Audit Committee	Number of meetings attended by the individual
Richard Longes	4	4
John Fast	4	3
Geoff Kleemann	4	4
Robert Seidler AM	4	4

## 4.2 CEO and CFO Declaration – Financial Statements

In accordance with section 295A of the Corporations Act, the Chief Executive Officer and Chief Financial Officer of Investa have declared in writing to the Board that, in their opinion, the financial records of IOF for the financial year have been properly maintained in accordance with section 286 of the Corporations Act, that IOF's financial statements present a true and fair view of its financial position and performance and are in accordance with relevant accounting standards and that this opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

## 4.3 Auditor Attendance at AGM

PricewaterhouseCoopers is the current auditor for ILFML, the AJO Fund, the PCP Trust and the compliance plans for the AJO Fund and the PCP Trust. PricewaterhouseCoopers attends IOF's AGM and is available to answer questions from Unitholders relevant to the audit.

## 5 Principle 5: Make timely and balanced disclosure

ILFML has established a Continuous Disclosure Policy which addresses:

- information that needs to be disclosed to the market;
- responsibility for responding to market rumours or speculation;
- communications with analysts and major investors;
- procedures for dealing with the media; and
- senior management review and sign off of release of information to the market.

A copy of the Continuous Disclosure Policy is available in the governance section of the Investa website.

## 6 Principle 6: Respect the rights of security holders

### 6.1 IOF website

Information about IOF and its governance arrangements (including copies of board charters and policies) are available in the governance section of the Investa website.

### 6.2 Investor relations program

ILFML has implemented an investor relations program to ensure that all Unitholders and other interested stakeholders have access to balanced, understandable and timely information concerning the operations of IOF. IOF's policy on unitholder communications is contained in the compliance plan for each of the AJO Fund and the PCP Trust, and the IOF Continuous Disclosure Policy.

ILFML principally communicates with Unitholders through the Investa website, which contains the following information:

- Current and archived annual and half year reports and results presentations;
- ASX announcements, including all investor presentations;
- Significant developments relating to IOF; and
- Corporate governance documents, including its key policies, charters and constitutions
- Key dates and events.

### 6.3 Participation at Unitholder meetings

ILFML may convene a Unitholder meeting during the financial year at a time and place that is considered convenient for the majority of the IOF's Unitholders. Unitholders will receive a notice of meeting and explanatory memorandum in relation to Unitholder meetings, copies of which will also be available on Investa's website and released to ASX.

At any Unitholder meeting, the Chairman will ensure that a reasonable opportunity exists for Unitholders to ask questions relating to the operations of IOF and if applicable, the resolutions being voted on. Unitholders are encouraged to attend all Unitholder meetings.

## 6.4 Electronic communications

ILFML provides all Unitholders with the option to receive communications from, and send communications to, IOF and its security registry electronically.

## 7 Principle 7: Recognise and manage risk

The Board and management recognise that having a well-developed system in place for risk management is an integral part of good management practice. Investa actively promotes a culture of compliance and risk management awareness with the aim of ensuring all activities comply with laws, regulations, codes, and internal policies and procedures.

Investa has designed and implemented a risk management and internal control framework (RMF) to manage its business risks and the business risks of the managed investment schemes that it operates, including IOF. The Board has adopted the RMF to manage IOF's business risks. The RMF has been reviewed during FY17 and it has been determined that the RMF continues to be sound and effectively supports management's execution of IOF's strategy within the Board's appetite for risk.

### 7.1 Audit and Operational Risk Committee

#### (a) Audit and Operational Risk Committee

The Audit and Operational Risk Committee (**Risk Committee**), which is a committee of the IOM board, assists the Board with its oversight of risk management for IOF in accordance with its Charter (**Risk Committee Charter**). The Risk Committee Charter requires the Risk Committee to be comprised of at least three members of whom the majority will be non-executives, and to include at least one non-executive representative from the Audit Committee of ILFML.

The role of the Risk Committee includes:

- assisting the Board in the management of the RMF;
- reviewing and guiding the implementation, operation and effectiveness of various policies, including in relation to safety and health, sustainability and environment, and operational risk management;
- reviewing the adequacy and effectiveness of the operational risk management system annually, including the adequacy of insurance arrangements;

- monitoring regulatory compliance and compliance with the Code of Conduct; and
- oversight of internal audit.

The Risk Committee will report regularly to the Board and the Audit Committee of ILFML.

Management executives also report to the Board and the Risk Committee on a regular basis on whether the RMF is operating effectively in respect of IOF. In addition, the Fund Manager includes an assessment of risks facing IOF as part of their regular Board reporting.

### (b) Chairman of Risk Committee

The Chairman of the Risk Committee is Sydney Bone.

### (c) Charter of the Risk Committee

The Risk Committee operates under the Risk Committee Charter, which is available in the governance section of the Investa website.

### (d) Members of the Risk Committee

As at the date of this statement, the members of the Risk Committee are Sydney Bone, Geoff Kleemann, Rebecca McGrath and James Evans.

### (e) Meetings of the Risk Committee

The Risk Committee is required to meet a minimum of four times per year. Attendance at the meetings of the Risk Committee for FY17 is shown in the table below.

Committee member	Number of meetings held while the individual was a member of the Risk Committee	Number of meetings attended by the individual
Sydney Bone	4	4
Geoff Kleemann	4	4
Rebecca McGrath	4	4
James Evans	4	4

## 7.2 Review of Risk Management Framework

The role of the Risk Committee includes conducting an annual review of the adequacy and effectiveness of the operational risk management framework for Investa and reporting its findings to the Board. The Risk Committee has undertaken this review for FY17 in relation to IOF and the Board is satisfied that the system continues to be sound and effectively support execution of IOF's strategy within the Board's appetite for risk.

## 7.3 Internal audit

ILFML does not have an internal audit function. Internal audit procedures for IOF are fulfilled by an employee of IOM (**Internal Auditor**) in accordance with the Risk Committee Charter. The Internal Auditor is supported by internal secondments and external service providers as necessary.

The Risk Committee supports the internal audit function by:

- reviewing and approving the annual internal audit plan;
- ensuring consultation between the Internal Auditor and the Independent Directors, in particular, ensuring that sufficient regard is given to the risks facing ILFML and IOF as an externally managed investment scheme;
- reviewing the coordination of activity between the Internal Auditor and other assurance providers to ensure efficient use of audit resources;
- ensuring timely implementation of recommendations arising from reports of the Internal Auditor;
- conducting a review, at least annually, of the internal audit charter, the effectiveness of the internal audit function, and the performance of the Internal Auditor.

## 7.4 Economic, Environmental and Sustainability Risk Management

The key inherent risks for IOF (including any material exposure to economic, environmental and social sustainability risks) and associated mitigation strategies are outlined in the Annual Report. The Board and Investa are committed to sustainability principles encompassing environmental, social and economic, dimensions. IOF reports annually on economic, environmental and social governance through both the IOF Annual Report and the Investa Sustainability Report. The Investa Sustainability Report is available on the Investa website at [www.investa.com.au/about-investa/sustainability/result-and-reports](http://www.investa.com.au/about-investa/sustainability/result-and-reports).

The Investa sustainability platform provides a framework for focusing upon and enhancing good business practices, which in turn contribute to asset income and values and improved social and environmental outcomes. Sustainability is embedded in IOF's strategy through:

- **Harnessing human capital and meeting tenant needs:** Tenants are becoming more focused on tenancy sustainability as a route to more productive, engaged employees. Investa offers sustainability initiatives and tenant and occupant engagement activities to create healthier workplaces, smarter businesses and a better environment.

- **Leadership in governance:** Through external benchmarks, accreditations and memberships, Investa offers excellence in ESG governance and investor alignment. Investa's Sustainable Responsible Investment Guidelines ensure proactive management of risks for investors. An ongoing commitment to transparency of results through Investa's timely online reporting holds the Fund accountable and drives continuous improvement.
- **Optimising value by improving environmental performance:** Careful assessment and implementation of value-add opportunities reduces greenhouse gas emissions, energy and water use whilst increasing occupant comfort, boosting the financial performance of Investa assets. Investment in sophisticated management capabilities to deliver high performing buildings includes providing functional and behavioural tools which assist managers to identify and replicate good performance and quickly act to manage poor performance.
- **Adding value through research and innovation:** The Investa Office Sustainability Institute conducts active research into emerging trends and opportunities in the built environment.

During FY17, the sustainability and ESG approach delivered the key aims of IOF, by supporting the business to deliver results and drive value through improving leasing income and building values, efficient investment propositions and brand positioning and reputation.

## 8 Principle 8: Remunerate fairly and responsibly

The remuneration of ILFML in its capacity as responsible entity of IOF is regulated by the trust deeds of the AJO Fund and the PCP Trust

(**Fund Constitutions**). Under the Fund Constitutions, ILFML is entitled to a quarterly management fee. ILFML also has a right to be reimbursed for expenses from the assets of IOF in relation to the proper performance of its duties.

Details of the responsible entity and other management fees payable by the Fund to ILFML and its related bodies corporate are set out in the notes to the financial statements included in the Annual Report.

## 9 Additional Information

The following documents are available in the governance section of the Investa website at [www.investa.com.au/about-investa/governance#iof](http://www.investa.com.au/about-investa/governance#iof).

- Board Charter
- Audit and Compliance Committee Charter
- Audit and Operational Risk Committee Charter
- Complaints Policy
- Continuous Disclosure Policy
- Diversity and Inclusion Policy
- Equal Employment Opportunity Policy
- Resolution of Conflict of Interest Policy
- Security Trading Policy
- Whistleblower Policy
- Code of Conduct
- Constitutions of AJO Fund and PCP Trust
- IOF Deed Poll.

## 10 Glossary

<b>Term</b>	<b>Definition</b>
<b>AJO Fund</b>	Armstrong Jones Office Fund (ARSN 090 242 229)
<b>Annual Report</b>	The 2017 IOF Annual Report lodged with ASX on 26 September 2017
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited (ABN 98 008 624 691), or the financial markets operated by it, as the context requires
<b>Board</b>	The Board of Directors of ILFML
<b>Company Secretary</b>	The Company Secretary of ILFML, being, as at the date of this statement, Andrew Murray
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>Directors</b>	The Directors of ILFML
<b>ESG</b>	Environmental, Social, and Governance
<b>Fund Constitutions</b>	The trust deeds of the AJO Fund and the PCP Trust
<b>Fund Manager</b>	The fund manager of IOF from time to time, being, as at the date of this statement, Penny Ransom
<b>FY17</b>	The year ended 30 June 2017
<b>ILFML</b>	Investa Listed Funds Management Limited (ACN 149 175 655, AFSL 401 414)
<b>Independent Directors</b>	The Directors of ILFML who are external directors within the meaning of section 601JA(2) of the Corporations Act, being as at the date of this statement, Richard Longes, John Fast, Geoff Kleemann, and Robert Seidler AM
<b>Investa</b>	IOM and its subsidiaries, which include ILFML
<b>IOF or the Fund</b>	Investa Office Fund, which comprises the AJO Fund and the PCP Trust, the units of which trade together as a stapled security on ASX under the code IOF
<b>IOM</b>	Investa Office Management Pty Limited (ACN 161 354 016)
<b>PCP Trust</b>	Prime Credit Property Trust (ARSN 089 849 196)
<b>Principles</b>	The third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations
<b>Unitholder</b>	A registered holder of an IOF stapled security