

## Appendix 4G

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

**Name of entity:**

Gateway Lifestyle Group comprising Gateway Lifestyle Operations Limited (ABN 63 605 543 968),  
One Managed Investment Funds Limited (ABN 47 117 400 987) as Responsible Entity for  
Residential Parks No. 2 Trust (ARSN 605 803 419)

**Financial year ended:**

30 June 2017

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

- These pages of our annual report:
- This URL on our website: <http://www.gatewaylifestyle.com.au/investorcentre>

The Corporate Governance Statement is accurate and up to date as at 30 August 2017 and has been approved by the board.

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

Date: 30 August 2017

Name of Director or Secretary authorising lodgement: Leanne Nolan

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer Role of the Board and Delegation to Management) ... 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"/> in our Board Charter at <a href="#">Board Charter</a>
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 (Refer Director Appointment, Election and Re-election)
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 (Refer Director Appointment, Election and Re-election) <input checked="" type="checkbox"/> in our Board Charter at <a href="#">Board Charter</a>
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 (Refer Board Access to Information and Advice) <input checked="" type="checkbox"/> in our Board Charter at <a href="#">Board Charter</a>

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 (Refer Diversity)</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Diversity Policy available at <a href="#">Diversity Policy</a></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 (Refer FY17 Diversity Measurable Objectives)</p> <p><input checked="" type="checkbox"/> in our Diversity Policy available at <a href="#">Diversity Policy</a></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer Female Representation)</p> <p><input checked="" type="checkbox"/> in our Diversity Policy available at <a href="#">Diversity Policy</a></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 (Refer Performance Evaluation)</p> <p><input checked="" type="checkbox"/> in our Remuneration and Nomination Committee Charter available at <a href="#">Remuneration and Nomination Committee Charter</a></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer Performance Evaluation)</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 (Refer Performance Evaluation)</p> <p><input checked="" type="checkbox"/> in our Remuneration and Nomination Committee Charter available at <a href="#">Remuneration and Nomination Committee Charter</a></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer Performance Evaluation)</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>		
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>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 (Refer Board Committees)</p> <p><input checked="" type="checkbox"/> in our Board Charter and Remuneration and Nomination Committee Charter</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> in our Board Charter available at <a href="#">Board Charter</a> and in our Remuneration and Nomination Committee Charter available at <a href="#">Remuneration and Nomination Committee Charter</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer Remuneration and Nomination Committee Charter)</p> <p><input checked="" type="checkbox"/> in our Remuneration and Nomination Committee Charter at <a href="#">Remuneration and Nomination Committee Charter</a></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 (Refer Skills of the Board)</p> <p><input type="checkbox"/> at [insert location]</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 (Refer Director Independence)</p> <p><input checked="" type="checkbox"/> in our Board Charter available at <a href="#">Board Charter</a></p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> at Directors' Report</p>
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer Director Independence)</p> <p><input checked="" type="checkbox"/> in our Board Charter available at <a href="#">Board Charter</a></p>
2.5	<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer Chair)</p> <p><input checked="" type="checkbox"/> in our Board Charter available at <a href="#">Board Charter</a></p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer Director Appointment, Election and Re-Election)
		<input checked="" type="checkbox"/> in our Remuneration and Nomination Committee Charter available at <a href="#">Remuneration and Nomination Committee Charter</a>
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>		
3.1	A listed entity should: <ul style="list-style-type: none"> <li>(a) have a code of conduct for its directors, senior executives and employees; and</li> <li>(b) disclose that code or a summary of it.</li> </ul>	<p>... our code of conduct or a summary of it:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer Code of Conduct)
		<input checked="" type="checkbox"/> in our Code of Conduct available at <a href="#">Code of Conduct</a>
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>		
4.1	The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have an audit committee which: <ul style="list-style-type: none"> <li>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, who is not the chair of the board, and disclose: <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the relevant qualifications and experience of the members of the committee; and</li> <li>(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</li> </ul> </li> </ul> </li> <li>(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.</li> </ul>	<p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer Audit and Risk Management Committee)
		<p>... and a copy of the charter of the committee:</p> <input checked="" type="checkbox"/> in our Audit and Risk Management Committee Charter available at <a href="#">Audit and Risk Management Committee Charter</a>
		<p>... and the information referred to in paragraphs (4) and (5):</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b>
		<input checked="" type="checkbox"/> in our Directors' Report
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.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer CEO and CFO Assurance) <b>OR</b>
		<input checked="" type="checkbox"/> in our Audit and Risk Management Committee Charter available at <a href="#">Audit and Risk Management Committee Charter</a>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer External Auditor) <b>OR</b></p> <p><input checked="" type="checkbox"/> in our Audit and Risk Management Committee Charter available at <a href="#">Audit and Risk Management Committee Charter</a></p>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>		
5.1	A listed entity should: <ul style="list-style-type: none"> <li>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>(b) disclose that policy or a summary of it.</li> </ul>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer Market Disclosure and Communications) <b>OR</b></p> <p><input checked="" type="checkbox"/> in our Continuous Disclosure Policy available at <a href="#">Continuous Disclosure Policy</a></p>
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <p><input checked="" type="checkbox"/> available at <a href="#">Investor Centre</a></p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer Stakeholder Communications)</p> <p><input checked="" type="checkbox"/> in our Communications Policy available at <a href="#">Communications Policy</a></p>
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer Participation in the AGM)</p> <p><input checked="" type="checkbox"/> in our Communications Policy available at <a href="#">Communications Policy</a></p>
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer Electronic Communications with Securityholders)</p> <p><input checked="" type="checkbox"/> in our Communications Policy available at <a href="#">Communications Policy</a></p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>		
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>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 (Refer Audit and Risk Management Committee)</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> in our Audit and Risk Management Committee Charter available at <a href="#">Audit and Risk Management Committee Charter</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> Directors' Report</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 (Refer Roles &amp; Responsibility) <b>OR</b></p> <p><input checked="" type="checkbox"/> in our Risk Management Policy available at <a href="#">Risk Management Policy</a></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
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>... 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 (Refer Internal Audit &amp; Risk Management) <b>OR</b></p> <p><input checked="" type="checkbox"/> in our Risk Management Policy available at <a href="#">Risk Management Policy</a></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 (Refer Economic, Environment and Social Sustainability Risks)</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>		
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>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 (Refer Remuneration and Nomination Committee Charter)</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> in our Remuneration and Nomination Committee Charter available at <a href="#">Remuneration and Nomination Committee Charter</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Refer Remuneration and Nomination Committee Charter)</p> <p><input checked="" type="checkbox"/> in our Remuneration and Nomination Committee Charter available at <a href="#">Remuneration and Nomination Committee Charter</a></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 (Refer Remuneration Practices and Non-Executive Director Remuneration)</p> <p><input checked="" type="checkbox"/> in our Remuneration and Nomination Committee Charter available at <a href="#">Remuneration and Nomination Committee Charter</a>, Remuneration Policy available at <a href="#">Remuneration Policy</a> and Securities Trading Policy available at <a href="#">Securities Trading Policy</a></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 (Refer Securities Trading Policy)</p> <p><input checked="" type="checkbox"/> in our Remuneration and Nomination Committee Charter available at <a href="#">Remuneration and Nomination Committee Charter</a>, Remuneration Policy available at <a href="#">Remuneration Policy</a> and Securities Trading Policy available at <a href="#">Securities Trading Policy</a></p>

# CORPORATE GOVERNANCE STATEMENT 2017

## GOVERNANCE AT GATEWAY

Gateway Lifestyle Group (**the Group** or **Gateway**) is a stapled group. Shares in Gateway Lifestyle Operations Limited (**the Company** or **GLOL**) and units in the Residential Parks No.2 Trust (**Trust** or **RPT2**) are stapled and cannot be traded separately. As a result of the stapling and in accordance with the Constitutions of the Trust and the Company, the operations of the Gateway Lifestyle Group are coordinated under the management of GLOL.

Each of the Company and the Trust has its own corporate governance and compliance obligations and its own constitution. While One Managed Investment Funds Limited (**OMIFL**) is the responsible entity of the Trust, with its own board, the operations of the stapled group are co-ordinated under the Board of GLOL (**the Board**). The Board recognises the role and importance of good corporate governance and the need for ensuring a framework for shaping the appropriate corporate governance arrangements. This statement applies to the Gateway Lifestyle Group. The Corporate Governance framework adopted is overseen by the Board and supported by the OMIFL Board.

The Company's corporate governance policies are available in the corporate governance section of the Group's website at [www.gatewaylifestyle.com.au](http://www.gatewaylifestyle.com.au). These policies and the Company's corporate governance practices meet the requirements of both the *Corporations Act 2001 (Cth)* and the 3<sup>rd</sup> edition of the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**).

This Corporate Governance Statement was approved by the Board of the Company and is current as at 30 August 2017 in accordance with ASX Listing Rule 4.10.3.

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## 1 BOARD AND MANAGEMENT

### 1.1 The role of the Board

The Board's primary role is to provide strategic oversight and guidance to the Group and in particular the growth of long term value for securityholders. The Board is responsible for overseeing the overall corporate governance of Gateway including its strategic direction and financial objectives, oversight of the performance and operations, establishing goals for management and monitoring achievement of these goals. In performing its role the Board has regard to other stakeholders and an appropriate risk and return framework.

The Board has identified the functions reserved to itself as set out in the Board Charter which details the functions and responsibilities of the Board. In summary, the responsibilities of the Board include: monitoring the strategic and financial objectives of the Group, monitoring and assessing management's performance in achieving strategies and budgets approved by the Board, monitoring the performance of the Chief Executive Officer (**CEO**), monitoring risk and compliance with regulatory requirements and performance and setting the measurable objectives for achieving gender diversity in accordance with the Gateway Diversity Policy. The roles and responsibilities of the Board are set out in the Board Charter.

The Board has delegated certain responsibilities to Committees which operate in accordance with the Charters approved by the Board. The Board Committees are discussed at Item 2.7 below.

### 1.2 Role of OMIFL as responsible Entity of RPT2

Under the Management Agreement between OMIFL and GLOL, the day-to-day management of the Trust is delegated to GLOL to be conducted in accordance with GLOL's Charters, Policies and Procedures where relevant. OMIFL is responsible for the supervision and monitoring of GLOL's activities in the operation of the Trust as a registered managed investment scheme.

The Responsible Entity must exercise its powers and perform its obligations under the RPT2 Constitution and the *Corporations Act 2001* in the best interests of unitholders to ensure that the activities of the Trust are conducted in a proper and effective manner.

### 1.3 Delegations to Management

The Board Charter delegates responsibility for the day to day management of the Group's business and affairs to the CEO assisted by the executive team. The Board Charter summarises matters delegated to management. Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.

### 1.4 Performance Evaluation

As specified in the Board Charter, review of Board, Committee and individual director performance are conducted annually. An internal review of the Board and each Committee was undertaken in 2017. The outcomes of the reviews were completed, shared with the Board and discussed at Board and Committee meetings.

The Remuneration and Nomination Committee is responsible for monitoring the CEO's performance at least annually. Performance evaluations for the CEO and other senior executives were undertaken during the year. The performance management system comprises a series of key performance indicators (KPIs) which are aligned to Gateway's strategic objectives. Details of remuneration, including short and long term incentives relating to the Company and performance targets, are set out in the Remuneration Report. Details of non-executive directors' remuneration are also set out in the Remuneration Report.

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## 2. STRUCTURE THE BOARD TO ADD VALUE

### 2.1 Board Composition

Consistent with its Charter, the Company's Board is comprised of a majority of non-executive directors with an appropriate mix of skills and experience and diversity of background, enabling it to appropriately and effectively oversee all aspects of the Group's operations and enhance performance.

The Board is structured to maintain a majority of independent directors, to ensure independent judgement is brought to bear on all decisions. All four of the Company's non-executive directors, including the Chair, Andrew Love, are independent directors.

The Board currently comprises four non-executive directors and one executive director (being the CEO). The Company's Constitution provides for a minimum of three and a maximum of nine directors.

Details of each director of the Group, including details of skills, experience and expertise are set out in the Directors' Report.

### 2.2 Director appointment, election and re-election

The Board renewal process is overseen by the Remuneration and Nomination Committee and involves reviewing the composition of the Board to ensure that the Board has an appropriate mix of experience and competencies to fulfil its responsibilities effectively and taking into account the independence of directors as outlined in the Board Charter and the Diversity Policy. The Remuneration and Nomination Committee will review prospective candidates and arrange for appropriate background checks to be undertaken. All directors receive a letter of appointment which sets out the key terms and condition of their appointment. An induction program will be available for new directors.

When candidates are submitted to securityholders for election or re-election, the Company include in the Notice of Meeting all information in its possession that is material to the decision whether to elect or re-elect the candidate. With the exception of the CEO, no director may hold office without re-election beyond the third Annual General Meeting following the meeting at which the director was last elected or re-elected.

The CEO and other senior executives are employed under separate agreements; which set out their rights, duties and responsibilities.

### 2.3 Director independence and conflicts of interest

The Board periodically assesses the independence of each director having regard to the definition of independence set out in the ASX Recommendations and utilising independent criteria set out in the Board Charter.

Directors are required to make prompt disclosure to the Board of any new information, matter or relationship that may be relevant in considering their independence.

Directors must declare any conflict of interest that they may have at the start of all Board meetings. Where a material personal interest arises with respect to a matter that is to be considered by the Board, the director is required to declare that interest and is restricted in their involvement in relation to that matter, unless permitted in accordance with the Corporations Act.

The Chair of the Board is Andrew Love, an independent director, and the Board also considers that each of Stephen Newton, Rachel Launders and Andrew Fay are independent directors. Trent Ottawa the CEO is an executive director and he is assessed as not independent. The Board has a majority of independent directors (with 4 of the 5 considered independent). The Board is comfortable that no director has served for a period such that their independence may have been compromised.

The Board has procedures in place to ensure it operates independently of management. Non-executive directors meet together periodically in the absence of executive directors and other executives of the Company to discuss the operation of the Board and a range of other matters.

### 2.4 Skills of the Board

The Board actively seeks to ensure that the Board and its Committees have the right mix of background, skills, knowledge and experience necessary to guide and govern the Group effectively. The Board considers that it, taken as a whole, has the mix of skills, experience and diversity across its members to be an effective Board as set out in the current Board skill and experience matrix below.

SKILLS/EXPERIENCE 2017 ANNUAL REPORT	NUMBER OF DIRECTORS (OUT OF 5)
<b>Core Industry</b>	5
Experience in the affordable housing property market and tourism market	
<b>Finance, audit and accounting</b>	4
Senior Executive or equivalent experience in financial accounting and reporting	
<b>Strategy and risk management</b>	4
Experience in developing, implementing and challenging a successful strategy over the long term	
<b>Legal</b>	5
Experience in legal and regulatory compliance	
<b>Governance</b>	5
Knowledge of sophisticated corporate governance structures and ASX regulatory framework	
<b>Regulatory and public policy</b>	5
Experience in regulatory policy, government and stakeholder relations	
<b>IT and technology</b>	4
Experience in the area of technology	
<b>Health, safety, environment and social responsibility</b>	4
Experience related to workplace health and safety, and social environmental responsibility	
<b>People and performance</b>	5
Senior Management or equivalent experience with remuneration including incentive programmes, superannuation, leadership and development	

<b>Capital management</b>	5
Expertise in considering and implementing efficient capital management including alternative capital sources, distributions, yields and markets	
<b>Operations</b>	4
A broad range of commercial and business experience in business systems, practices, improvements, risk and compliance, sales, technology and human resources	

Directors are encouraged to attend appropriate training and professional development courses to update and enhance their skills and knowledge. During the year, directors were provided with the opportunity to build on their exposure to the Group's business by site visits and through Board meetings held throughout the year at Gateway's offices in Sydney and Brisbane.

### 2.5 Board access to information and advice

The Board Charter sets out the circumstances and processes pursuant to which a director may seek independent professional advice at the expense of the Company to assist them to discharge their duties.

All directors of the Company have access to the Company Secretary, who supports the effectiveness of the Board and is accountable to the Board on all governance matters with a direct reporting line to the Chair. The appointment and removal of the Company Secretary is a matter for approval by the Board.

### 2.6 Chair

Andrew Love is an independent non-executive director and Chair of the Board. The roles of Chair and CEO are not exercised by the same individual, as Trent Ottawa is the CEO.

The Chair is responsible for leadership and effective performance of the Board and to ensure that a high standard of values, governance and constructive interaction between directors and management is maintained.

### 2.7 Board Committees

To assist in undertaking its duties, the Board has established the following Committees:

- the Audit and Risk Management Committee; and
- the Remuneration and Nomination Committee.

The Charters for each of the Committees are available on the Group's website. The Charters specify the responsibilities, composition, membership requirements, reporting processes and the manner in which the Committees are to operate. These Charters are reviewed on an annual basis. The Committees will consist only of non-executive directors with a majority of independent directors. All non-executive directors may attend any meeting of the Committees.

During 2017, the Remuneration and Nomination Committee Charter was reviewed and the Board approved a new Remuneration and Nomination Committee Charter, a copy of which can be found on the Group's website. During the financial year, the Remuneration and Nomination Committee met four times.

Details of directors' membership of each Committee and their attendance at meetings are set out in the Directors' Report.

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## 3. ACT ETHICALLY AND RESPONSIBLY

### 3.1 Code of Conduct

Gateway's Code of Conduct represent a commitment by all of the Company's directors, employees, officers and contractors to maintain ethical standards in the conduct of its business activities and expects employees to treat others with openness, respect, honesty and fairness. Specific prohibitions

are included in the Code of Conduct regarding the making of improper payments and bribery and financial inducements.

Employees are actively encouraged to report any breach of the Code of Conduct or other policies and procedures in place, and the Company has a Whistleblower Policy in support of this. All new employees are required to undertake an induction by completing a compulsory online training module.

Failure to comply with the Code of Conduct or any of the Company policies is regarded as a serious breach of the relevant policy and will be investigated and may result in disciplinary action ranging from warnings to termination.

A copy of the Code of Conduct is available on the Group's website.

### 3.2 Diversity

The Company values and is proud of its diverse workforce, believing that it leads to stronger company performance and a positive organisational culture. The Diversity Policy provides guidelines in relation to the Company's commitment to diversity, the establishment of measurable objectives for achieving gender diversity and the annual assessment of those objectives. Our commitment is to create an inclusive workplace to achieve greater diversity beyond gender and ethnicity. The Policy is overseen by the Remuneration and Nomination Committee. Among other things, the Policy requires the Board to set manageable objectives for gender diversity and to annually assess the objectives and Gateway's progress towards delivering them.

A copy of the Diversity Policy is available on the Group's website.

In accordance with the *Workplace Gender Equality Act 2012*, Gateway has lodged its annual compliance report with the Workplace Gender Equality Agency (WGEA) which can be accessed at [www.wgea.gov.au](http://www.wgea.gov.au).

The Company's Code of Conduct addresses matters such as equal opportunity, discrimination and respect generally.

### 3.3 FY17 Diversity Measurable Objectives

Our progress towards achieving our objectives for diversity during FY17 is shown below.

Objective	Initiatives and Progress
Consider the Workplace Gender Equality Indicators and ensure the Company continues to comply with Workplace Gender Equality Act 2012 (Act)	Compliant with the Workplace Gender Equality Act 2012, following the submission of the annual compliance report for 2017.
Maintain target of at least 30% female employees in the senior management team	Target of 30% female employees in the Senior Leadership Team was satisfied and the Company will seek to maintain this target and continue to provide the appropriate development opportunity for career growth to these individuals.
Select equal number of female and male employees to participate in development programs to support their career growth.	Education assistance and flexible working arrangements were actively rolled out in FY17. Three employees (two male and one female) received financial assistance to pursue their education and one (male) employee is on a flexible working arrangement to enable completion of tertiary education.

### 3.4 FY18 Diversity Measurable Objectives

The Diversity Policy requires the Company to set and report on a range of gender diversity objectives and measures each year. The Board has set the following measurable objectives for achieving gender diversity in 2018 and progress against these objectives will be reported in the Company's 2018 Corporate Governance Statement:

- Continue to comply with *Workplace Gender Equality Act 2012*;
- Maintain target of at least 30% female representation in senior management;
- Introduce adaptable work practices through flexible working arrangements; and
- Measure employee engagement by conducting an employee engagement survey with specific focus on diversity and inclusion.

### 3.5 Female Representation

As at 30 June 2017 the proportion of females employed was as follows:

	2017 Actual		2016 Actual	
	Number	%	Number	%
Female workforce representatives	172	51	198	53
Females in senior leadership roles <sup>1</sup>	4	44	3	46
Female representation on the Board	1	20	1	17

1. Senior leadership roles are the equivalent of a manager with primary responsibility for a department.

## 4. SAFEGUARD INTEGRITY IN CORPORATE REPORTING

### 4.1 Audit and Risk Management Committee

The primary role of the Audit and Risk Management Committee is to assist the Board in discharging its responsibilities in relation to the Company's financial reporting, internal control structure, risk management systems and the internal and external audit functions and to make appropriate recommendations in respect of those responsibilities. The Audit and Risk Management Committee has a formal charter which sets out the Audit and Risk Management Committee's role and responsibilities, composition, structure and membership requirements and is available on the Group's website.

Consistent with its Charter, the Audit and Risk Management Committee consists only of non-executive directors all of whom are independent. It is chaired by an independent director who is not the chair of the Board and at all times is constituted by at least three members. At the discretion of the Audit and Risk Management Committee, the external auditor and the CEO and other executives are invited to attend meetings.

The current members of the Audit and Risk Management Committee are four non-executive directors, Andrew Fay (Chair), Andrew Love, Rachel Launders and Stephen Newton. Details of their attendance at meetings of the Audit and Risk Management Committee are set out in the Directors' Report. During the financial year the Committee met 7 times.

### 4.2 CEO and CFO Assurance

Before approving the financial statements for each half year and full year, including the FY17 Consolidated Financial Statement for the Group, the Board received from the CEO and CFO a declaration that:

- In their opinion the Group's financial records have been properly maintained and that the financial statements comply with the relevant accounting standards and give a true and fair view of the consolidated Group's financial position and performance
- The opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively

### 4.3 External Auditor

The Audit and Risk Management Committee reviews the effectiveness of the external auditors and makes assessments in relation to their continued independence at least annually.

Ernst & Young's appointment as external auditor was approved by securityholders at the AGM in 2015. It is Ernst & Young's policy to rotate audit engagement partners on listed companies at least every five years. An analysis of fees paid to the external auditors, including fees for non-audit services, is provided

in the Directors' Report and notes to the financial statements. It is the policy of Ernst & Young to provide an annual declaration of its independence to the Audit and Risk Management Committee.

The external auditor attends the AGM and securityholders are provided with a reasonable opportunity to ask questions about the conduct of the audit and the preparation and content of the audit report.

## 5. MAKE TIMELY AND BALANCED DISCLOSURE

### 5.1 Market Disclosure and Communications

Gateway is committed to continuous disclosure and keeping the market informed, and places considerable importance on its processes for controlling market sensitive information and effective communication with securityholders and market participants.

Gateway has a Continuous Disclosure Policy and a Communications Policy and copies are available on the Group's website.

The Continuous Disclosure Policy and Communications Policy are designed to support Gateway's commitment to a fully informed market in GTY securities by:

- ensuring that Gateway complies with its continuous disclosure obligations under the ASX Listing Rules and the *Corporations Act 2001* and that there is accountability of directors and senior executives for that compliance;
- establishing a corporate governance framework to enable disclosure to securityholders and the market in a timely, effective, consistent and transparent manner;
- establishing a corporate governance framework for external communications to minimise the risk of selective or inadvertent disclosure of material information; and
- establishing a system for monitoring compliance with Gateway's continuous disclosure obligations.

## 6. RESPECT THE RIGHTS OF STAKEHOLDERS

### 6.1 Stakeholder Communication

The Group is committed to effective communication and accurate communication with its securityholders, employees, customers and other stakeholders. Information is communicated to securityholders through the Group's website, annual report, ASX announcements and media releases, distribution mail outs, email broadcasts and other means where applicable.

### 6.2 Gateway Website

The Gateway website contains all of the information in the commentary to Recommendation 6.1 of the ASX Recommendations. The corporate governance section of the Gateway website contains:

- GLOL and RPT2's Constitutions, Board Charter and Board Committee charters; and
- copies of the corporate governance policies referred to in this Corporate Governance Statement.

The Investor Centre section of the Gateway website provides access to relevant information about the Group, including copies of ASX releases, copies of annual reports and financial statements, investor presentations, distribution information, historical security price information and registry contact details (including the website address which contains key securityholder forms). Webcasting facilities for market briefings are also provided on the website to encourage participation from all stakeholders, regardless of location.

### 6.3 Participation in the AGM

Gateway encourages all securityholders to attend the AGM which is usually held in November each year. The AGM provides securityholders with an insight into the operations of the Group during the year.

Notices of meeting for the AGM are accompanied by explanatory notes to enable securityholders to assess and make an informed decision on the resolutions being put forward at the meetings. Full copies of notices of meetings and explanatory notes are posted on Gateway's website.

At the AGM, securityholders are entitled to ask questions about the management of Gateway and questions of the external auditor about the conduct of the audit and the preparation and content of the auditor's report. Securityholders who are unable to attend the AGM may vote by appointing a proxy using the form included with the notices of meeting or via an online facility. Securityholders are also invited to submit questions in advance of the AGM so that Gateway can ensure those issues are addressed.

### 6.4 Electronic communications with securityholders

Securityholders may elect to receive all (or some) communications from the registry electronically, including notices of meeting and annual reports, in line with Recommendation 6.4 of the ASX Recommendations. In order to improve the speed, convenience and environmental friendliness of its reporting communications, Gateway encouraged all securityholders to receive communications electronically during FY17.

## 7. RECOGNISE AND MANAGE RISK

### 7.1 Risk Management Roles and Responsibilities

The Board, with the assistance of the Audit and Risk Management Committee, is responsible for overseeing the implementation of the Company's risk management framework and ensuring that internal compliance and control systems are in place. These systems require management to be responsible for identifying and managing the risks which may have a material impact on the strategic objectives. The Audit and Risk Management Committee assists the Board in performing its role in relation to risk management by reviewing the risk management framework.

The objective of the Group's risk management framework is to identify material risks and put in place appropriate strategies to control, or otherwise manage, the impact of these risks. As part of its strategic planning process Gateway continued to refresh the strategic risk profile of Gateway, including the consideration of both internal and external risk which have the potential to impact Gateway's strategic objectives. In addition Gateway has continued to develop, mature and embed its risk management framework. The maturing of Gateway's framework includes a recent exercise to formally establish and document Gateway's risk appetite statement to provide further support to Gateway in its decision making and monitoring of risk.

### 7.3 Internal audit

Due to the nature of the Group's activities, the Company has not established a formal internal audit function. In addition to the assurance received from the CEO and CFO regarding risk management and internal control processes, the Audit and Risk Management Committee oversees appropriate processes for evaluating and continually improving the effectiveness of its risk management and internal control processes as set out in the Committee Charter.

OMIFL has a formal compliance plan adopted by the OMIFL Board and lodged with ASIC. The purpose of the compliance plan is to set out key processes, systems and measures the Responsibly Entity will apply to ensure compliance with the Corporations Act, the Constitution of the Trust and internal policies and procedures including in respect of its AFSL. OMIFL has established a Compliance Committee in relation to the Trust to monitor the extent OMIFL complies with the Compliance Plan, report to OMIFL any breach of which the Compliance Committee becomes aware and to report to ASIC

if the Compliance Committee is of the view OMIFL has not taken or does not propose to take action to deal with a breach.

External auditors conduct an annual audit of the Compliance Plan and report whether the Responsible Entity has complied with the Compliance Plan of the Trust for the financial year end. Separately, external auditors also conduct the AFSL audit annually.

#### 7.4 **Economic, Environment and Social Sustainability Risks**

We view sustainability and ethical business practices as important for our business and securityholder value. Sustainability is about managing risks and opportunities in a way that best balances the long term needs of all our stakeholders – our customers, employees, suppliers and investors – as well as the wider community and the environment at large.

We have recently invested in better understanding our material issues in relation to sustainability and are continuing to build on our management of sustainability. We aim to address the matters that we believe are the most material for our business and stakeholders, now and in the future. We also understand that this is an evolving agenda and seek to progressively embed the management of sustainability matters into business as usual practice.

Our materiality review and sustainability reporting is supported by an external provider, performed in accordance with the AA1000 AccountAbility Principles Standard and the Global Reporting Initiative G4 Guidelines, which were also used by the provider to test the extent to which sustainability policies and processes are embedded across Gateway.

## 8 REMUNERATE FAIRLY AND RESPONSIBLY

### 8.1 **Remuneration Practices**

Information on the Group's remuneration practices and policies is set out in the Remuneration Report of the Annual Report.

### 8.2 **Non-executive Directors' Remuneration**

The Company clearly distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executives. Non-executive directors do not receive any incentive-based remuneration or employee share rights or options and do not receive any retirement benefits other than statutory entitlements.

Information relating to the remuneration of non-executive directors is disclosed in the Remuneration Report of the Annual Report.