

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Abacus Property Group consisting of Abacus Group Holdings Limited, Abacus Group Projects Limited, Abacus Storage Operations limited, Abacus Funds Management Limited as responsible entity of the Abacus Income Trust and the Abacus Trust, and Abacus Storage Funds Management Limited as responsible entity of the Abacus Storage Property Trust (together ABP)/

ABN / ARBN:

Abacus Group Holdings Limited – 31 080 604 619
Abacus Group Projects Limited – 11 104 066 104
Abacus Storage Operations Limited – 37 112 457 075
Abacus Funds Management Limited – 66 007 415 590
- Abacus Trust – 27 921 263 285
- Abacus Income Trust – 56 105 262 573
Abacus Storage Funds Management Limited – 41 109 324 834
- Abacus Storage Property Trust – 99 834 531 714

Financial year ended:

30 June 2019

Our corporate governance statement² for the above period above can be found at:³

¹ 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.

☐ These pages of our annual report:

☒ This URL on our website: <https://www.abacusproperty.com.au/investors/abacus-property-group/asx-announcements>

The Corporate Governance Statement is accurate and up to date as at 16 August 2019 and has been approved by the board.

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

Date: 16 August 2019

Name of Director or Secretary authorising
lodgement: Robert Baulderstone



² "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.

³ 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 ... ⁴	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

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

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5 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.	... the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of our diversity policy or a summary of it: ☒ at http://www.abacusproperty.com.au/about-us/corporate-governance ... 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement OR ☒ at http://www.abacusproperty.com.au/investors/abacus-property-group/resources	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.7	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.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
2.1 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.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at http://www.abacusproperty.com.au/about-us/corporate-governance ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at [insert location] [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... our board skills matrix: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the length of service of each director: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ 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: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ 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: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ 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
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING		
4.1 The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (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 corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	[If the entity complies with paragraph (a):] .. the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> .. and a copy of the charter of the committee: ☒ at http://www.abacusproperty.com.au/about-us/corporate-governance .. and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] .. 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: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	.. the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: ☒ at http://www.abacusproperty.com.au/about-us	☐ an explanation why that is so in our Corporate Governance Statement
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of 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 risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at http://www.abacusproperty.com.au/about-us/corporate-governance .. and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at [insert location] [If the entity complies with paragraph (b):] .. 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: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
7.2 The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	.. the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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: ☒ in our Corporate Governance Statement OR ☐ at [insert location] [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: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration 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 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.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at: [insert location] ... and a copy of the charter of the committee: ☒ at http://www.abacusproperty.com.au/about-us/corporate-governance... and the information referred to in paragraphs (4) and (5); ☒ in our Corporate Governance Statement OR ☐ at: [insert location] [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement OR ☐ at: [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ in our Corporate Governance Statement OR ☐ at: [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: ☒ in our Corporate Governance Statement OR ☐ at: [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

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

Abacus Property Group

Corporate Governance Report

This report sets out the Group's position relating to each of the ASX Corporate Governance Council Principles of Good Corporate Governance during the year. Additional information, including charters and policies, is available through a dedicated corporate governance information section on the *About us* tab on the Abacus website at www.abacusproperty.com.au.

This report is current as at 16 August 2019 and has been approved by the boards of AGHL, AFML (the Responsible Entity of AT and AIT), AGPL, ASFML (the Responsible Entity of ASPT) and ASOL (the **Board**).

Principle 1: Lay solid foundations for management and oversight

1.1 Role and Responsibility of the Board and delegation to management

The Board has adopted a charter that sets out the functions and responsibilities reserved by the Board, those delegated to the Managing Director and those specific to the Chairman. The conduct of the Board is also governed by the Constitution.

The primary responsibilities of the Board and the Managing Director are set out in the Board Charter. The Board has delegated authority for the operations and administration of Abacus to the Managing Director. The Managing Director has a designated limit and is responsible for the day-to-day operations of Abacus.

Senior executives reporting to the Managing Director have their roles and responsibilities defined in position descriptions and are given a letter of appointment on commencement.

The Board Charter and Constitution are available on the Abacus website.

1.2 Director and Non-executive director appointments

The Selection and Appointment of Non-Executive Directors Policy sets out the procedures followed when considering the appointment of a new director and the disclosures made to securityholders. Prior to appointment appropriate checks are undertaken including ASIC disqualifications, checks as to the person's character, experience, education, criminal record and bankruptcy history.

The Selection and Appointment of Non-Executive Directors Policy is available on the Abacus website.

1.3 Terms of appointment

The Board Charter sets out the roles and responsibilities of the Board. Individual committee charters set out the roles and responsibilities for committee members.

The Board Charter and the Constitutions (which are available on the Abacus website) set out:

- the term of appointment of directors;
- remuneration;
- Abacus' policy on when directors may seek independent professional advice at Abacus' expense;
- circumstances in which a director's office becomes vacant;
- indemnity and insurance arrangements; and
- rights of access to corporate information.

Prior to commencing employment, senior executives employment receive a letter of offer setting out their employment terms that they are required to accept prior to commencing employment

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with Abacus which covers these things (to the extent applicable) as well as a position description, whom they report to and circumstances in which they may be terminated.

Directors and all staff (including senior executives) sign an annual Code of Conduct Declaration which includes (among other things) confirmation of any conflicts of interest, compliance obligations with the Abacus Trading Policy and ongoing confidentiality obligations.

1.4 Company Secretary

The Board Charter and the Constitutions (which are available on the Abacus website) set out the role and responsibilities of the Company Secretary. Appointment of the Company Secretary is approved by the Board.

1.5 Diversity

The Board is committed to workplace diversity and inclusion, which includes but is not limited to, gender, age, ethnicity, sexual orientation, religious and cultural background. Diversity and inclusion at Abacus are about the commitment to egalitarianism and the treating of all individuals with respect.

In April 2019 the composition and responsibility of the Nomination and Remuneration Committee was reviewed and a People Performance Committee and Nomination Committee which are committees of the Board were formed. The People Performance Committee is responsible for developing measurable objectives and strategies to meet the objectives of the Diversity and Inclusion Policy and monitoring the progress of the Measurable objectives. The People Performance Committee reports to the Board and make recommendations on the proportion of women who are employed including in relation to remuneration by gender.

The Nomination and Remuneration Committee set diversity targets in 2018 which became the responsibility of the People Performance Committee. Diversity targets included measurable objectives across governance, senior executive team, career progression, carer/ parental leave and recruitment. A key objective achieved at 30 June 2019 was increasing female representation on the Board to 3 females (being 50 per cent representation). We exceeded our target of minimum representation of 2 females. In addition, Myra Salkinder has been selected as Chair of the Board effective from 1 September 2019. Abacus has recruited from a diverse pool of candidates for all positions filled during the year and has a number of employees with flexible employment arrangements.

The Diversity and Inclusion Policy is available on the Abacus website and the Sustainability Report provides workplace metrics including gender composition and female salaries as a percentage of male salaries.

Abacus is a 'relevant employer' under the Workplace Gender Equality Act. Abacus continues to meet the reporting obligations under that legislation.

1.6 Board Performance

The Board has a documented Performance Evaluation Policy which outlines the process for evaluating the performance of the Board, its committees and individual directors.

An external consultant was engaged and completed a Board review in August 2018.

1.7 Senior Executive Performance

The People Performance Committee is responsible for making recommendations to the Board on the remuneration arrangements for non-executive directors and executives.

The Remuneration Report at page 17 of the Abacus Property Group Annual Financial Report for the year ended 30 June 2019 sets out the structure of the remuneration arrangements. In summary, executive total remuneration comprises fixed and variable components (with both

Abacus Property Group

Corporate Governance Report

current and deferred elements to the variable component). Fixed remuneration reflects market rates and variable pay reflects a combination of individual and Abacus performance.

The Board has the discretion to consider each executive's total contribution to the Group in addition to specific key performance indicators which are established for each executive for the relevant year.

An annual review has taken place in the reporting period in accordance with the Remuneration Report structure.

Principle 2: Structure the board to add value

2.1 Composition of the Board and its Committees

The Board has established a People Performance Committee and Nomination Committee. The charter of each Committee sets its role, responsibilities and membership requirements. The members of the committees and their attendance at meetings are provided on page 15 of the Abacus Property Group Annual Financial Report for the year ended 30 June 2019.

The Chairman of the committees is independent.

The People Performance Committee and Nomination Committee Charter are available on the Abacus website.

2.2 Skills matrix

Abacus has a Board skills matrix. The skills matrix shows the current Board have skills in the following relevant areas:

- Financial reporting;
- Technological innovation;
- Storage markets;
- Property markets;
- Listed markets;
- International markets;
- Foreign investment;
- Joint ventures;
- Information security;
- Financial markets;
- Hospitality markets;
- Governance;
- Regulatory compliance;
- Capital investment;
- Work Health and Safety;
- Risk management; and
- Sustainability.

The Board considers that the current mix of skills is appropriate for the Group.

Given the nature of the Group's business and current stage of development, the Board considers its current composition provides the necessary skills and experience to ensure a proper understanding of, and competence to deal with, the current and emerging issues of the business to optimise the financial performance of the Group and returns to securityholders.

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Details of the skills, experience and expertise of each director are set out on page 14 of the Abacus Property Group Annual Financial Report for the year ended 30 June 2019.

2.3 Directors

The Board comprises one executive director and five non-executive directors. The majority of the Board (Mr Thame, Mr Haberlin, Ms Kramer and Ms Qian) are independent members. The Board has determined that an independent director is one who:

- is not a substantial security holder or an officer of, or is not otherwise associated directly with, a substantial security holder of the Group;
- has not within the previous three years been employed in any executive capacity;
- has not within the last three years been a principal of a material professional adviser or a material consultant to the Group; or an employee materially associated with the service provided;
- does not have close family ties with any person who falls within any of the categories described;
- has not been a director of the entity for such a period that their independence may have been compromised;
- is not a material supplier or customer of the Group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- does not have a material contractual relationship with the Group other than as a director.

No independent non-executive director has a relationship significant enough to compromise their independence on the Board. Non-executive directors confer regularly without management present.

Any change in the independence of a non-executive director would be disclosed and explained to the market in a timely manner. The independence of each non-executive director is assessed at least annually and, in any case, as soon as practicable after any change in the non-executive director's interests, positions, associations or relationships.

Detail of the length of service of each director is set out on page 14 of the Abacus Property Group Annual Financial Report for the year ended 30 June 2019.

2.4 Director Independence

The majority of the Board (Mr Thame, Mr Haberlin, Ms Kramer and Ms Qian) are independent members.

2.5 Chairman

The Chairman of the Board (Mr John Thame) is an independent non-executive director.

The roles of Chairman and Managing Director are not exercised by the same individual.

The division of responsibility between the Chairman and Managing Director has been agreed by the Board and is set out in the Board Charter.

2.6 Director inductions

The Selection and Appointment of Non-Executive Directors Policy provides for induction training for new directors.

Abacus has a board skills matrix which is reviewed and updated as part of the annual review process set out in response to recommendation 1.6 above including a training needs analysis of individual directors.

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Given the nature of the Group's business and current stage of development, the Board considers its current composition provides the necessary skills and experience to ensure a proper understanding of, and competence to deal with, the current and emerging issues of the business to optimise the financial performance of the Group and returns to securityholders. Details of the skills, experience and expertise of each director are set out on page 14 of the Abacus Property Group Annual Financial Report for the year ended 30 June 2019.

Principle 3: Act ethically and responsibly

3.1 Code of Conduct

The Group's Code of Conduct promotes ethical practices and responsible decision making by directors and employees. The Code deals with confidentiality of information, protection of company assets, disclosure of potential conflicts of interest and compliance with laws and regulations.

The Code of Conduct is available on the Abacus website.

The Whistleblowing Policy, available on the Abacus website, articulates how Abacus manages and deals with disclosure of misconduct.

Principle 4: Safeguard integrity in corporate reporting

4.1 Audit and Risk Committee

The Board has established an Audit and Risk Committee.

The Audit and Risk Committee comprises three independent non-executive directors and the Chairman of the Committee is not the Chairman of the Board.

The members of the committee and their attendance at meetings are provided on page 15 of the Abacus Property Group Annual Financial Report for the year ended 30 June 2019. Details of the skills, experience and expertise of each member of the committee are set out on page 16 of the Abacus Property Group Annual Financial Report for the year ended 30 June 2019. Other directors who are not members of the committee, the external auditor and other senior executives attend meetings by invitation.

The Audit and Risk Committee has a formal charter that sets out its specific roles and responsibilities, and composition requirements.

The procedures for the selection and appointment of the external auditor are set out in the Audit and Risk Committee Charter.

The Audit and Risk Committee Charter is available on the Abacus website.

4.2 Financial Statements

Before approving the financial statements for a financial period, the Board receives from the Managing Director and Chief Financial Officer 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 that is operating effectively

4.3 External audit

The external auditor attends the Abacus annual general meeting and is available at the meeting to answer questions from securityholders relevant to the audit.

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Principle 5: Make timely and balanced disclosure

5.1 Continuous Disclosure Policy

The Group has a policy and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements. The Managing Director is responsible for ensuring that the Group complies with its disclosure obligations.

The Continuous Disclosure and Securityholder Communications Policy is available on the Abacus website.

Principle 6: Respect the rights of securityholders

6.1 Communication

The Group aims to keep securityholders informed of significant developments and activities of the Group. The Group's website is updated regularly and includes annual and half-yearly reports, distribution history and all other announcements lodged with the ASX, as well as a corporate governance landing page from which all relevant corporate governance information can be accessed. The Abacus website also includes webcasts of the results briefings.

The Group keeps a summary record for internal use of the issues discussed at group and one-on-one briefings with investors and analysts, including a record of those present where appropriate.

The Continuous Disclosure and Securityholder Communications Policy is available on the Abacus website.

6.2 Investor relations program

The Continuous Disclosure and Securityholder Communications Policy, which is available on the Abacus website, sets out Abacus' communication strategy with securityholders.

Routine queries received by the Group's registry are responded to by the registry. Non-routine queries are directed to the Group's Head of Investor Relations for response. Securityholders, other financial market participants and the financial media also communicate directly with the Head of Investor Relations to seek information and provide feedback. Relevant feedback is communicated by the Head of Investor Relations to the Managing Director and the Board as required.

6.3 Annual General Meeting

Abacus' annual general meeting is webcast to allow securityholders to hear proceedings online. There is also the functionality for investors to participate.

Securityholders may vote online, by proxy or by attending meetings.

The Continuous Disclosure and Securityholder Communications Policy is available on the Abacus website.

6.4 Electronic Communications

Securityholders may elect to receive and send communications to Abacus and to the Group's registry electronically. Email contact details for the registry are provided on the Abacus website.

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Principle 7: Recognise and manage risk

7.1 Audit and Risk Committee

The Audit and Risk Committee has responsibility for reviewing the Group's risk management framework. The members of the committee and their attendance at meetings are provided on page 15 of the Abacus Property Group Annual Financial Report for the year ended 30 June 2019. The Chairman of the Audit and Risk Committee is independent, and the Committee has a majority of independent members.

The Audit and Risk Committee Charter is available on the Abacus website.

7.2 Risk Management Framework

The risk management framework was formally reviewed in the period alongside an external consultant. The risk management framework was approved by the Board in 2018 to align with ASIC's regulatory guide 259: Risk Management Systems of Responsible Entities. The key risk register, risk management framework and risk appetite statement were reviewed by the Audit and Risk Committee and Board in February 2019.

The Business Risk Management Policy dealing with oversight and management of material business risks is set out in the corporate governance information section on the Abacus website.

7.3 Internal audit

An independent consultant has been engaged to review business processes and undertake internal audit assessments throughout the year. When completed, reports are provided to the Audit and Risk Committee for review.

7.4 Economic, environmental and social sustainability risks

Abacus believes it is important to understand and respond to the environmental, social and governance impacts of our business activities. Abacus believes that integrating sustainability issues into our investment decision-making and business operations is congruent with the responsibility we have to our stakeholders and achieving our long-term commercial goals.

Abacus is committed to implementing sustainable practices in our investments, property management, development activities and workplaces. Abacus will use these practices to manage risks, create opportunities and strengthen our operations. Abacus incorporates environmental issues including climate change in our decision-making processes.

Abacus's Sustainability and environmental policy and Sustainability Reports are available on the Abacus website. The Sustainability Report outlines the impact that Abacus' business activities have on environmental, social and governance risks.

Principle 8: Remunerate fairly and responsibly

8.1 and 8.2 remuneration framework

The Board has established a People Performance Committee.

The People Performance Committee is responsible for assessing the processes for evaluating the performance of the Board and key executives.

A copy of the committee charter is available on the Abacus website. The Chairman of the People Performance Committee is independent, and the Committee has a majority of independent members.

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The Group's remuneration policies including security-based payment plans and the remuneration of key management personnel are discussed in the Remuneration Report.

The People Performance Committee may seek input from individuals on remuneration policies, but no individual employee is directly involved in deciding their own remuneration.

The members of the committee and their attendance at meetings are provided on page 15.

Non-executive directors are paid fees for their service and do not participate in other benefits (with the exception of Group travel insurance cover) which may be offered other than those which are statutory requirements.

8.3 Trading policy

Abacus's Trading Policy is on the Abacus website.

The Trading Policy sets out restrictions on trading by all directors, officers, and other staff, including restrictions on the use of derivatives and hedging transactions in relation to Abacus securities.

ASX Additional Information

Abacus Property Group is made up of the Abacus Trust, Abacus Income Trust, Abacus Storage Property Trust, Abacus Group Holdings Limited, Abacus Group Projects Limited and Abacus Storage Operations Limited. The responsible entity of the Abacus Trust and Abacus Income Trust is Abacus Funds Management Limited. The responsible entity of the Abacus Storage Property Trust is Abacus Storage Funds Management Limited. Unless specified otherwise, the following information is current as at 2 August 2019.

Number of holders of ordinary fully paid stapled securities	6,852
Voting rights attached to ordinary fully paid stapled securities	one vote per stapled security
Number of holders holding less than a marketable parcel of ordinary fully paid stapled securities	504
Secretary, Abacus Funds Management Limited Secretary, Abacus Storage Funds Management Limited Secretary, Abacus Group Holdings Limited Secretary, Abacus Group Projects Limited Secretary, Abacus Storage Operations Limited	Rob Baulderstone
Registered office Abacus Funds Management Limited Abacus Storage Funds Management Limited Abacus Group Holdings Limited Abacus Group Projects Limited Abacus Storage Operations Limited	Level 34, Australia Square 264-278 George Street Sydney NSW 2000 612 9253 8600
Registry	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 (02) 9290 9600
Other stock exchanges on which Abacus Property Group securities are quoted	none
Number and class of restricted securities or securities subject to voluntary escrow that are on issue	none
There is no current on-market buy-back	

SUBSTANTIAL SECURITYHOLDER NOTIFICATIONS

Securityholders	Number of Securities
Calculator Australia Pty Limited	289,607,065
The Vanguard Group, Inc	28,986,784

SECURITIES REGISTER

Number of Securities	Number of Securityholders	Total Securities
1-1,000	1,903	701,769
1,001-5,000	2,355	6,459,465
5,001-10,000	1,233	8,892,537
10,001-100,000	1,296	28,437,338
100,001-over	65	599,354,787
Totals	6,852	643,845,896

TOP 20 LARGEST SECURITYHOLDINGS

Holder Name	Number of Securities	% Issued Securities
CITICORP NOMINEES PTY LIMITED	209,398,909	32.523%
HSBC CUSTODY NOMINEES	115,556,168	17.948%
J P MORGAN NOMINEES AUSTRALIA	72,269,198	11.225%
CALCULATOR AUSTRALIA PTY	61,750,613	9.591%
CALCULATOR AUSTRALIA PTY	45,547,846	7.074%
NATIONAL NOMINEES LIMITED	26,529,825	4.121%
BNP PARIBAS NOMINEES PTY LTD	15,854,362	2.462%
CALCULATOR AUSTRALIA PTY	14,200,000	2.205%
CITICORP NOMINEES PTY LIMITED	6,176,409	0.959%
BNP PARIBAS NOMS PTY LTD	4,509,120	0.700%
AMP LIFE LIMITED	3,370,633	0.524%
BRISPTOT NOMINEES PTY LTD	2,355,905	0.366%
WARBONT NOMINEES PTY LTD	2,144,929	0.333%
HSBC CUSTODY NOMINEES	1,272,196	0.198%
WOODROSS NOMINEES PTY LTD	1,237,044	0.192%
POWERWRAP LIMITED	1,120,929	0.174%
NEWECONOMY COM AU NOMINEES	1,081,121	0.168%
NULIS NOMINEES (AUSTRALIA)	961,532	0.149%
MERRILL LYNCH (AUSTRALIA)	861,666	0.134%
HSBC CUSTODY NOMINEES	843,691	0.131%

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Analysis of Holdings as at 02-08-2019

Securities

Abacus Property Group Stapled Securities

Holdings Ranges	Holders	Total Units		%
1-1,000	1,903	701,769		0.109
1,001-5,000	2,355	6,459,465		1.003
5,001-10,000	1,233	8,892,537		1.381
10,001-100,000	1,296	28,437,338		4.417
100,001-99,999,999,999	65	599,354,787		93.090
Totals	6,852	643,845,896		100.000

