

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Centuria Capital Group comprising Centuria Capital Limited ACN 095 454 336 and Centuria Funds Management Limited ACN 607 153 588 as responsible entity for Centuria Capital Fund ARSN 613 856 358.

ABN / ARBN:

Centuria Capital Limited ABN 22 095 454 336
Centuria Capital Fund ARSN 613 856 358

Financial year ended:

30 June 2020

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

☐ These pages of our annual report:

☒ This URL on our website: <https://centuria.com.au/centuria-capital/corporate/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 20 October 2020 and has been approved by the board.

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

Date: 20 October 2020

Name of Director or Secretary authorising lodgement:



Anna Kovarik
Company 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 ...
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 ... 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 https://centuria.com.au/centuria-capital/corporate/corporate-governance/
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
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
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

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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 checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at https://centuria.com.au/centuria-capital/corporate/corporate-governance/</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 checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</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</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</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</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> 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 ...
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; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://centuria.com.au/centuria-capital/corporate/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in the Annexure to this Appendix 4G</p> <p>Paragraph (b) is not applicable.</p>
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.	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</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</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in the Centuria Capital Limited Annual Report</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> 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 ...
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 checked="" type="checkbox"/> in our Corporate Governance Statement
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
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 checked="" type="checkbox"/> at https://centuria.com.au/centuria-capital/corporate/corporate-governance/

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://centuria.com.au/centuria-capital/corporate/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in the Centuria Capital Limited Annual Report AND</p> <p><input checked="" type="checkbox"/> in the Annexure to this Appendix 4G</p> <p>Paragraph (b) is not applicable.</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</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</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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 checked="" type="checkbox"/> in our Corporate Governance Statement AND <input checked="" type="checkbox"/> at https://centuria.com.au/centuria-capital/corporate/corporate-governance/
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 https://centuria.com.au/centuria-capital/corporate/corporate-governance/
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
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
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

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://centuria.com.au/centuria-capital/corporate/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in the Annexure to this Appendix 4G</p> <p>Paragraph (b) is not applicable.</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</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</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>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>Paragraph (b) is not applicable.</p>
7.4	<p>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>	<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</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://centuria.com.au/centuria-capital/corporate/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in the Annexure to this Appendix 4G</p> <p>Paragraph (b) is not applicable.</p>
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.	<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 AND</p> <p><input checked="" type="checkbox"/> in the Centuria Capital Limited Annual Report</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</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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</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</p>

Annexure

Directors

The directors of Centuria Capital Limited and Centuria Funds Management Limited as responsible entity of Centuria Capital Fund, at any time during or since the end of the financial year are:

Name Particulars:

Mr Garry S. Charny, Chairman and Non-Executive Director

BA. LL.B.

Mr Peter J. Done, Non-Executive Director

B. Comm, FCA.

Mr John R. Slater, Non-Executive Director

Dip.FS (FP), F Fin.

Ms Susan Wheeldon, Non-Executive Director

MBA.

Mr Nicholas R. Collishaw, Non-Executive Director (Executive Director prior to October 2017)

SAFin, FAAPI, FRICS.

Mr John E. McBain, Executive Director

Dip. Urban Valuation.

Mr Jason C. Huljich, Executive Director

B. Comm.

The above-named directors held office during the entire financial year and up to the date of this corporate governance statement, unless otherwise noted.

Directors' meetings - Centuria Capital Limited:

The following table sets out the number of directors' meetings of Centuria Capital Limited and Centuria Funds Management Limited as responsible entity of Centuria Capital Fund (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

Director	Board Meetings		COVID-19 Board Briefings		Audit, Risk & Compliance Committee Meetings		Nomination & Remuneration Committee Meetings		Conflicts Committee Meetings	
	A	B	A	B	A	B	A	B	A	B
Mr Garry S. Charny	27	27	8	8	6	6	6	6	9	9
Mr Peter J. Done	25	27	8	8	5	6	6	6	#	#
Mr John R. Slater	23	27	8	8	3	6	6	6	#	#
Ms Susan Wheeldon	24	27	7	8	#	#	#	#	8	9
Mr Nicholas R. Collishaw	27	27	8	8	#	#	#	#	#	#
Mr John E. McBain	27	27	8	8	#	#	#	#	#	#
Mr Jason C. Huljich	27	27	8	8	#	#	#	#	#	#

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the year

– Not a member of the committee

Corporate Governance Disclosures

The corporate governance disclosures referred to in this Appendix 4G may be accessed at the following URL:
<https://centuria.com.au/centuria-capital/corporate/corporate-governance/>.



Centuria

Corporate Governance Statement

Corporate Governance Statement of Centuria Capital Group

Centuria Capital Group (Group) has a stapled structure in which each share in Centuria Capital Limited ACN 095 454 336 (Company) is stapled to a unit in Centuria Capital Fund ARSN 613 856 358 (Fund). Centuria Funds Management Limited ACN 607 153 588 (CFML) is the responsible entity of the Fund.

As both the Company and the Fund are listed separately on the Australian Securities Exchange (ASX), each of the Company and CFML in its capacity as responsible entity for the Fund are required to prepare a Corporate Governance Statement.

The board of directors of the Company is identical to the board of directors of CFML.

The various board committees in respect of the Company also exist in respect of the Fund. The membership of these committees is the same for both of the Company and the Fund. Each board committee has adopted a board charter which applies to the committee acting in respect of the Company or the Fund.

For these reasons, the Corporate Governance arrangements created for the Company are very similar to those which have been instituted for the Fund. This Corporate Governance Statement serves as the Corporate Governance Statement for both the Company and the Fund

(i.e. for the Group as a whole). Where there is a difference between the Corporate Governance arrangements that apply to the Fund as opposed to the Company, this has been identified below.

A reference to a Director, Board or Committee within this Corporate Governance Statement is a reference to that body acting or operating with respect to either or both of the Company and Centuria Funds Management Limited in its capacity as responsible entity for the Fund as the context requires.

A reference to a security holder is a reference to a holder of stapled securities in the Group.

The Corporate Governance Statement is consistent with the third edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council in 2014 (3rd Edition Recommendations). The Appendix 4G lodged with ASX indicates whether specific Recommendations are dealt with in the Corporate Governance Statement or on the Centuria website or a combination of both. Centuria Capital Group's governance framework and practices are being updated where relevant to align to the ASX Corporate Governance Principles and Recommendations - Fourth Edition. Centuria Capital Group will be reporting against the Fourth Edition in the FY21 reporting period.

The Corporate Governance Statement is accurate and up to date as at 20 October 2020 and has been approved by the board.



Principle 1

Lay Solid Foundations for Management and Oversight

ASX CORPORATE GOVERNANCE RECOMMENDATION

1.1

A listed entity should disclose:

- a. the respective roles and responsibilities of its board and management; and
- b. those matters expressly reserved to the board and those delegated to management.

1.2

A listed entity should:

- a. undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and
- b. provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

1.3

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

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.

FORM AND MANNER OF COMPLIANCE

1.1

The Role of the Board

The Board of Directors (Board) is responsible for setting the strategic direction and establishing the policies of the Group. It is responsible for overseeing the financial position, and for monitoring the business and affairs of the Group on behalf of the security holders, by whom the Directors are elected and to whom they are accountable. It also addresses issues relating to internal controls and approaches to risk management. It ensures that there are processes in place to conform to legal requirements and Corporate Governance Standards and that risk exposures are adequately managed. For full details of the role of the Board please refer to our Board Charter, which is accessible on the Corporate Governance page of our website at <https://centuria.com.au/centuria-capital/corporate/corporate-governance/>.

Delegation to Senior Executives

The role of the Joint Chief Executive Officers (Joint CEOs) and Senior Executives is to manage the Group in accordance with the directions given by the Board. The Joint CEO's responsibilities include:

- formulating and reviewing, with the Board, the vision and strategy for the Group;
- developing actions and plans to achieve the vision and implement the strategy and to report to the Board on the progress against those plans;
- appointing a management team and negotiating terms and conditions of their employment; and
- approving the remuneration levels of all staff.

1.2

Prior to a person's appointment as a Director, or recommendation for appointment, appropriate background checks are undertaken including in relation to the candidate's character, experience, education, criminal record and bankruptcy history.

The explanatory notes provided in the notice of the Group's annual general meeting (AGM) will provide material information relevant to a decision to elect or re-elect a Director.

1.3

A letter of appointment is provided to each Director and senior executive setting out the terms of the appointment.

1.4

The company secretary is directly accountable to the Board on all matters to do with the proper functioning of the Board.

Principle 1

Lay Solid Foundations for Management and Oversight

ASX CORPORATE GOVERNANCE RECOMMENDATION

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.

FORM AND MANNER OF COMPLIANCE

1.5

The Group has a Diversity Policy which promotes the Group's belief that a diverse workforce with equality of opportunity will achieve strong business results. Whilst ultimately all new appointments, whether of a Director or an employee, will be made on the basis of merit, meeting the targets below will provide evidence of the effectiveness of the Group's policy.

The Board has established the following measurable objectives regarding gender diversity and aims to achieve these objectives over the next few years as Directors and senior executive positions become available and provided appropriately qualified candidates come forward:

- at least 30% of the Group's employees be women;
- at least 20% of the Group's senior executives be women; and
- to have not less than 20% of non-executive directors on Centuria Capital Group Board be women.

The table below details the Group's performance against these objectives during the reporting period:

Objective	FY2020
30% of Employees be women	36%
20% of Senior Executives ¹ be women	33%
To have not less than 20% of non-executive directors on Centuria Capital Group Board be women	20% (Centuria currently has one female non-executive director on a Board of 5 non-executive directors.)

(1) For the purpose of this measurement, Senior Executive has been defined as those positions that report directly to the Joint CEOs of the Group.

A copy of the Group's Diversity Policy is available on the Corporate Governance page of our website at <https://centuria.com.au/centuria-capital/corporate/corporate-governance/>.

Principle 1

Lay Solid Foundations for Management and Oversight

ASX CORPORATE GOVERNANCE RECOMMENDATION

1.6

A listed entity should:

- a. have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

1.7

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.

FORM AND MANNER OF COMPLIANCE

1.6

The Group has a policy to review and assess the performance of its Board, Committees and Directors each financial year. A performance review of the Board, its Committees and Directors was undertaken during the reporting period in accordance with the Group's policy. The Board performance review process is designed to:

- improve the effectiveness of the Board;
- identify inefficiencies or deficiencies of the Board;
- clarify the composition of the Board and the roles of Directors;
- encourage a collaborative team environment; and
- ensure the continued corporate performance of the Group.

The review included assessing:

- the Board's performance relative to achieving its obligations and meeting its responsibilities;
- the Board's success in setting strategies of the Board and the business;
- the Board's operation, including communication processes and its conduct of Board meetings and discussions;
- the Board's management of risks;
- the independence of directors;
- the Chairman's performance;
- the performance of relevant Board committees; and
- appropriate succession planning.

The review process included questionnaires, individual interviews with Directors and discussion of the feedback at Board meetings.

The Group values continuing education for Directors in order to update and enhance their knowledge and hence ensure optimal performance. The Board Charter gives Directors the authority to seek professional advice as considered necessary in the performance of their duties at the Group's expense. The Directors also have full access to the company secretary to assist them in carrying out their roles.

1.7

The performance of the Joint CEOs are reviewed annually by the Nomination and Remuneration Committee and the Board. This assessment is made against pre-determined criteria including Key Performance Indicators relating to the Group's performance as determined in the Group's Strategic Plan. Performance reviews of senior executives are carried out by the Joint CEOs who report the findings to the Nomination and Remuneration Committee. The Joint CEOs conduct the reviews each year by comparing performance against agreed measures during the course of the year and deciding upon targets for the next year.

A performance evaluation of all senior executives, including for the Joint CEOs, was undertaken in the 2020 financial year.

Principle 2

Structure the Board to Add Value

ASX CORPORATE GOVERNANCE RECOMMENDATION

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.

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.

FORM AND MANNER OF COMPLIANCE

2.1

The Nomination and Remuneration Committee formulates criteria for appointment of Directors to the Board, identifies potential candidates and recommends remuneration of Directors and senior management. A link to the charter of the Nomination and Remuneration Committee can be found on the Corporate Governance page of our website at <https://centuria.com.au/centuria-capital/corporate/corporate-governance/>. Specific activities of the Nomination and Remuneration Committee include:

- annual review of Board composition to ensure that the necessary skills are represented, together with the appropriate continuity and balance;
- assessment of the effectiveness and composition of Board committees;
- regular evaluation of the performance of the Joint CEOs;
- recommending remuneration for non-executive Directors;
- recommending a competitive remuneration and reward program for the Joint CEOs and other senior management; and
- ensuring that other human resource management programs, including performance assessment programs, are in place.

The Nomination and Remuneration Committee consists of three independent non-executive directors, namely Garry Charny (Chairperson), Peter Done and John Slater.

The Nomination and Remuneration Committee must meet at least twice a year. The number of times the Committee met throughout the period as well as individual attendance of the members at those meetings are disclosed at the Annexure to Appendix 4G.

2.2

The Board regularly reviews the skills, knowledge and experience represented on the Board against the skills and experience needed to deliver the Group's strategy. The Board uses a skills matrix as part of its Board review process described above to assist with the review. The experience and skills of Directors in the key areas below are recorded in the matrix to identify any gaps or weaknesses in the Board's collective skillset to be addressed when filling any Board vacancies or by recruitment of additional Directors.

Qualifications

Finance / Accounting / Legal / Insurance / AICD / Other

Experience

People / Leadership / Risk / Information Technology / Strategy and Development / Property Experience / Financial Services Industry Experience / Financial Management and Reporting / Marketing and Distribution / Governance

The Board considers that the above skills areas are appropriately represented on the Board. The Directors' Report in the Annual Report contains details of the Directors' skills, experience and qualifications as well as the date the individual Director was appointed to the Board. The status of each Director as a non-executive or executive director and the Committees on which each Director sits is also provided at the Annexure to Appendix 4G. The Directors seek to ensure the Board consists of Directors with an appropriate range of experience, skills, knowledge and vision to enable it to operate the Group's business with excellence. The number of Directors is limited by the Company's constitution to a minimum of 5 and a maximum of 13. The Board considers that the ideal size is 5 to 8 Directors.

Principle 2

Structure the Board to Add Value

ASX CORPORATE GOVERNANCE RECOMMENDATION

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 of the Corporate Governance Council Recommendations 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.

2.4

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

2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

2.6

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.

FORM AND MANNER OF COMPLIANCE

2.3

Currently the Board consists of 7 Directors. 4 of the 7 Directors, namely Garry Charny, John Slater, Peter Done and Susan Wheeldon are considered to be independent as per the independence criteria set out in the Board Charter. The 4 independent Directors do not have relationships with the Group which affect their independent status, such as substantial security holdings or direct employment. Garry Charny and John Slater provide professional consultancy services to the Group which are not material and do not impact their independence. No director has a material contractual relationship with the Group or other subsidiaries of the Group except as a Director. The Group's Joint CEOs, John McBain and Jason Huljich are Executive Directors. Directors are required to disclose at each Board meeting any interests that may affect their independence. Independent Directors reconfirm their independent status to the Board on an annual basis.

The Annual Report provides detail of the length of service of each Director.

The Company's constitution stipulates that a number of Directors not exceeding one-third of their number should retire by rotation at each AGM. A Director must offer himself or herself for re-election at the third AGM since their election or re-election. If there is more than one CEO, who is also a Director, only one is entitled not to be subject to the retirement by rotation process and is not included when calculating the number of Directors required to retire by rotation.

2.4

The Board currently consists of a majority of independent Directors.

2.5

The Group's Chairperson, Garry Charny, is considered to be an independent Director. There is a clear division of responsibility at the head of the Group as the roles of Chairperson and the Joint CEOs are not performed by the same person. The Board Charter also provides that the Chairperson shall be an independent non-executive Director.

2.6

Directors are selected and appointed in accordance with documented procedures. For full details on the procedures for the selection and appointment of Directors, please see our Procedures for the Appointment and Selection of New Directors Policy which is accessible on the Corporate Governance page of our website at <https://centuria.com.au/centuria-capital/corporate/corporate-governance/>.

Principle 3

Act Ethically and Responsibly

ASX CORPORATE GOVERNANCE RECOMMENDATION

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.

FORM AND MANNER OF COMPLIANCE

3.1

The Centuria Code of Conduct is available on the Company’s website at: <https://centuria.com.au/centuria-capital/corporate/corporate-governance/>.

The Centuria Code of Conduct sets expectations for the maintenance of standards of honesty, integrity, care, diligence and fair dealing by directors and Centuria employees in the performance of their duties and responsibilities.

Each director, senior executive and employee of Centuria Capital Limited has agreed to comply with the Centuria Code of Conduct.

Employees are encouraged to escalate any contraventions of the Code of Conduct to their Manager or the Head of Compliance.

Principle 4

Safeguard Integrity in Corporate Reporting

ASX CORPORATE GOVERNANCE RECOMMENDATION

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.

4.2

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

4.3

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.

FORM AND MANNER OF COMPLIANCE

4.1

The Group has established an Audit, Risk & Compliance Committee (ARCC). The ARCC consists of three independent Directors and is chaired by an independent chair who is not the chair of the Group's Board. All members are financially literate, either holding financial or accounting qualifications and/or having professional experience in a financial or accounting related field. The Committee Chairman, Peter Done is a chartered accountant with over 40 years of experience. John Slater has over 25 years experience in the financial services and investment management industry. Garry Charny is the managing director and principal of Wolseley Corporate, an Australian corporate advisory and investment house, which specialises in mergers and acquisitions, strategic corporate advice and contentious matters resolution.

The ARCC meets at least quarterly. The external and internal auditors of the Group attend on a regular basis. Details of the ARCC members' names, appointment date, status and qualifications are set out in the Directors' Report of the Group's Annual Report. The number of times the Committee met throughout the period as well as individual attendance of the members at those meetings are disclosed at the Annexure to Appendix 4G.

A link to the ARCC charter can be found at the Group's website at <https://centuria.com.au/centuria-capital/corporate/corporate-governance/>.

4.2

The Joint CEOs and CFO have declared in writing to the Board for both the half-year and full-year financial statements that the declaration provided, which is in accordance with section 295A of the Corporations Act, is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

4.3

The Group's external audit partner attends the AGM and is available to answer questions from security holders.

The AGM of shareholders of the Company and a general meeting of unitholders of the Fund are held concurrently each year.

Principle 5

Make Timely and Balanced Disclosure

ASX CORPORATE GOVERNANCE RECOMMENDATION

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.

FORM AND MANNER OF COMPLIANCE

5.1

The Group is committed to fair and open disclosure and has adopted policies and procedures to ensure that the Group meets its disclosure obligations under the Corporations Act and the ASX Listing Rules. The focus of these policies and procedures is to effect the Group's commitment to:

- comply with the general and continuous disclosure principles contained in the ASX Listing Rules and the Corporations Act;
- prevent the selective or inadvertent disclosure of price sensitive information;
- ensure that security holders and the market are provided with full and timely information about its activities; and
- ensure that all market participants have equal opportunity to receive externally available information issued by the Group.

A link to the Continuous Disclosure Policy can be found under the Corporate Governance page of the Group's website at <https://centuria.com.au/centuria-capital/corporate/corporate-governance/>.

Responsibility for compliance with the Group's continuous disclosure obligations rests with the company secretary. Price sensitive information is publicly released through the ASX before disclosing it to analysts or others outside the Group. Information is posted on the Group's website as soon as reasonably practicable after the ASX confirms an announcement has been made, with the aim of making the information accessible to the widest audience.

Principle 6

Respect the Rights of Security Holders

ASX CORPORATE GOVERNANCE RECOMMENDATION

6.1

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

6.2

A listed entity should design and implement a security holder relations program to facilitate effective two-way communication with security holders.

FORM AND MANNER OF COMPLIANCE

6.1

The Group aims to provide prompt, accurate and accessible information to its security holders. It has established a Communications Policy detailing steps to be taken to achieve this objective, a copy of which can be viewed at <https://centuria.com.au/centuria-capital/corporate/corporate-governance/>.

The Group's website forms an important part of the strategy for communicating with security holders. The Group's website has an Investor Centre page which includes security details, company reports, ASX announcements and press releases (including copies of any significant presentations made to analysts), and items relating to AGMs or other general meetings of the Group's security holders.

6.2

The Group recognises the importance of providing its security holders and the broader investment community with facilities to provide avenues for two-way communication between the Group, the Board and security holders. The Group has developed a program on security holder engagement for engaging with security holders, the media and the broader investment community. In addition, the Group's security holders have the ability to elect to receive communications and other security holding information electronically.

The main mechanisms through which the Group provides avenues for two-way security holder engagement include:

- the Group's AGM where security holders are given the opportunity to ask questions;
- the release of the Group's notices and explanatory statements for AGMs and other Security holder meetings;
- the release of the Group's Annual Report, and half and full-year financial reports;
- the release of announcements made to the ASX;
- maintenance of the Group's website, at www.centuria.com.au, which contains up-to-date information on the operations of the Group, its Board, management and Corporate Governance structure, ASX announcements, security price, debt investment, and other relevant information; and
- maintenance of various telephone lines that security holders can use to contact the Group or the security registry to ask questions directly.

Principle 6

Respect the Rights of Security Holders

ASX CORPORATE GOVERNANCE RECOMMENDATION

6.3

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

6.4

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

FORM AND MANNER OF COMPLIANCE

6.3

In designing notices and explanatory statements and memoranda relating to AGMs and other Security holder meetings, the Group gives consideration to the guidelines given by the ASX Corporate Governance Council in its Corporate Governance Principles and Recommendations.

A notice of meeting and explanatory memorandum in respect of the resolutions to be voted on by security holders will be provided in accordance with the Fund's constitution and the Corporations Act, and will also be available on the Group's website at: www.centuria.com.au, and lodged with the ASX.

In accordance with the Company's constitution, security holders who are not able to attend the meeting are able to vote by proxy. To further encourage security holder participation at meetings going forward, the Company's constitution is being reviewed to allow for virtual meetings to be held where unitholders can vote on resolutions and ask questions online.

6.4

The Group, through its registry service provider, Boardroom, provides security holders the option to receive communications and send communications to the security registry electronically. Security holders may communicate with the Group through contact details provided on the Group's website.

Principle 7

Recognise and Manage Risk

ASX CORPORATE GOVERNANCE RECOMMENDATION

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.

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.

FORM AND MANNER OF COMPLIANCE

7.1

The Group has established an Audit, Risk & Compliance Committee (ARCC). The ARCC consists of three independent Directors and is chaired by an independent chair who is not the chair of the Group's Board. All members are financially literate either holding financial or accounting qualifications and/or having professional experience in a financial or accounting related field. The Committee Chairman, Peter Done is a chartered accountant with over 40 years of experience. John Slater has over 25 years experience in the financial services and investment management industry. Garry Charny is the managing director and principal of Wolseley Corporate, an Australian corporate advisory and investment house, which specialises in mergers and acquisitions, strategic corporate advice and contentious matters resolution.

The ARCC meets at least quarterly. The external and internal auditors of the Group attend on a regular basis. Details of the ARCC members' names, appointment date, status and qualifications are set out in the Directors' Report of the Group's Annual Report. The number of times the Committee met throughout the period as well as individual attendance of the members at those meetings are disclosed at the Annexure to Appendix 4G. A link to the ARCC charter can be found at the Group's website at <https://centuria.com.au/centuria-capital/corporate/corporate-governance/>.

7.2

The Group's Board has established a Risk Management Framework for the Group, a summary of which can be viewed under the Corporate Governance page of our website. Risk management is an integral part of the governance of the Group and is one of the main responsibilities of the Board and senior management. The Board is ultimately responsible for approving and reviewing the Group's Risk Management Framework. The monitoring and management of risk on an ongoing basis is the responsibility of management as represented by the heads of the respective business units of the Group.

At the Group, managing risk is a continuous process for both management and the Board. The Group's comprehensive Risk Management Framework requires a detailed annual business risk review, which seeks to define all the major risks that could prevent or impact the Group from achieving its objectives. This review was undertaken during the 2020 financial year by the Board with the objective of identifying material business risks so that they can be managed effectively.

The management of risk is continually addressed during the year at the business unit level. Periodically, a review of the effectiveness of the Group's Risk Management Framework is undertaken. Combined with this is an embedded compliance culture to ensure the Group meets the requirements of the Australian Securities and Investments Commission for conducting a financial services business and operating managed investment schemes. A robust compliance framework has been implemented which requires the business to monitor its activities and those of its outsourced service providers. The compliance function at the Group reports directly to the Audit, Risk & Compliance Committee and the Board.

The Audit, Risk & Compliance Committee has the following risk management responsibilities:

- assessing risks arising from the Group's operations and ensuring the adequacy of measures taken to moderate those risks;
- reviewing and assessing the effectiveness of the Group's Risk Management Framework and internal control practices and ensuring there is a continuous process for the management of significant risks throughout the Group; and
- monitoring compliance with the Group's Risk Management Framework.

Quarterly risk management reporting is provided to the Audit, Risk & Compliance Committee by management.

Principle 7

Recognise and Manage Risk

ASX CORPORATE GOVERNANCE RECOMMENDATION

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.

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.

FORM AND MANNER OF COMPLIANCE

7.3

An internal audit function has been established with a focus on the Group’s control environment. The annual internal audit plan is determined having regard to the risk profile of the business arising from the annual business risk review.

7.4

The Group does not have direct material exposure to sustainability risks. However, subsidiary companies within the Group act as manager of commercial and development properties that can have exposure to environmental sustainability risks, for example, meeting environmental rating standards or remediating sites affected by environmental liabilities. These risks are managed in accordance with the Group’s Risk Management Framework and with the assistance of specialist professionals where required.

A summary of the Group’s Risk Management Framework is available at <https://centuria.com.au/centuria-capital/corporate/corporate-governance/>.

Principle 8

Remunerate Fairly and Responsibly

ASX CORPORATE GOVERNANCE RECOMMENDATION

8.1

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 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.

FORM AND MANNER OF COMPLIANCE

8.1

The Nomination and Remuneration Committee consists of three Directors, namely Garry Charny (Chairperson), Peter Done and John Slater, all of whom are independent. The Nomination and Remuneration Committee meets at least twice a year. The number of times the Committee met throughout the period as well as individual attendance of the members at those meetings is disclosed at the Annexure to Appendix 4G.

Remuneration related responsibilities of the Nomination and Remuneration Committee include:

- recommending fees for Directors;
- recommending a competitive remuneration and reward program for the Joint CEOs and other senior management; and
- ensuring that other human resource management programs, including performance assessment programs and incentive schemes, are in place.

The Group recognises the important role people play in the achievement of its long-term objectives and as a key determinant of competitive advantage. To grow and be successful, the Group must be able to attract, motivate and retain capable individuals.

The Charter of the Nomination and Remuneration Committee can be found at <https://centuria.com.au/centuria-capital/corporate/corporate-governance/>.

Principle 8

Remunerate Fairly and Responsibly

ASX CORPORATE GOVERNANCE RECOMMENDATION

8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

8.3

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.

FORM AND MANNER OF COMPLIANCE

8.2

Senior Executive remuneration structure

The key principles that underpin the Group’s senior executive remuneration policy are:

- competitive rewards are provided to attract and retain executive talent;
- remuneration is linked to performance so that higher levels of performance attract higher rewards;
- rewards to all staff but particularly executives are linked to the creation of value to security holders;
- the criteria used to assess and reward staff include financial and non-financial measures of performance;
- the overall cost of remuneration is managed and linked to the ability of the Group to pay; and
- severance payments due to the Joint CEOs on termination are limited to pre-established contractual arrangements which do not commit the Group to making any unjustified payments in the event of non-performance.

The Remuneration Policy assists the Group to achieve its business strategy and objectives. The Group recognises that, while remuneration is a key factor in recruiting the right people, it is not the only factor. The Group’s values and its ability to provide interesting and challenging career opportunities also play an important role.

Non-Executive Director remuneration structure

The Board has established a policy relating to the remuneration of non-executive Directors. The Group pays non-executive Directors fees at a level which is sufficient to attract individuals with the appropriate skills, and to fairly reimburse those Directors for services provided.

Non-executive Directors’ remuneration does not include incentive schemes or performance related payments.

Executive Director remuneration structure

Executive Directors are paid a salary commensurate with their position and responsibilities and at a level which attracts high calibre executives with appropriate skills and experience. Executive Directors also participate in the Group’s long-term and short-term incentive plans.

Further information regarding Director and senior executive remuneration can be found in the Remuneration Report in the Annual Report.

8.3

The Group has a Remuneration Policy that is applicable to Directors, senior executives and employees and that includes both monetary and equity based remuneration as summarised in 8.2 above.

Additional Information

Additional information relevant to the Group:

The Board has established a formal code in order to regulate dealings in stapled securities by the Board, senior executives and employees of the Group and their associates. This policy is designed to ensure fair and transparent trading in accordance with both the law and best practice.

Additional information relevant to Centuria Capital Fund:

Compliance plan

As the responsible entity of the Fund, CFML must comply with all obligations set out in the Fund constitution and the Corporations Act. CFML is also subject to duties including duties to act in the best interests of security holders, act honestly, exercise care and diligence, and treat security holders of the same class equally. In order to facilitate compliance with the constitution and the Corporations Act, CFML has adopted the compliance plan which sets

out the key processes CFML will apply in operating the Fund. You can inspect a copy of the constitution and the compliance plan at the offices of the Group at any time between 9.00am and 5.00pm (AEDT) on a business day in Sydney, New South Wales. Alternatively, a copy of the documents may be requested (to be provided free of charge), by contacting the Investor Relations Team by telephone on +61 2 8923 8923 or email to contactus@centuria.com.au.

Remuneration of CFML as responsible entity

In accordance with clause 14.3 of the Fund constitution, CFML is entitled to be paid a management fee of \$200,000 per annum which is calculated and accrues on a daily basis and is payable within 5 business days of the end of each month.

The management fee is fixed, regardless of the size of the Fund. Also note that as the units in the

Fund are stapled to shares in the Company and that the recipient of the management fee will be CFML, a wholly-owned subsidiary of the Company, the benefit of the management fee will be obtained by Group security holders.

CFML may not increase the fees payable to it above the amounts set out in the Fund constitution without a special resolution of holders of securities first having varied the Fund constitution. A special resolution requires at least 75% of the votes (by value) cast on the resolution being in favour of it.

CFML is indemnified and is entitled to be reimbursed out of the assets of the Fund for all expenses incurred in relation to the proper performance of its duties or exercise of its powers. Expenses are reimbursable to CFML from the Fund's income and assets as and when incurred. Please refer to clause 14.1 of the Fund constitution for examples of the expenses for which CFML is indemnified and entitled to be reimbursed.

Conflicts

CFML recognises its responsibilities in relation to conflicts of interest and related party transactions and has a conflicts of interest policy in place that governs the way in which CFML manages such transactions or conflicts. Through the application of this policy, CFML is committed to:

- identifying and monitoring all potential conflicts of interest;
- avoiding conflicts of interests wherever this is the only way to properly protect security holders' interests;
- taking appropriate steps to ensure the fair treatment of the Fund and all security holders potentially impacted by the conflict; and
- dealing in an open manner and disclosing its conflicts of interest wherever this is likely to be relevant to security holders.





Centuria

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