

CORPORATE GOVERNANCE STATEMENT

SUMMARY OF COMPLIANCE WITH ASX CORPORATE GOVERNANCE RECOMMENDATIONS (2ND EDITION)

RECOMMENDATION	REFERENCE	COMPLIANCE
PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1: <i>Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.</i>	Delegations of Authority Policy	
1.2: <i>Disclose the process for evaluating the performance of senior executives.</i>	Nomination, Remuneration & HR Committee Charter	
1.3: <i>Provide the information indicated in the guide to reporting on Principle 1.</i>	Page 66 of this Annual Report	
PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE		
2.1: <i>A majority of the board should be independent directors.</i>	Corporate Governance Statement	
2.2: <i>The chair should be an independent director.</i>	Corporate Governance Statement	
2.3: <i>The roles of chair and chief executive officer should not be exercised by the same individual.</i>	Corporate Governance Statement	
2.4: <i>The board should establish a nomination committee.</i>	Nomination, Remuneration & HR Committee Charter	
2.5: <i>Disclose the process for evaluating the performance of the board, its committees and individual directors.</i>	Nomination, Remuneration & HR Committee Charter	
2.6: <i>Provide the information indicated in the Guide to reporting on Principle 2.</i>	Pages 66-67 of the <i>2014 Annual Report</i>	
PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING		
3.1: <i>Establish a code of conduct and disclose the code or a summary of the code.</i>	Code of Conduct; Conflicts of Policy and Procedures	
3.2: <i>Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.</i>	Diversity Policy	
3.3: <i>Disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.</i>	Corporate Governance Statement; Diversity Policy	
3.4: <i>Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.</i>	Corporate Governance Statement; Diversity Policy	
3.5: <i>Provide the information indicated in the Guide to reporting on Principle 3.</i>	Pages 68-69 of the <i>2014 Annual Report</i>	
PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING		
4.1: <i>The board should establish an audit committee.</i>	Audit, Risk & Compliance Committee Charter	
4.2: <i>The audit committee should be structured so that it: consists only of non-executive directors; consists of a majority of independent directors.</i>	Audit, Risk & Compliance Committee Charter	

RECOMMENDATION	REFERENCE	COMPLIANCE
4.3: <i>The audit committee should have a formal charter.</i>	Audit, Risk & Compliance Committee Charter	✓
4.4: <i>Provide the information indicated in the Guide to reporting on Principle 4.</i>	Page 69 of the <i>2014 Annual Report</i>	✓
PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE		
5.1: <i>Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.</i>	Corporate Governance Statement; Continuous Disclosure, Media & Public Comments Policy; Delegations of Authority Policy; Communications Procedure (among others)	✓
5.2: <i>Provide the information indicated in the Guide to reporting on Principle 5.</i>	Page 69 of the <i>2014 Annual Report</i>	✓
PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS		
6.1: <i>Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.</i>	Growthpoint's results webcasts, website, annual and half year reports and investor updates	✓
6.2: <i>Provide the information indicated in the Guide to reporting on Principle 6.</i>	Pages 69-70 of the <i>2014 Annual Report</i>	✓
PRINCIPLE 7: RECOGNISE AND MANAGE RISK		
7.1: <i>Establish policies for the oversight and management of material business risks and disclose a summary of those policies.</i>	Delegations of Authority Policy; Investment Policies; Business Continuity Plan; Disaster Recovery Plan; Valuation Policy; Compliance Plan; Operational Compliance Manual and Securities Trading Policy; Code of Conduct; Audit, Risk & Compliance Committee Charter; Risk Management Framework	✓
7.2: <i>Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.</i>	Audit, Risk & Compliance Committee Charter; Risk Management Framework; Compliance Framework	✓
7.3: <i>Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided 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.</i>	Audit, Risk & Compliance Committee Charter; Risk Management Framework; Compliance Framework	✓
7.4: <i>Provide the information indicated in the Guide to reporting on Principle 7.</i>	Page 70 of the <i>2014 Annual Report</i>	✓
PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY		
8.1: <i>Board should establish a remuneration committee.</i>	Nomination, Remuneration & HR Committee Charter	✓
8.2: <i>The remuneration committee should be structured so that it: consists of a majority of independent directors; is chaired by an independent chair; has at least three members.</i>	Nomination, Remuneration & HR Committee Charter	✓
8.3: <i>Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.</i>	Nomination, Remuneration & HR Committee Charter	✓
8.4: <i>Provide the information indicated in the Guide to reporting on Principle 8.</i>	Page 71 of the <i>2014 Annual Report</i>	✓

THIS IS THE GROUP'S RESPONSE TO THE ASX CORPORATE GOVERNANCE COUNCIL'S "CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS" (2ND EDITION).

In 2014, a third edition was introduced for entities reporting on a full financial year commencing on or after 1 July 2014. The Group proposes to report under the third edition in its 2015 Annual Report.

PRINCIPLE 1:

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The board of directors ("Board") is responsible for the overall governance of the Group, with the aim of increasing Securityholder value.

The Board has approved a "Delegations of Authority Policy" under which authority for certain matters not considered material to the operation or value of the Group have been delegated to nominated directors and executives of the Group. The extent of each delegation is primarily determined by the dollar value of the potential exposure to the Group. Certain matters have been deemed by the Board to be material to the Group regardless of value, such as the acquisition or disposal of real property and businesses and therefore require Board approval in all circumstances.

Among other things, the Board is responsible for:

1. Adoption and implementation of appropriate corporate governance practices.
2. Establishment of the Group's strategies and objectives.
3. Approval of material transactions.
4. Establishment of processes and controls with respect to financial reporting and financial records.
5. Adoption of relevant internal controls and risk management processes.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of Directors held during the year ended 30 June 2014 and the number of meetings attended by each Director of Growthpoint Properties Australia Limited, the Responsible Entity of the Trust.

Meetings that the directors attended are shown in burgundy, meetings they are eligible to attend are shown in grey.

	Board		Audit, Risk & Compliance Committee		Nomination, Remuneration & HR Committee	
L. SHADDOCK	12	12	0	0	4	4
G. JACKSON	11	12	4	4	0	0
F. MARAIS	11	12	0	0	4	4
N. SASSE	8	12	0	0	4	4
E. DE KLERK	12	12	4	4	0	0
T. COLLYER ¹	12	12	4	0	3	0
M. BRENNER	11	12	4	4	0	0
G.TOMLINSON ²	10	10	2	2	3	1

Note: 1. As Managing Director, Timothy Collyer, has a standing invitation to all committee meetings, unless its members determine otherwise, but is not a member of the committees above. The Managing Director temporarily absents himself from meetings where certain matters, such as his remuneration, are discussed. 2. G. Tomlinson was appointed as an independent, non-executive director on 1 September 2013 and as a member of the Remuneration Committee effective from 13 February 2014.

EXECUTIVE MANAGEMENT PERFORMANCE EVALUATION

The Managing Director's performance is reviewed annually by the Nomination, Remuneration & HR Committee. The performance of all other executives, including other executives, is reviewed half-yearly by the Managing Director. In addition, the performance of the Company Secretary in relation to corporate governance matters is reviewed regularly by the Chairman.

PRINCIPLE 2:

STRUCTURE THE BOARD TO ADD VALUE

THE BOARD

The Board comprises seven non-executive directors and one executive director. Five of the non-executive directors are considered "independent" (refer to independence of Directors on the following page for details of how independence is determined).

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Refer to pages 58-60 of the *2014 Annual Report* for more details on the *GOZ Board*

On 26 May 2014, the Group announced that the Chairman would change on 30 June 2014. Lyn Shaddock, appointed as Chairman at the listing of the Trust in 2007 retired and was replaced by Geoffrey Tomlinson. Both were independent directors on their appointment and remain so on the publication date of 2014 Annual Report.

During FY14, the Chairman was Lyn Shaddock and the Managing Director, Timothy Collyer, fulfilled the role of chief executive officer. On the on the publication date of 2014 Annual Report, the Chairman is Geoffrey Tomlinson and Timothy Collyer remains the Managing Director.

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Refer to pages 58-60 of the *2014 Annual Report* for details of the *skills, experience, expertise and length of service of the Group's directors* and their role with the Group including whether such persons are executive or non-executive and independent or non-independent

THE COMMITTEES



The *Nomination, Remuneration & HR Committee charter* is available on the Group's website, growthpoint.com.au

PERFORMANCE EVALUATION

In accordance with its charter, the Nomination, Remuneration & HR Committee regularly, and not less than twice annually, reviews the performance of the Board, its committees and individual directors.

Directors are entitled to seek independent professional advice at the Group's expense provided that the Chairman approves the estimated costs in advance.

The Group recognises the importance of having directors with an appropriate range of skills, experience and background. The Nomination, Remuneration & HR Committee is required to assess the collective skills of the Board and determine whether the Board, as a whole, has the skills required to competently discharge its duties both when it considers appropriate and each time a non executive director retires. This Committee is also charged with implementing a process for the identification of suitable candidate directors for recommendation to the Board which will ordinarily involve a search being undertaken by an appropriately qualified independent third party acting on a brief prepared by the Committee which identifies the skills and other characteristics (which could include location, gender and/or age) sought having regard to:

- › the skills required by the Board;
- › the skills represented on the Board; and
- › the Board's aim of appointing women to the Board (subject to suitable candidates being available).

As part of acknowledging the critical importance of continuing education, presentations are regularly provided to the board on various aspects that impact the overall business operation of the Group.

In considering nominations for the appointment of new directors from the Nomination, Remuneration & HR Committee, the Board considers a range of factors including:

- › the integrity of the person;
- › the qualifications, expertise and experience of the person and the extent to which these augment the skill set of the incumbent directors; and
- › the reputation and standing of the person.

All non-executive directors are expected to voluntarily review their membership of the Board from time to time taking into account their length of service, age, qualifications and expertise relevant to the Group's operations, whilst giving consideration to the general interests of the Group as a whole.

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Refer to pages 58-60 of the *2014 Annual Report* for more details on the *expertise of the GOZ Board*

INDEPENDENCE OF DIRECTORS

The Board considers that a director is independent if the director is a non-executive director and satisfies criteria set by the Board from time to time including that the director:

- › is not a substantial Securityholder in the Group or an executive officer of, or otherwise associated directly with, a substantial Securityholder of the Group where "substantial Securityholder" means 5% of more of the Group's voting securities;
- › has not, within the last three years, been employed in an executive capacity by the Group or its related entities;
- › is not an officer or otherwise associated directly or indirectly with a material supplier to, or customer of, the Group;
- › has no material contractual relationship with the Group or its related entities other than as a director of a company in the Group;
- › has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Group's Securityholders; and
- › is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Group's Securityholders.

Francois Marais has connections to the Group's major Securityholder, Growthpoint Properties Limited, as its independent chairman. Mr Marais' role is performed in an independent capacity.

INDEPENDENT DIRECTORS



The Board considers that a director is independent if the director is a non-executive director and satisfies criteria set out under "independence of directors" on this page.



The Group recognises the importance of having directors with an appropriate range of skills, experience and backgrounds



Lyn Shaddock
Independent Chairman
(to 30 June 2014) and Director

INCREASING GENDER DIVERSITY ON THE GOZ BOARD¹

2010



2014



14%²

OF NON-EXECUTIVE DIRECTORS ARE WOMEN

2013: 17%

This decrease is solely due to an increase in the number of non-executive directors.

INCREASING GENDER DIVERSITY IN OUR EMPLOYEES¹

2010



2014



23%²

OF THE GROUP'S EMPLOYEES ARE WOMEN

2013: 17%

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

CODE OF CONDUCT

 The Board has established a *code of conduct* for all directors and employees of the Group, a copy of which is available on the Group's website growthpoint.com.au

The Group continues to promote a strong awareness in our staff of the importance of engaging with the Community.

There is also a conflicts policy and procedures in place, which provides guidance for the board and employees to avoid conflicts of interest.

DIVERSITY

 The Board has established a *Diversity Policy*, a copy of which is available on the Group's website growthpoint.com.au

Measurable objectives for achieving gender diversity, established by the Board, are outlined in the table below.

As at the date of the *2014 Annual Report*:

1. approximately 14% of non-executive directors are women (one out of seven), a decrease from 17% at the date of the last report but this is solely due to an increase in the number of non-executive directors; and
2. approximately 23% of the Group's employees (three out of thirteen) are women, an increase from 17% at the previous reporting date, one of whom is in management, an increase from nil at the previous reporting date.

With respect to the percentage of women as non-executive directors, this will revert to 17% following the retirement of a non-executive director after the holding of the Annual General Meeting in November 2014.

As stated in its Diversity Policy, the Group is seeking to increase the number of women in all levels of the Group over time.

MEASURABLE OBJECTIVES TO PROMOTE GENDER DIVERSITY

The table below sets out measurable objectives set by the Board for achieving gender diversity and the Group's achievements to date.

OBJECTIVE	PERFORMANCE FOR 12 MONTHS TO 30 JUNE 2014
<i>Appoint at least one female director to the board</i>	The Group appointed its first female director, Maxine Brenner, in March 2012 and she remains a director.
<i>Provide work experience opportunities to female graduates and undergraduates in order to encourage greater female involvement and participation in the property industry</i>	The Group provided a female property postgraduate student from University of Melbourne with an internship program in October 2013 and a female law undergraduate from Monash University with work experience in February 2014.
<i>The selection team for the recruitment of any employee will be obliged to encourage and appropriately advertise for applications from women and men, to consider male and female candidates and to interview at least one serious female candidate and one serious male candidate for any available position</i>	For one permanent employee vacancy filled during the financial year, the selection team interviewed at least one serious female candidate and one serious male candidate and, as a result, one new male employee was been appointed ³ .
<i>Female employees and other women are to be invited to our events and activities to assist them to build relationships in and with the Group and the property industry</i>	The Group continued to focus on ensuring employees engage and network with females working in and for the property industry particularly with leading women at Jones Lang LaSalle, the Property Council of Australia and Herbert Smith Freehills.

1. Figures are approximate. 2. As at the date of the report 3. A female employee was appointed to replace a male employee at managerial level after the end of FY14.

PERCENTAGE OF WOMEN ACROSS THE GROUP

LEVEL OF ROLE	% Women 2014 ^{1,2}	% Women 2013 ¹
NON-EXECUTIVE DIRECTORS	14%	17%
EXECUTIVE MANAGEMENT	25%	0%
OTHER MANAGEMENT	0%	0%
OTHER EMPLOYEES	23%	18%

1. The decline in female non-executive directors is due to an increase in the number of non-executive directors rather than a reduction in the number of women. 2. As at the date of the report.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

AUDIT COMMITTEE



The Board has established an **Audit and Risk Committee**, refer to the website for more details growthpoint.com.au

Note that from 1 July 2013, the Audit and Risk Committee's role was expanded to include compliance and the committee was renamed the Audit, Risk & Compliance Committee. The previous Compliance Committee was dissolved.

For the rest of this report, the committee is referred to as the "**Audit, Risk & Compliance Committee**".

The Audit, Risk & Compliance Committee comprises four members, all of whom are non-executive directors and a majority of whom are independent directors.

The Chair of the Committee during the period to which this report relates, Maxine Brenner, is an independent director and not the Chairman of the Board.



Refer to page 60 of the **2014 Annual Report** for more details on **Maxine Brenner**

The Board has established a formal charter for the Audit, Risk & Compliance Committee. The charter is available on the Group's website.

The Audit, Risk & Compliance Committee oversees the structure and integrity of the Group's financial reporting.



Refer to pages 59-60 of the **2014 Annual Report** for **details of the members of the Audit, Risk & Compliance Committee** including their qualifications.



Refer to page 66 of the **2014 Annual Report** for **details of meetings of the Audit, Risk & Compliance Committee**

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Group has established a number of policies designed to ensure compliance with ASX Listing Rule disclosure requirements including "Continuous Disclosure, Media and Public Comments Policy", "Delegations of Authority Policy", "Communications Procedure" and "Rapid Response Policy and Procedure".

The policies referred to above ensure:

1. Full and timely disclosure to the ASX.
2. Procedures are in place to ensure the Group identifies information required to be disclosed to the ASX and that such information is disclosed in a clear and factual manner.
3. External presentations, media releases and other public statements are reviewed internally and, where necessary, released to the ASX in advance of being provided to third parties (unless an ASX Listing Rule exception applies).
4. The ability of persons to make public comment is clearly delineated to certain nominated persons, primarily the Managing Director, Norbert Sasse and Estienne de Klerk.
5. Where an external statement has not been signed off by the Board, it is signed off by a nominated delegate of the Board.
6. All directors and employees are aware of their obligations to ensure the Group's complies with the ASX Listing Rules and of the limits of their respective authority.

As Growthpoint Properties Limited (SA) is the major shareholder of Growthpoint Properties Australia Limited and the major unitholder of Growthpoint Properties Australia Trust, the Board has resolved that the Group's employees may provide confidential information to Growthpoint Properties Limited on request subject to several exceptions including where the Board directs otherwise and where the disclosure would breach any law (including the ASX Listing Rules). Growthpoint Properties has,

among other things, agreed to ensure it complies at all times with the requirements of Australian law (including the ASX Listing Rules).

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITYHOLDERS

COMMUNICATION WITH SECURITYHOLDERS

Given the relatively small number of Securityholders in the Group, the Board has not established a specific policy promoting effective communication with Securityholders.

Instead, the Group has adopted a number of "old media" and "new media" strategies to engage with Securityholders including:

1. **(Mail)** Sending an "Investor Update" to all Securityholders to update them on the Group's developments recognising that less than half of the Group's Securityholders have elected to receive annual and half-year reports for the Group including this report and that such reports are, due to regulatory requirements, lengthy documents.
2. **(Telephone)** Establishing an investor services line providing investors with a number to connect directly to the Group (the cost to Australian callers is the cost of a local call). The Group ensures that a trained telephone operator is available to answer calls to this line during business hours in Melbourne and that management is available to assist with more complicated information requests.
3. **(Mail and email)** Investors may receive annual and half-year reports by mail or email. Investors who have not elected to receive annual reports but who would like to receive a copy can request a copy by calling the investor services line on 1800 260 453 or by emailing their request to info@growthpoint.com.au.
4. **(Internet)** Providing fulsome details of the Group and its investment portfolio, directors, executives, key investment policies and distributions as well as detailed investor presentations and other ASX announcements via its website, growthpoint.com.au.
5. **(Email)** From time to time, the Group will email Securityholders copies of key ASX announcements. Security holders who would like to be included in the email distribution list can provide their email address to the Group's share registry, Computershare, or can email a request to info@growthpoint.com.au.



Growthpoint seeks to achieve best practice in corporate governance having regard to the nature and scale of its business. A strong compliance and governance culture with appropriate supporting controls in place, is key for successful organisations.



Michael Davy
Compliance Officer

The above are continually evaluated by the Board and management of the Group to ensure Securityholders receive appropriate communication.

For the results for 12 months ended 30 June 2014, the Group released a webcast presentation of its results, being substantially the same presentation it provided to institutional investors. It is expected that similar webcasts will be made for future results.



The **webcast** is available on the Group's website growthpoint.com.au

The departures from recommendation 6.1 and the reasons for such departures are listed above.

The Group expects to continue to communicate with Securityholders through:

1. Direct mail outs of its "Investor Updates" to all Securityholders.
2. Direct mail outs of annual reports, half year reports to Securityholders who elect to receive them.
3. Providing fulsome details of the Group and its investment portfolio, directors, executives, key investment policies and distributions as well as detailed investor presentations and other ASX announcements via its website, growthpoint.com.au.
4. Emailing copies of key ASX announcements to Securityholders who have provided their email address to the Group in the manner noted above.
5. Record of the full year results webcasts which are made available on the Group's website.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

RISK MANAGEMENT POLICIES

The Group has the following policies in place for the oversight and management of material business risks:

1. **Risk Management Regime** – refer to pages 46-48 the *2014 Annual Report* for more details.
2. **Delegations of Authority Policy** – prescribing limits of authority for individual directors and management.
3. **Investment policies** – details are available at growthpoint.com.au
4. **Business Continuity Plan**.
5. **Disaster Recovery Plan. Valuation Policy** – requires director's valuations and external

valuations of the Group's real properties not less than every six months and every three years, respectively. This policy also provides guidance for valuation principles and the appointment and rotation of external valuers.

6. **Compliance Plan** – outlines key compliance objectives, risks and measures.
7. **Operational Compliance Manual** – provides guidance to all employees on day-to-day operational compliance practices and procedures.
8. **Securities trading policy**.
9. **Code of conduct**.

The Audit, Risk & Compliance Committee is primarily responsible for the review of the effectiveness of the risk management and internal control process.

INTERNAL AUDIT FUNCTION

Due to the small number of Group employees and the external audits of:

1. the Group's external property manager's accounts;
2. the Group's consolidated accounts;
3. the Company's accounts;
4. the Trust's compliance plan; and
5. the Company's compliance with its Australian Financial Services Licence requirements,

the Board does not believe a dedicated internal audit function is required at this stage however, the possible addition of an internal audit function is currently being considered.

The Audit, Risk & Compliance Committee provides risk oversight for the Group although ultimate responsibility for risk oversight remains with the Board. The Board has approved a risk management framework formulated by management and the Audit, Risk & Compliance Committee.

The compliance team oversees the compliance framework within which the Group operates and it reports on its adequacy and effectiveness on a quarterly basis to the Group's Managing Director, Company Secretary and the Audit, Risk & Compliance Committee.

RISK MANAGEMENT PROCESS

The Board received assurance from the Managing Director (being the person acting in the capacity as chief executive officer) and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act 2001 (Cth) for the consolidated accounts for the Group dated 18 August 2014 and included in this report 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.

**PRINCIPLE 8:
REMUNERATE FAIRLY AND RESPONSIBLY**

REMUNERATION COMMITTEE POLICY



The Board has established a **Nomination, Remuneration & HR Committee**, refer to the website for more details growthpoint.com.au

The Board has established a charter for the Nomination, Remuneration & HR Committee.

REMUNERATION COMMITTEE STRUCTURE

The Nomination, Remuneration & HR Committee comprises three members, all of whom are non-executive directors and a majority of whom are independent directors. The Chairman of the Committee, Norbert Sasse, is the Chief Executive Officer of the Group's major Securityholder, Growthpoint Properties Limited, and is therefore not deemed to be an independent director. The Board has determined that Norbert Sasse's appointment as the Chairman of the Nomination, Remuneration & HR Committee is appropriate having regard to:

1. The small number of directors and their existing responsibilities.
2. The reason for Norbert Sasse not being deemed to be independent (i.e. his role as CEO of the Group's major Securityholder) is unlikely to have any adverse impact, from Securityholders' perspective, on his role in recommending and determining remuneration.
3. The interest of Growthpoint Properties Limited wanting to ensure executives are remunerated appropriately and in a manner which maximises Securityholder value aligns with the interests of all Securityholders.
4. The Committee comprises a majority of independent directors.

The Nomination, Remuneration & HR Committee has sought independent remuneration advice from PwC.



Refer to pages 72-75 of the **2014 Annual Report** for more **details on the Nomination, Remuneration & HR Committee** work in relation to remuneration

No employees are involved in determining their own remuneration.

REMUNERATION STRUCTURE FOR DIRECTORS AND SENIOR MANAGEMENT

Non-executive directors are entitled to receive an annual fee (including superannuation where applicable) and are not eligible for any other form of remuneration from the Group.

The only executive director, Timothy Collyer, is entitled to receive an annual salary, superannuation, insurance and an annual short term incentive bonus and is also eligible to participate in the Group's employee share plan (subject to Securityholder approval).



Refer to pages 76-77 of the **2014 Annual Report** for more **details of non-executive director remuneration**

Executives who are not directors are entitled to receive an annual salary, superannuation, insurance and an annual short term incentive bonus and are also eligible to participate in the Group's employee share plan.



Refer to pages 76-77 of the **2014 Annual Report** for more **details of executive remuneration**

FURTHER INFORMATION



Refer to pages 58-60 of the **2014 Annual Report** for **details of the members of the Nomination, Remuneration & HR Committee** including their experience and qualifications



Refer to page 66 of the **2014 Annual Report** for **details of meetings of the Nomination, Remuneration & HR Committee**

Non-executive directors are not entitled to any termination benefits from their loss of office.



The **charter for the Nomination, Remuneration & HR Committee** and details of the Group's **investment policies** are available on the Group's website, growthpoint.com.au

CONTACT DETAILS

GROWTHPOINT
PROPERTIES

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