

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

GARDA Capital Group (GCM)

ABN / ARBN:

53 095 039 366 (GCL); 56 488 615 248 (GCT)

Financial year ended:

30 June 2019

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

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These pages of our annual report:

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This URL on our website:

<http://investors.gardacapital.com.au/Home/?page=Corporate-Governance>

The Corporate Governance Statement is accurate and up to date as at 22 August 2019 and has been approved by the board.

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

Date:

22/08/2019

Name of Director or Secretary authorising
lodgement:

Lachlan Davidson, Secretary

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.

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 ...	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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... 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 checked="" type="checkbox"/> at http://investors.gardacapital.com.au/Home/?page=Corporate-Governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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	<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 OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at [insert location]</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 OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;</p> <p>(b) <i>[deleted]</i></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 <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><input checked="" type="checkbox"/> at http://investors.gardacapital.com.au/Home/?page=Corporate-Governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <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 <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the length of service of each director:</p> <p><input checked="" 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>

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
2.4	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 OR <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at http://investors.gardacapital.com.au/Home/?page=Corporate-Governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) <i>[deleted]</i></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><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://investors.gardacapital.com.au/Home/?page=Corporate-Governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" 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><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.3	<p>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>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>

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

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) [deleted].</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 OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://investors.gardacapital.com.au/Home/?page=Corporate-Governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" 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 OR</p> <p><input type="checkbox"/> at [insert location]</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 OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) [deleted].</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 OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://investors.gardacapital.com.au/Home/?page=Corporate-Governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



Corporate Governance Statement for both GCM and GDF

GARDA Capital Limited (**GCL**) is the parent entity of the GARDA Capital Group.

The Board and management of the GARDA Capital Group are committed to promoting and fostering a strong governance culture, for the benefit of all stakeholders.

In accordance with ASX Listing Rule 4.10.3, set out below are the ASX Corporate Governance Council's (**Council**) eight principles of good corporate governance – 3rd edition 2014 (**Principles**), and the extent to which the GARDA Capital Group complies with each of the Recommendations. Copies of all relevant policies and procedures of the GARDA Capital Group (**Policies**) mentioned in this Statement can be found at the 'Corporate Governance' section of the GARDA Capital Group's website at <http://investors.gardacapital.com.au>.

There are two separate ASX-listed securities within the GARDA Capital Group, comprising three different entities, and this Corporate Governance Statement applies to them as follows:

Security:	Relevant Entities:	Recommendations which apply:
GCM - a stapled security comprising:	GARDA Capital Limited (GCL);	All Recommendations which apply to companies.
	GARDA Capital Trust (GCT) - the responsible entity is GARDA Funds Management Limited (GFML) .	All Recommendations which apply to managed investment schemes, as an <i>externally managed</i> listed entity.
GDF	GARDA Diversified Property Fund (GDF) - the responsible entity is GCL	All Recommendations which apply to managed investment schemes, as an <i>externally managed</i> listed entity.

The Corporate Governance Statement takes into account the obligations for both companies, and for the Funds as externally managed listed entities (for which certain of the Principles do not apply). The summary table on the next two pages highlights which Recommendations apply to each listed entity.

There is also a glossary at the end of this document to assist.

Reviewed and approved by the Boards on 22 August 2019, for the reporting period to 30 June 2019.



SUMMARY TABLE

Key: (GCL) = as responsible entity. Asterisk* = Fund obligation.

ASX Recommendations (summarised)		Satisfy	Reference	Who	Disclose	Page
1.1	roles and responsibilities of board and management, and delegations	Yes	Board Charter	GCL	Website	4
1.1* Mod	arrangements between RE and the Fund for managing the Fund	Yes*	Board Charter, PDS, Offer Doc	GDF GCT	Website	5
	role and responsibility of board of the RE for overseeing those arrangements	Yes*	Board Charter, PDS, Offer Doc			
1.2	undertake appropriate checks before appointing a director	Yes	Nomination & Remuneration Committee Charter	GCL	Website	5
	provide security holders with material information on election or re-election of a director	Yes	Nomination & Remuneration Committee Charter			5
1.3	written agreement with directors and senior executives with terms of their appointment	Yes	Appointment letters	GCL	N/A	6
1.4	company secretary accountable to board	Yes	Appointment letter	GCL	N/A	6
1.5	have a diversity policy	No	Size of GARDA Capital Group does not warrant	GCL	N/A	6
	disclose that policy or a summary					
	disclose the measurable objectives and progress towards achieving, and					
	the proportions of men and women on the board and senior executive					
1.6	process for evaluating the board, its committees and individual directors	Yes	Nomination & Remuneration Committee Charter, Statement	GCL	Website	6
	disclose whether a performance evaluation was undertaken					
1.7	have a senior executive evaluation process	Yes	Nomination & Remuneration Committee Charter	GCL	Website	6
	disclose whether a senior executive evaluation was undertaken					
2.1	Nomination Committee of at least 3 directors, majority independent, chaired by independent director	Partial	Nomination & Remuneration Committee Charter	GCL	Website	7
	disclose the charter, membership, and attendances	Yes				
2.2	have and disclose a board skills matrix	Yes	Nomination & Remuneration Committee Charter	GCL	Website	7
2.3*	names of the independent directors	Yes	Statement, PDS, Offer Doc	GCL (GCL) (GFML)	Website	8
	explain why a director is independent					
	the length of service of each director					
2.4	majority of the board as independent directors	No	Statement	GCL	Website	8
2.5	independent Chair, not CEO	No	Nomination & Remuneration Committee Charter	GCL	Website	8
2.6	induction for new directors and ongoing professional development opportunities	Yes	Nomination & Remuneration Committee Charter	GCL	Website	9
3.1*	Code of Conduct for directors, senior executives and employees		Code of Conduct	GCM	Website	9

ASX Recommendations (summarised)		Satisfy	Reference	Who	Disclose	Page
	disclose that Code of Conduct	Yes		GDF		
4.1*	Audit Committee of at least 3 non-executive directors chaired by independent director (not Board Chair)	Partial	Audit & Risk Committee Charter	GCM GDF	Website	9
	Disclose the charter, membership, and attendances	Yes	Audit & Risk Committee Charter			
4.2*	receive from CEO and CFO an annual accounts declaration	Yes	Statement	GCM GDF	N/A	10
4.3*	external auditor attends AGM and available for questions	Yes	Statement	GCM GDF	N/A	11
5.1*	have a continuous disclosure policy	Yes	Disclosure & Communications Policy, Securities Trading Policy	GCM GDF	Website, ASX	11
	disclose the continuous disclosure policy					
6.1*	provide information about itself and its governance to investors via its website	Yes	Disclosure & Communications Policy	GCM GDF	Website	11
6.2*	design and implement an investor relations program	Yes	Statement	GCM GDF	N/A	12
6.3*	disclose the policies and processes to facilitate and encourage participation at meetings of security holders	Yes	Statement	GCM GDF	Website, ASX	12
6.4*	give security holders an electronic communications option	Yes	Statement, Registry	GCM GDF	N/A	12
7.1*	Risk Committee of at least 3 independent directors chaired by independent director	Partial	Audit & Risk Committee Charter	GCM GDF	Website	13
	disclose Risk Committee charter, membership, and attendances	Yes				
7.2*	review risk management framework	Yes	Audit & Risk Committee Charter	GCM GDF	Website	13
	disclose if review occurred		Statement			
7.3*	if no internal audit function, that fact and the processes for evaluating and improving effectiveness of risk management and controls	Yes	Statement	GCM GDF	Website	14
7.4*	disclose any material exposure to economic, environmental and sustainability risks and how managed	Yes	Statement, PDS, Offer Doc	GCM GDF	Website	14
8.1	Nomination and Remuneration Committee of at least 3 directors, majority independent directors and chaired by independent director	Partial	Nomination and Remuneration Committee Charter, Statement, Financial Statements	GCL	Website	15
	disclose Risk Committee charter, membership, and attendances	Yes				
8.1* Mod	externally managed listed entity to disclose remuneration of the manager	Yes*	Statement, Financial Statements, PDS, Offer Doc	GCT GDF	Website, ASX	15
8.2	policies for remuneration of non-executive and executive directors, and senior executives	Yes	Nomination and Remuneration Committee Charter, Statement, Financial Statements	GCL	Website	16
8.3	equity based remuneration scheme – provide policy	Yes	Notice of Meeting, Financial Statements	GCM	Website, ASX	16
Glossary						17



PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 (applicable to GCL/GCM only)

The 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 Constitution of GCL and the Corporations Act sets out the duties and responsibilities of the Board. It is the responsibility of the Board to ensure those duties and responsibilities are met.

The boards of GCL and each of its subsidiaries (including GFML) are identical, and comprise:

Name	Independent?	Nomination and Remuneration Committee	Audit and Risk Committee	Disclosure Committee
Mr Matthew Madsen (Since Sept 2011)	No – Executive Chairman (since February 2017) and Managing Director	No	No	Yes
Mr Mark Hallett (Since Jan 2011)	No - Non-executive Director	Chair (since February 2017) - attended 2 of 2 meetings	Yes - attended 2 of 2 meetings	No
Mr Philip Lee (Since May 2015)	No - Non-executive Director	Yes - attended 2 of 2 meetings	Chair - attended 2 of 2 meetings	No
Mr Morgan Parker (Since 13 December 2018)	Yes	Yes - attended 1 of 1 eligible meetings	Yes - attended 1 of 1 eligible meetings	No
Mr Leylan Neep (resigned 18 March 2019)	No - Executive Director (July 2014 until March 2019)	No	No	Yes

The Board meets regularly (usually at least monthly), and considers critical compliance and risk management issues as they arise. Because GCL forms part of the GCM stapled security, and is also separately a Responsible Entity, the Board ensures that the best interests of the relevant Securityholders are taken into account. This involves monitoring the decisions and actions of the Managing Director and his management team, who are responsible for day-to-day management.

The Board retains overall responsibility for management. There is a distinct separation between executive management and the Board. The qualifications and experience of the key members of executive management are set out in the Directors' Report of the GCM Annual Report. The Board monitors governance and performance through various committees established by it (and described further below).

The Board has formalised its roles and responsibilities in a Board Charter. The Board Charter sets out the roles and responsibilities of each of the Board positions, as well as the framework for delegating its authority to management and others. The Board Charter states that the Board should consist of a majority of non-executive directors, and that the chairperson of the Board (Chair) should be an independent non-executive director. The Board currently consists of one executive and three non-executive directors (Mr Parker also being 'independent'), and has an executive Chairman until a new independent Chair is appointed. The Board periodically reviews and evaluates its own performance, the performance of individual directors and that of the senior executives against both measurable and qualitative indicators.

The Board has formed certain committees and delegated various responsibilities to them. These committees are discussed in further detail below. The Board also oversees the external compliance officer.

The Board Charter, and charters of the committees, are available at www.gardacapital.com.au.



Recommendation 1.1 (for externally managed entities* - applicable to GDF and GCT only)

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; and***
- b. the role and responsibility of the board of the responsible entity for overseeing those arrangements.***

The Constitutions of the Funds and the Corporations Act sets out the duties and responsibilities of the Responsible Entities. It is the responsibility of the Board to ensure those duties and responsibilities are met. The Funds pay a management fee to their respective Responsible Entity, as disclosed in the relevant offer documents and also in the Financial Statements.

The Funds are managed under the supervision and direction of the Board of its Responsible Entity. The Boards of GCL and GFML are identical, and comprise the individuals listed in the section above.

The Board meets regularly (usually at least monthly), and considers critical compliance and risk management issues as they arise. The Board ensures that each Fund is managed in the best interests of its Securityholders. This involves monitoring the decisions and actions of the Responsible Entities and its management team, through the Managing Director, who are responsible for the day-to-day management of the Fund.

The Board retains overall responsibility for the management of the Funds. There is a clear separation between executive management and the Board. The Board monitors the governance and performance of the Fund through various committees established by it (and described further below).

The Board has formalised its roles and responsibilities in a Board Charter, as described in the section above. The Board Charter applies to the Funds, as does the Audit and Risk Committee Charter and other committees of the GARDA Capital Group, as described in this Statement.

The Board Charter and policies relevant to the GARDA Capital Group and the Funds is available at www.gardacapital.com.au.

Recommendation 1.2 (applicable to GCL/GCM only)

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.***

Before formally appointing a Director to the Board, appropriate background checks as required by law are undertaken, through the external compliance function.

The election or re-election of Directors is made at annual general meetings, and material information is provided in the notices of meetings for Securityholders to consider.



Recommendation 1.3 (applicable to GCL/GCM only)

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

All Directors and senior executives providing services to the GARDA Capital Group and the Funds have formal agreements setting out the material terms of their appointment, on industry-standard terms and conditions.

Recommendation 1.4 (applicable to GCL/GCM only)

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 Company Secretary is accountable directly to the Board (through the Chair) on all matters to do with the proper functioning of the Board.

Recommendation 1.5 (applicable to GCL/GCM only)

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 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).***

While the GARDA Capital Group takes account of gender and broader diversity issues in its dealings, it has relatively few employees and its size does not presently warrant a formal diversity policy or targets.

Recommendation 1.6 (applicable to GCL/GCM only)

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.***

In accordance with the Board Charter, the performance of the Board is evaluated periodically in a manner determined by the Chair, against both measurable and qualitative indicators. Each committee also reviews its performance on an annual basis. The Board undertook an internal review in February 2019, and is undertaking a more extensive strategy and review exercise in August and September 2019.

The Board Charter is available at www.gardacapital.com.au.

Recommendation 1.7 (applicable to GCL/GCM only)

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.***

Senior executives of the GARDA Capital Group are accountable to the Managing Director, and ultimately the Board. The non-executive Directors have input into the remuneration and performance goals of the key



executives of the GARDA Capital Group as part of the Nomination and Remuneration Committee, after recommendations are made by the Managing Director.

The Managing Director undertook a review of the performance of the senior executives in December 2018, and this was discussed with the Board in February 2019.

The Nomination and Remuneration Committee Charter is available at www.gardacapital.com.au.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1 (applicable to GCL/GCM only)

The board of a listed entity should:

- a. have a nomination committee which:***
 - i. has at least three members, a majority of whom are independent directors; and***
 - ii. is chaired by an independent director, and disclose:***
 - iii. the charter of the committee;***
 - iv. the members of the committee; and***
 - v. 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.***

The Board has established a Nomination and Remuneration Committee. This committee now has three members (see the table at Recommendation 1.1), one of whom is 'independent' and two of whom are non-executive directors, neither having an interest which would materially influence their independent judgement.

The Nomination and Remuneration Committee aims to ensure that remuneration and incentive schemes of the Group are appropriate given both the short and long term objectives of GCM and GDF. The committee approves the annual remuneration report, and liaises with the Audit and Risk Committee. It may delegate, and has full access to management and advisors as it considers appropriate.

This committee operates under a Nomination and Remuneration Committee Charter, which sets out the authority delegated to the Nomination and Remuneration Committee. This committee assists the Board to fulfil its obligations by dealing with:

- Board succession planning;
- Managing Director or Chief Executive Officer succession planning;
- induction and professional development of Directors;
- evaluation of Board and key management candidates;
- remuneration structures and employee benefits within the GARDA Capital Group; and
- recruitment and evaluation generally.

The Nomination and Remuneration Committee Charter is available at www.gardacapital.com.au.

The Nomination and Remuneration Committee has met twice during the Reporting Period, and all members were present.

Recommendation 2.2 (applicable to GCL/GCM only)

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.

The Board has an internal board skills matrix, which was reviewed and implemented by the Nomination and Remuneration Committee in February 2019. As a Board, the Directors have a wide range of professional skills with particular experience in property and funds management, investment management and



governance which are seen as the appropriate mix of skills required for their role as Directors of the GARDA Capital Group. The Board is considering the independent Chair vacancy.

Recommendation 2.3 (applicable to both GCM and GDF)

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.***

See the table at Recommendation 1.1.

It is GCL's policy that the majority of the Board should be non-executive directors. The Directors must act in the best interests of Securityholders generally. In determining the independence of its Directors, the Board has had regard to the guidelines provided by the Council in Principle 2.

Mr Parker, who joined the Board in December 2018, is an 'independent' Director.

Mr Philip Lee and Mr Mark Hallett are both non-executive Directors. Both Mr Lee and Mr Hallett hold a non-material stake in both GCM and GDF through associated entities, as disclosed to the ASX. They are not considered to be 'independent' according to the Principles, but the Board considers that their relationships do not interfere with their ability to give independent judgement to issues before the Board.

The Board have mechanisms to identify and consider potential conflicts. Directors may take independent professional advice, at the expense of the GARDA Capital Group.

The GARDA Capital Group have implemented training programs to ensure that all relevant staff and the Board receive annual training on conflicts of interest, and under the Securities Trading Policy.

Recommendation 2.4 (applicable to GCL/GCM only)

A majority of the board of a listed entity should be independent directors.

See the table at Recommendation 1.1.

The Board now comprises three non-executive directors (one of whom is 'independent'), and one executive director.

The Board considers that the relationships of Mr Philip Lee and Mr Mark Hallett do not interfere with their ability to give independent judgement to issues before the Board. The Board is considering the independent Chair vacancy, but consider the composition to be appropriate given the skills and knowledge of the Board, and the current size and business of the GARDA Capital Group and the Funds.

Recommendation 2.5 (applicable to GCL/GCM only)

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.

Since February 2017, Mr Matthew Madsen has been the Executive Chairman in an 'interim' capacity, and the Board is considering the independent Chair vacancy. Mr Madsen is also the Managing Director, with ultimate day-to-day executive responsibility, who reports to the Board separately in that capacity. The Board considers that Mr Madsen's relationships do not interfere with his ability to give independent judgement as Chairman.



Recommendation 2.6 (applicable to GCL/GCM only)

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.

All Directors appointed receive an induction training program which includes information on the GARDA Capital Group's values and Code of Conduct.

Ongoing training for the Directors includes site visits to familiarise themselves with GDF's properties, making available professional education programs to enhance skills and knowledge, and presentations on developments impacting the business of the GARDA Capital Group and the Funds.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1 (applicable to both GCM and GDF)

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.***

Each Director and employee involved in the management or operation of the GARDA Capital Group and the Funds has agreed to comply with the Code of Conduct.

The Code of Conduct is a statement of commitment to honesty and integrity in the dealings of the GARDA Group, including where acting as Responsible Entity. It sets our core values, commitments and moral standards, and applies to the Board, management and employees of the Group, as well as extending to persons who act on behalf of the Responsible Entities.

The Code of Conduct sets guidelines and reinforces our commitment to dealing with many important business aspects and in our dealings, including:

- conflicts of interest;
- anti-bribery and gifts, and political dealings;
- confidentiality and privacy;
- fair dealings;
- discrimination, harassment and bullying;
- health and safety;
- compliance with laws and regulations; and
- whistleblower protection.

The Code of Conduct is available at www.gardacapital.com.au.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1 (applicable to both GCM and GDF)

The board of a listed entity should:

- a. have an audit committee which:***
 - i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and***
 - ii. is chaired by an independent director, who is not the chair of the board and disclose:***
 - iii. the charter of the committee;***
 - iv. the relevant qualifications and experience of the members of the committee; and***
 - v. 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.***

The Board has established a combined Audit and Risk Committee to relevantly assist the Board in overseeing the integrity of external financial reporting, the appointment and independence of the auditor, internal financial



controls, financial procedures and policies, and the risk management and compliance framework. The Audit and Risk Committee reports to the Board on all matters relevant to the Audit and Risk Committee's roles and responsibilities.

The Audit and Risk Committee should comprise at least three non-executive directors, and include between them sufficient financial expertise. The Chair of the Board cannot (and does not) also chair the Risk and Audit Committee.

As shown in the table at Recommendation 1.1, Mr Lee chairs the Audit and Risk Committee, with Mr Hallett and Mr Parker also serving as members. Accordingly, the Audit and Risk Committee is currently comprised of two non-executive Directors and one 'independent' Director, and due to Board composition:

- is not comprised of a majority of independent Directors; and
- the chairperson of the committee is not an 'independent' Director.

(See Recommendations 2.3 and 2.4 for a discussion on independence and judgement.)

The Audit and Risk Committee has met twice during the Reporting Period, all members attending, and meets as frequently as required to undertake its role effectively. The Managing Director and the COO are expected to attend, and there is a standing invitation to external auditors (and internal auditors, if and when engaged). The committee may require attendance of any member of management, has full access to documents and records, and can engage external advisors or counsel where considered necessary or appropriate.

The Board has approved an Audit and Risk Committee Charter. This document sets out the authority delegated by the Board to the Audit and Risk Committee, whose purpose is generally to ensure that the GARDA Capital Group and the Funds satisfy their statutory and regulatory responsibilities. The Charter covers:

- accounting, auditing and financial reporting responsibilities;
- assessing and recommending the appointment and remuneration of the external auditor;
- reviewing and recommending procedures of GCM and GCL;
- assessing the financial position and performance of GCM and GCL;
- ensuring compliance with the Corporations Act, and Listing Rules;
- reviewing systems to ensure that conflicts do not occur; and
- preparing and reviewing a risk management profile to determine and manage key risks to both GCM and GCL.

The Audit and Risk Committee Charter is available on the website www.gardacapital.com.au.

See also Recommendation 7.1.

Recommendation 4.2 (applicable to both GCM and GDF)

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.

To the extent that the financial statements of GCM or GDF are approved by the Board each financial year, the Managing Director and the COO provide the declarations required by Section 295A of the Corporations Act.



Recommendation 4.3 (applicable to both GCM and GDF)

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.

Each of GCM and GDF holds an annual general meeting (**AGM**), even though GDF is not strictly required to hold an AGM as it is a managed investment scheme. The external auditor will attend and be available at the relevant AGM to answer questions from Securityholders relevant to the audited financial statements.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 (applicable to both GCM and GDF)

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.***

The GARDA Capital Group is committed to fair and open disclosure, so that investors (or potential investors) can expect to see information which would have a material effect on the price or value of their securities. The GARDA Capital Group aims to ensure that announcements are factual, balanced and expressed in a clear and objective manner, and timely in order to assist investors with investment decisions.

The Board has established a Disclosure Committee, comprising Mr Madsen as shown in the table at Recommendation 1.1, and both the General Counsel and COO of the GARDA Capital Group. It meets on an ad-hoc basis, as required for significant and continuous disclosure.

A Disclosure and Communications Policy has been adopted to ensure the GARDA Capital Group meets its disclosure obligations. This Policy deals generally with continuous disclosure requirements of the ASX, and best practice in communications with Securityholders and stakeholders generally. It applies to the Board, officers, employees and consultants. It sets out the circumstances where it would apply, and puts in place a framework for addressing issues as and when they arise, in a timely and adequate manner. It also sets out where there are exceptions to disclosure of information, and encourages the adoption of electronic communications and other technologies through the website or the Registry.

The Board has also adopted a Securities Trading Policy in relation to GCM and GDF securities, which applies to all Directors, executive and staff of the GARDA Capital Group. It also applies to 'Designated Individuals', who may come across information in assisting a member of the GARDA Capital Group or a Fund. It makes it clear that dealing or trading on insider information is illegal, and sets out what is insider information as against information which is generally available. It deals with restrictions and prohibited periods, and prohibited transactions such as margin lending, short selling or hedging, with very limited defined exemptions.

The Disclosure and Communications Policy, and the Securities Trading Policy, is available at www.gardacapital.com.au.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITYHOLDERS

Recommendation 6.1 (applicable to both GCM and GDF)

A listed entity should provide information about itself and its governance to investors via its website.

The Board has adopted a Disclosure and Communications Policy (see Recommendation 5.1 above). The GARDA Capital Group provides all relevant information about itself, the policies and charters, the Funds and governance at www.gardacapital.com.au, as required by the Principles and the Listing Rules.



Recommendation 6.2 (applicable to both GCM and GDF)

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The GARDA Capital Group will provide clear and effective communications with stakeholders on matters affecting GCM and GDF and the securities, in accordance with the Disclosure and Communications Policy.

Announcements in respect of GCM and GDF are relevantly:

- released to ASX as required by the Listing Rules;
- posted to the GARDA Capital Group's website; and
- distributed to major media and investor contacts.

The GARDA Capital Group also regularly communicates with Securityholders, including through the publication of:

- audited annual financial reports;
- reviewed half-yearly financial reports;
- half-yearly distribution statements; and
- annual taxation statements.

GARDA Capital Group also has accessible information on GCM and GDF, including policies and charters, the current price of those securities, half-yearly and annual reports, and distributions at www.gardacapital.com.au.

Recommendation 6.3 (applicable to both GCM and GDF)

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The GARDA Capital Group holds an AGM for Securityholders of each of GCM and GDF, even though GDF is not strictly required to hold an AGM as it is a managed investment scheme. Each meeting covers formal business, but also provides Securityholders with an opportunity to be updated on the activities of the GARDA Capital Group and GDF respectively, and to ask questions of the Board and management. The auditor also attends to answer questions on the audited financial statements.

Notices of meeting and explanatory memoranda for resolutions are provided to Securityholders in accordance with the Constitutions and the Corporations Act, and are accessible on the GARDA Capital Group website, as well as being lodged with ASX.

Securityholders who are not able to attend an AGM are able to vote by proxy.

Recommendation 6.4 (applicable to both GCM and GDF)

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 GARDA Capital Group provides the option of receiving communications from GCM or GDF electronically (through the Registry), as well as a portal for receipt of communications from Securityholders.

General information on the GARDA Capital Group, matters relating to the Funds as well as continuous disclosures are accessible on the website at www.gardacapital.com.au.



PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1 (applicable to both GCM and GDF)

The board of a listed entity should:

- a. have a committee or committees to oversee risk, each of which:***
 - i. has at least three members, a majority of whom are independent directors; and***
 - ii. is chaired by an independent director, and disclose:***
 - iii. the charter of the committee;***
 - iv. the members of the committee; and***
 - v. 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.***

The GARDA Capital Group has an Audit and Risk Committee, which should only comprise of non-executive directors, and which should have at least three members. Mr Lee chairs the Audit and Risk Committee, with Mr Hallett and Mr Parker also serving as members. Accordingly, the Audit and Risk Committee is currently comprised of two non-executive members and one 'independent' member, and due to Board composition is not comprised of a majority of independent Directors, and the chairperson of the committee is not an 'independent' Director (see the discussion at Recommendations 2.3 and 2.4 on independence and judgement). The chair of the Audit and Risk Committee reports deliberations and findings back to the next meeting of the full Board. It has met twice during the Reporting Period, all members attending, and meets as frequently as required to undertake its role effectively.

The Board has adopted a Risk Management Policy, which expresses the commitment of the GARDA Capital Group to a sound system of risk oversight and control throughout its business. It is based on the Principles, and the international standard on risk management. It applies to the Board, the executives and all staff. The Policy recognises that risk identification and monitoring is a dynamic process, and is designed to provide information to deal with uncertainty on GCM's objectives and on the Funds themselves. The Audit and Risk Management Committee assists the Board in setting and monitoring the risk management framework. The Risk Management Policy is reviewed annually.

The Audit and Risk Committee Charter, and the Risk Management Policy, is available on the website www.gardacapital.com.au.

See also Recommendation 4.1.

Recommendation 7.2 (applicable to both GCM and GDF)

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 Risk Management framework takes into account GCM, GDF and the broader GARDA Capital Group, and consequently covers a broad range of stakeholders. It was reviewed during the reporting period by the Audit and Risk Committee and the Board, particularly in light of ASIC's updated Regulatory Guide 259: *Risk management systems of responsible entities*. The Risk Management framework continues to be sound.

Recommendation 7.3 (applicable to both GCM and GDF)

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.***

The GARDA Capital Group does not have an internal audit function. Risk management is a continuous process. The Managing Director and the senior executives of the GARDA Capital Group interact with staff and external stakeholders, and are free to raise risks which impact on GCM or GDF at any time.

As the Board has a majority of external directors, there is no requirement for a formal compliance committee for GCL. Each of GDF and GCT do maintain an external Compliance Committee. Material risks are elevated to the Board for inclusion in the risk section at their monthly meetings. The external compliance officer also focuses on risk and control processes as a critical part of the compliance function.

The Audit and Risk Committee is responsible for the preparation and maintenance of a risk profile for financial and non-financial matters, and receive and review reports on GCM and GDF as required from the auditor, management and external consultants regarding material business risk and any internal control processes and compliance activities.

Recommendation 7.4 (applicable to both GCM and GDF)

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.

GDF and GCM (both directly, and indirectly through its co-investment strategy) are exposed to certain economic risks, which can be summarised as follows:

Risk and description	Affects GDF	Affects GCM
concentration – investments in real property only.	✓	indirectly
geographic – invests on the eastern seaboard of Australia.	✓	indirectly
leasing – properties may be vacant if tenants do not renew, it may be difficult to find new tenants; defaults, and incentives in the marketplace.	✓	indirectly
valuation – valuations may go up or down depending on external factors and the market generally; a property may not sell at valuation amount.	✓	✓
litigation – may have to sue third parties, and may be sued.	✓	✓
buildings and maintenance – possible latent defects in buildings which are not apparent, and there may be high maintenance costs.	✓	indirectly
construction – projects and improvements may be delayed or varied, affecting cost and leasing outcomes.	✓	indirectly
banking – covenants and interest rates.	✓	✓
competition – there are many other property groups competing for the pool of buildings and tenants, some have greater scale and resources.	✓	✓
personnel – key management may leave, and may be hard to replace.	indirectly	✓
market conditions – the price of securities may generally rise or fall with the ASX, for matters not associated with the property sector.	✓	✓
natural phenomena – storms, floods, fires and other natural disasters.	✓	✓
debt positions – defaults by borrowers will affect returns.	x	✓
forecasts – if forecasts not met, returns to investors likely to be reduced.	✓	✓
Responsible Entity – if GCL or GFML cease to be a Responsible Entity, there will be a negative impact on the GARDA Capital Group.	indirectly	✓
regulatory and licensing – may impact the GARDA Capital Group.	indirectly	✓



These risks are managed and reviewed regularly by the GARDA Capital Group in accordance with its risk management framework and the Risk Management Policy, under the supervision of the Audit and Risk Committee.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 (applicable to GCL/GCM only)

The board of a listed entity should:

- a. have a remuneration committee which:**
 - i. has at least three members, a majority of whom are independent directors; and**
 - ii. is chaired by an independent director, and disclose:**
 - iii. the charter of the committee;**
 - iv. the members of the committee; and**
 - v. 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.**

The GARDA Capital Group has a Nomination and Remuneration Committee, which should only comprise of non-executive directors, with at least three members. Mr Hallett chairs the Nomination and Remuneration Committee, with Mr Lee and Mr Parker also serving as members. Accordingly, the Nomination and Remuneration Committee is comprised of two non-executive members and one 'independent' member, and due to Board size and composition does not comprise a majority of independent Directors, with a non-independent Chair (see the discussion at Recommendations 2.3 and 2.4 on independence and judgement). The Board considers that Mr Hallett's relationships do not interfere with his ability to give independent judgement as Chairman of the Nomination and Remuneration Committee.

The chair of the Nomination and Remuneration Committee reports deliberations and findings back to the next meeting of the full Board. It has met twice during the Reporting Period, all members attending, and meets as frequently as required to undertake its role effectively.

The Board has adopted a Nomination and Remuneration Committee Policy, which expresses the GARDA Capital Group's commitment to selecting the best people at Board and management level, and sound and equitable principles of remuneration throughout its business. Under the Policy, the Nomination and Remuneration Committee assists and advises the Board on:

- Board succession planning, appointment and re-election of Directors, and induction, training and evaluation for the Board; and
- remuneration policies and practices for the Board, senior management and other persons within the GARDA Capital Group.

The Policy is designed to ensure that the GARDA Capital Group is able to attract and retain people who will create value for Securityholders, and that remuneration is fair and appropriate having regard to GCM's objectives and all stakeholders. **It is noted that remuneration is paid by the Group, and not from the Funds.*

The Nomination and Remuneration Committee Policy is available on the website www.gardacapital.com.au.

The Nomination and Remuneration Committee is considering the independent Chair vacancy.

Recommendation 8.1 (for externally managed entities* - applicable to GDF and GCT only)

An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.

The fees payable by the Funds to their Responsible Entities and associated entities are set out in detail in the Constitutions, and in the Financial Statements. The Responsible Entities are also entitled to a



reimbursement of expenses, and indemnities from the Funds, in accordance with the terms of the Constitutions (as summarised in the PDS and the Offer Document).

Other Group entities may also earn additional fees in relation to other services which a Fund engages a Group member to undertake on an arms-length basis (subject to the Corporations Act), such as financing or project management fees.

Directors and employees are not provided with any remuneration from or through GDF, and do not receive units in GDF as a form of remuneration. They may be entitled to units in GCT, forming part of the stapled security – see Recommendation 8.3.

Recommendation 8.2 (applicable to GCL/GCM only)

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.

The Board is committed to transparency. The Nomination and Remuneration Committee Policy has been adopted and governs the policies around remuneration of the Board, and also of senior executives and other key persons within the GARDA Capital Group.

The Nomination and Remuneration Committee Policy is available on the website www.gardacapital.com.au. The remuneration pool of the non-executive directors, and the remuneration of the key members of executive management are set out in the Remuneration Report of the GCM Annual Report.

Recommendation 8.3 (applicable to GCL/GCM only)

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.***

The GARDA Capital Group has an equity-based employee security scheme (ESS) for directors and staff, which was approved by Securityholders at the 2017 AGM. Details of the ESS are fully disclosed in the 2017 notice of AGM on the ASX.

Under the approved ESS, Executive Directors and employees may be entitled to GCM stapled securities, on vesting conditions to be determined at issue (and in accordance with the *Corporations Act*) with a corresponding loan from the GARDA Capital Group for the issue price. Participants who meet the vesting conditions will only benefit if the securities are worth more than the loan at that time. Non-Executive Directors are not currently eligible to participate in the ESS.



GLOSSARY

Key terms used in this Corporate Governance Statement:

ASX	Australian Securities Exchange.
Board	The directors of GCL acting as a board. The Board is identical for each member of the Group.
Constitution	The Constitution of GCL, GDF or GCT, as the context requires.
COO	Chief Operating Officer of the GARDA Capital Group, who is David Addis.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of GCL.
Financial Statements	The audited financial statements of GCM or GDF for the Reporting Period, dated 24 August 2019.
Funds	Either GDF or GCT, as the context requires.
GCL	GARDA Capital Limited ACN 095 039 366, Australian financial services licence 246714. Part of the stapled security ASX code: GCM, and separately the responsible entity of GDF.
GCM or GARDA Capital Group	A stapled security with ASX code: GCM, which listed on the ASX in July 2016, comprising: <ul style="list-style-type: none"> • one share in GCL; and • one unit in GCT.
GCT	GARDA Capital Trust ARSN 150 164 720 – a managed investment scheme forming part of the stapled security ASX code: GCM.
GDF	GARDA Diversified Property Fund ARSN 104 391 273, ASX Code: GDF – a managed investment scheme which listed on the ASX in July 2015.
GFML	GARDA Funds Management Limited ACN 140 857 405, Australian financial services licence 398764, and the responsible entity of GCT.
Group	The corporate group, comprising GCL and each of its subsidiaries.
Listing Rules	The official listing rules of the ASX from time to time.
Offer Document	The offer document, being a combined product disclosure statement and prospectus, dated 9 June 2016 issued by GCL and GFML for the listing of GCM stapled securities in July 2016.
PDS	The product disclosure statement dated 22 May 2015 issued by GCL for the listing of GDF in July 2015.
Principles	ASX Corporate Governance Principles and Recommendations – 3 rd edition March 2014.
Recommendations	The recommendations listed in the Principles (as modified for GDF and GCT for externally managed listed entities in accordance with pages 35-6 of the Principles).
Registry	Link Market Services Limited, the external registry for both GCM and GDF.
Reporting Period	The reporting period for this Statement, being for the financial year ended 30 June 2019.
Responsible Entity or RE	Where applicable: <ul style="list-style-type: none"> • GCL, in its capacity as responsible entity of GDF; and • GFML, in its capacity as responsible entity of GCT.
Securityholders	A registered holder of units in GDF, or stapled securities in GCM, as the context requires.
Statement	This Corporate Governance Statement approved by the Board and updated as at 22 August 2019.