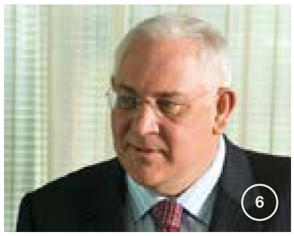
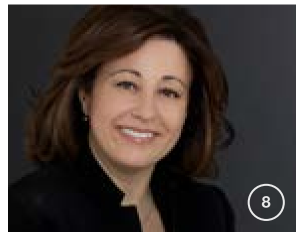
Board of Directors





1. Geoffrey Tomlinson (70)
BEC

Independent Chairman (since 1 July 2014) and Director (since 1 September 2013)

Over 45 years' experience in the financial services industry.

Committees: Audit, Risk & Compliance and Nomination, Remuneration & HR

Current Australian directorships of listed public companies[1]: IRESS Limited

2. Timothy Collyer (50)
B.Bus (Prop), Grad Dip Fin & Inv, AAPI, F Fin, MAICD

Managing Director (since 12 July 2010)

Over 29 years' experience in A-REITs and unlisted property funds, property investment, development and valuations.

Current Australian directorships of listed public companies[1]: Nil

3. Maxine Brenner (56)
BA, LLB

Independent Director (since 19 March 2012)

Maxine has over 27 years' experience in corporate advisory, mergers and acquisition, financial and legal advisory work.

Committees: Audit, Risk & Compliance (Chair)

Current Australian directorships of listed public companies[1]: Orica Limited, Origin Energy Limited and Qantas Airways Limited

4. Estienne de Klerk (49)
BCom (Industrial Psych), BCom (Hons) (Marketing), BCom (Hons) (Acc), CA (SA)

Director[2] (since 5 August 2009)

Over 21 years' experience in banking and property finance and over 15 years' in the listed property market.

Committees: Audit, Risk & Compliance

Current Australian directorships of listed public companies: Nil

5. Grant Jackson (52)
Assoc. Dip. Valuations, FAPI

Independent Director (since 5 August 2009)

Over 32 years' experience in the property industry, including 28 years as a qualified valuer.

Committees: Audit, Risk & Compliance

Current Australian directorships of listed public companies[1]: Nil

6. Francois Marais (63)
BCom, LLB, H Dip (Company Law)

Director[3] (since 5 August 2009)

Over 27 years' experience in the listed property market.

Committees: Nomination, Remuneration & HR

Current Australian directorships of listed public companies: Nil

7. Norbert Sasse (53)
BCom (Hons) (Acc), CA (SA)

Director[4] (since 5 August 2009)

Over 22 years' experience in corporate finance and over 15 years' experience in the listed property market.

Committees: Nomination, Remuneration & HR (Chair)

Current Australian directorships of listed public companies: Nil

8. Josephine Sukkar AM (54)
BSc (Hons), Grad Dip Ed

Independent Director (since 1 October 2017)

Over 28 years' experience in the construction industry.

Committees: Nomination, Remuneration & HR

Current Australian directorships of listed public companies: Nil

1. In addition to Group entities.
2. Not deemed independent as South African CEO of Growthpoint Properties Limited (GRT).
3. Not deemed independent as Chairman of GRT.
4. Not deemed independent as Group CEO of GRT.

Independent Directors

Board diversity

Board expertise matrix (no.)

Full bios on all Directors can be found online at ***www.growthpoint.com.au/about/board/***

A4, 52 Merivale Street, South Brisbane, QLD

Executive Management

1 Timothy Collyer
B.Bus (Prop), Grad Dip Fin & Inv, AAPI, F Fin, MAICD

Managing Director (since 12 July 2010)

Over 29 years' experience in A-REITs and unlisted property funds, property investment, development and valuations.

2 Michael Green
B.Bus (Prop)

Chief Investment Officer

Over 16 years' experience in listed and unlisted property fund management, property investment and development.

3 Dion Andrews
B.Bus, FCCA, MAICD

Chief Financial Officer, Company Secretary (since 8 May 2014)

Over 17 years' experience in accounting roles in a corporate capacity.

4 Yien Hong[1]
LLB (Hons), B.Comm, B.Arts, MAICD

General Counsel & Company Secretary (since 13 April 2018)

Over 20 years' experience across debt finance, property, funds, M&A, structured finance, derivatives and project finance as well as risk management and governance.

Full bios on all Executive Management can be found online at ***growthpoint.com.au/about/executive-management/***

1. Yien Hong has been appointed Company Secretary and General Counsel on a 12-month contract while Aaron Hockly is on parental leave. He is expected to return on 13 April 2019.

Building C, 219-247 Pacific Highway, Artarmon, NSW

Building C, 211 Wellington Road, Mulgrave, VIC

Remuneration report

Letter from the Chair of the Nomination, Remuneration and HR Committee

Dear Securityholders,

On behalf of the Board of Growthpoint Properties Australia, I am pleased to present our FY18 Remuneration Report. Our remuneration structures have been designed to align compensation for Key Management Personnel (KMP) with both financial and non-financial outcomes of the Group as they relate to strategy and performance. This framework has been established with the intention of generating the best long-term outcomes for Growthpoint's Securityholders, its employees and the community. The primary objective of the Group remains to provide investors with a growing income stream and long-term capital appreciation. Remuneration of KMP at Growthpoint is therefore tied closely to the success in achieving these objectives in a sustainable way.

Pleasingly, the FY18 remuneration report reflects another year of strong growth in Securityholder returns. Declared distributions over FY18 amounted to 22.2 cents per security, representing 3.3% growth on FY17. This, coupled with strong share price growth over the year delivered Securityholders with Total Securityholder Return (TSR) of 22.3%[1] to 30 June 2018, exceeding the ASX A-REIT 300 Accumulation Index return of 13.2%[1]. This continues a long period of outperformance on this metric for the Group, as can be seen from the graph at right.

Funds from Operations (FFO) over the year was also strong at 25.0 cents per security following upgrades to guidance in October 2017. While FFO per security reduced by 2.0% versus FY17, this largely related to a "spike" in the prior year due to the timing of the takeover of the GPT Metro Office Property Fund. The Board recognises the Group's ability to continue growing distributions for Securityholders relies predominantly on its ability to continue growing earnings, and growth in these financial outcomes will continue to be linked as they have been over the long-term. The table below provides medium to long-term growth rates for FFO and distributions per security.

The Board is also pleased to report strong sustainability outcomes over the year. Our GRESB score for 2017 increased by 18.5% over the 2016 achievement. The Group also delivered an above-average CDP score of B. More information on the Group's performance on sustainability can be found in the FY18 Sustainability Report.

What's changed

There was little change in the remuneration framework between FY17 and FY18, with only the performance criteria of the non-financial component of the KMP Short-Term Incentive (STI) changing. The reasons for this change are discussed in the section on STI on page 40.

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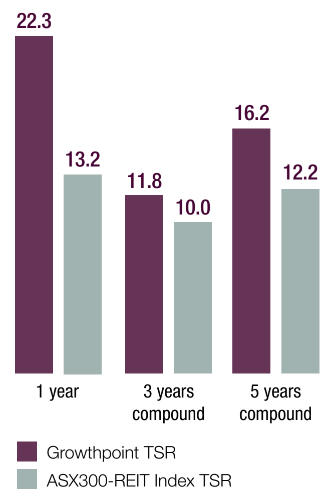
While feedback on Growthpoint's remuneration framework continues to be positive, to ensure the Group is maintaining pace with best practice across the sector, PwC were asked as part of their annual engagement to review the existing executive remuneration framework and provide alternative remuneration frameworks for consideration by the Nomination, Remuneration and HR Committee (the Committee) for FY19 and beyond. This analysis included a high-level overview of business metrics used by competitors as well as the broader market.

The Committee has recommended to implement three key changes having regard to the PwC analysis for the Group's FY19 remuneration structure.

Strong growth in Securityholder returns (%)[1]



These are:

- Change the backward-looking LTI structure to a forward-looking structure to align more closely with market practice;
- Introduce deferral for part of the STI awarded to KMP, with two thirds paid as cash and one third paid in Performance Rights which vest over two years; and
- Introduce a Minimum Securityholding Requirement (MSR) whereby Non-Executive Directors are required to hold 100% of their base fees, the Managing Director 100% of Total Fixed Remuneration (TFR) and other KMP 50% of their TFR in Growthpoint securities.

The Committee believes these changes will further align compensation of KMP with the interests of Securityholders. More details on each of these changes are included in the relevant sections of this Remuneration Report.

The Committee and the Board remain committed to implementing remuneration policies that incentivise management to carry out the strategy of the Group in the best long-term interests of Securityholders.

Norbert Sasse
Chair - Nomination, Remuneration and HR Committee

Compound annual growth rates (CAGR)

	FY13	FY16	FY18	2 year CAGR	5 year CAGR
FFO per security (cents)	19.4	22.9	25.0	4.5%	5.2%
Distribution per security (cents)	18.3	20.5	22.2	4.1%	3.9%
NTA per security (cents)	200.0	261.0	320.0	10.7%	9.9%

1. Source: UBS Investment Research: Annual compound returns to 30 June 2018.

Remuneration report

What's inside

About the Remuneration Report

The Directors present this "**Remuneration Report**" for the Group for the year ended 30 June 2018. This report summarises key compensation policies and provides detailed information on the compensation for Directors and other KMP.

The specific remuneration arrangements described in the report apply to the Managing Director and the KMP as defined in AASB 124 and to the Company Secretaries as defined in section 300A of the *Corporations Act 2001* (Cth).

Growthpoint's remuneration practices substantially comply with best practice governance guidelines, as per ASX corporate governance principles and recommendations, as outlined on page 43 of the 2018 Sustainability report.

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Executive and employee remuneration for FY18

There are currently 24 Employees ("**Employees**") of the Group, including the Managing Director and 3 other Key Management Personnel ("**KMP**").

Remuneration paid and payable

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The total remuneration paid or payable to the Employees who are KMP for FY18 is listed on page 39 of this report and the proposed remuneration parameters for FY19 are on page 47.

Principles of remuneration for Employees

The principles of remuneration for Employees are:

1. Employees should receive total remuneration which is competitive with rates for similar roles with listed and unlisted Australian entities having regard to each person's skills and experience, value to the Group and workload of the particular role and the industry in which the Group operates.
2. The total remuneration for Employees should be set at a level to attract and retain suitably qualified and experienced persons in each respective role and tailored to encourage overall performance of the Group which is in the best interests of all Securityholders.
3. The components of remuneration for each Employee are:
   a. total fixed remuneration (including applicable superannuation);
   b. if specified performance criteria are met, eligibility to receive a short-term incentive ("STI") bonus payable in cash in respect of each financial year as determined by the Managing Director and/or the Committee up to a maximum amount set by the Board. Refer to the table on page 41 for measures for the FY18 STI and the FY17 STI;
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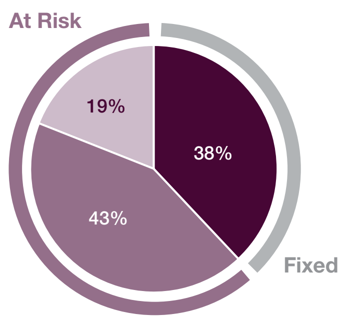
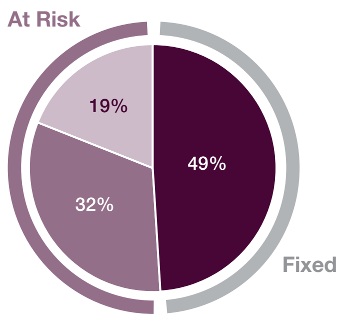
   c. long-term incentive ("LTI") plan under which, upon meeting specified criteria, each Employee is eligible to receive securities in the Group that vest over time to help ensure alignment of each Employee's interests with those of Securityholders;
   d. life, TPD and income protection insurance cover payable to the Employee; and
   e. annual, personal, long-service and other leave to the extent required by law or under any Group policy.

Executive remuneration FY18 (%)

Managing Director



Other Key Management Personnel



Fixed | At risk - cash | At risk - equity

4. Employees are not eligible for any additional fees for additional roles within the Group such as acting as an officer of the Company or being a responsible manager under the Company's AFSL.
5. Employees who are not KMP are not currently required to hold any securities in the Group but are encouraged to do so. At the date of this Report, most Employees hold securities in the Group. From 1 July 2018, the Committee implemented a Minimum Securityholding Requirement (MSR) for KMP (refer to page 89 for details of KMP's current holdings and details of the MSR).
6. Employees are entitled to receive certain payments including the vesting of all unvested securities under the LTI if the Company decides to terminate a position without cause including through redundancy.

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Total KMP remuneration FY18 and FY17

		Short-term			Post employment			Share based payments		S300A (1) (e) (i) proportion of remuneration performance related
	Period	Salary and fees	Cash bonus[1]	Non-monetary benefits	Super-annuation benefits	Other long-term[3]	Termination benefits	Options and rights	Total	
		$	$	$	$	$	$	$	$	%
Timothy Collyer (Managing Director)	**FY18**	**909,189**	**1,035,893**	**1,431**	**25,000**	**–**	**–**	**464,706**	**2,436,219**	**62%**
	FY17	868,275	696,983	1,378	30,000	–	–	543,951	2,140,587	58%
Aaron Hockly[2] (Chief Operating Officer)	**FY18**	**345,258**	**242,294**	**–**	**25,000**	**9,368**	**–**	**150,020**	**771,940**	**51%**
	FY17	320,175	162,356	–	30,000	–	–	161,984	674,515	48%
Dion Andrews (Chief Financial Officer)	**FY18**	**347,930**	**242,294**	**–**	**25,000**	**–**	**–**	**148,590**	**763,814**	**51%**
	FY17	320,175	157,436	–	30,000	–	–	158,601	666,212	47%
Michael Green (Chief Investment Officer)	**FY18**	**353,334**	**245,805**	**–**	**25,000**	**–**	**–**	**150,232**	**774,371**	**51%**
	FY17	325,250	157,436	–	30,000	–	–	159,781	672,467	47%
Total	**FY18**	**1,965,079**	**1,766,286**	**1,431**	**100,000**	**–**	**–**	**913,548**	**4,746,344**	**56%**
	FY17	1,833,875	1,174,211	1,378	120,000	–	–	1,024,317	4,153,780	53%

1. Refers to when cash bonus was paid although it relates to the previous financial year.
2. Aaron Hockly's FY18 salary was paid until the start of his parental leave on 14 April 2018. He was paid an additional 12 weeks salary under the Group's paid parental leave policy at that time. He is expected to return on 13 April 2019. In his absence, Yien Hong has been appointed Company Secretary and General Counsel on a 12-month contract.
3. Refers to long service leave taken.

Remuneration report continued

Short-Term Incentives ("STI")

In advance of each financial year the Committee, in consultation with the Managing Director, and with assistance from remuneration consultants, establish performance targets and reward levels for STIs in respect of the year ahead. STI assessment is divided into two categories for:

1. Executive Management Team (EMT). The EMT comprises the Managing Director and other KMP
2. Employees

A performance review is undertaken near the end of each financial year to determine if any STI should be payable to an employee, respectively, including the Managing Director, based on performance targets set at the start of the financial year. Any award of STI to the Managing Director requires Board approval. STI payments are made in August following the financial year in which they were earnt.

Key change in FY19

From FY19 onwards, the EMT STI will change, from 100% payment in cash to 66.6% payment in cash, with the remainder deferred and awarded as rights in Growthpoint securities. Half of these rights will vest after one year and half after two years following the date of issue. If the EMT member resigns before a vesting period ends, the relevant rights do not vest and are forfeited. The rights will receive distributions paid by the Group equivalent to the distribution that would have been received if holding a security. Such payment is to be made in cash on the same date such distribution is payable. No STI deferral applies to other employees.

This change has been made to further align EMT and Securityholder interests.

1. EMT STI Criteria

The STI is divided into two criteria, namely;

a) Financial criteria – 70% of total

The financial criteria is based upon achieving budgeted FFO per security (23.7cps for FY18 providing a 50% score) with the opportunity for outperformance, up to 125% achievement, of criteria via a "stretch target" for FFO per security in excess of budget (up to 24.9 cps which is 5.1% above the budgeted figure). If FFO per security is below budget, the Board has discretion whether to grant achievement under the financial criteria. For FY18 the achievement was 125% for the financial criteria due to achievement of 25.0 cps.

b) Non-financial criteria – 30% of total

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The non-financial criteria are based upon the performance criteria in the table on page 41. The criteria are reviewed and approved by the Committee before the start of the financial year and then reviewed on a half yearly basis, with an overall assessment approved by the Committee following the end of the financial year. The half year review involves the Chairman of the Group and the Managing Director jointly analysing actual performance against the criteria and preparation of a report to the Committee.

Key change in FY18

Changes were made to the non-financial criteria of EMT STI for the FY18 outcome following a review by the Committee. These changes have been made to further align the STI component of KMP remuneration with the goal of growing Securityholder distributions sustainably over time. The new non-financial criteria have been chosen based on their link to the Group's strategy and improved measurability.

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These non-financial performance measures were included as part of PwC's broader review of Growthpoint's remuneration structures. Changes to the FY19 measures are outlined on page 48 of this report.

EMT achieved 95.8% of their maximum possible STI for 2018 against 99.6% achievement in FY17.

2. Employee STI Criteria

Employees, other than the EMT, have their STI determined based upon individual performance reviews, achievement of individual key performance indicators (KPIs) and their personal contribution to the Group's success throughout a financial year. The STI amounts are determined by either the Managing Director or the Committee based on recommendations by the Managing Director.

Performance criteria for STI for FY18

Performance criteria	Weighting of total STI – Segment	Weighting of total STI – Sum	FY18 performance measures	Performance criteria weighted out of 100%	Achievement of Performance criteria weighted out of 100%	Achievement of weighting of total STI – Segment	Achievement of weighting of total STI – Sum
Financial				*Of 70.0% weighting of STI*			
FFO per security		**70.0%**	1. Budget 23.7cps = 50%, stretch 24.9cps = 125%	100.0%	125.0%		**87.5%**
Non-financial				*Of 30.0% weighting of STI*			
Sustainability of increases in distributions	7.5%	**30%**	1. Growth in distributions, both year on year and in comparison with ASX300-AREIT average (excluding GMG) 2. WARR comparison year on year 3. Acquisitions which enhance or secure income 4. Operating cost at or below budget on a like for like basis	25.0%	24.0%	6.8%	**25.1%**
Reposition and diversify portfolio	6.3%		1. Reposition of existing portfolio towards specified sectors and geographies 2. Asset acquisitions 3. Asset disposals	21.0%	17.0%	5.1%	
Enhance existing assets	9.6%		1. Leasing and renewals 2. Tenant interaction 3. Capex and value enhancement 4. Development and change of use	32.0%	27.0%	6.0%	
Securities liquidity and freefloat	1.2%		1. Inclusion in indices 2. Increase in equity where appropriate 3. Increase in freefloat 4. Increase in liquidity	4.0%	2.5%	0.6%	
Debt capital management	2.4%		1. Maintain gearing within Board range 2. Maintain diversity in sources and tenor of debt 3. Additional debt capital issuance if appropriate 4. Ensure fixed debt is within Board range	8.0%	6.0%	2.1%	
Operate sustainably	3.0%		1. Achievement against stated sustainability objectives 2. GRESB and CDP scores 3. Focus on long-term value over short-term 4. Improve integration of sustainability practices within business operations	10.0%	7.0%	2.3%	
Total non-financial score				**100.0%**	**83.5%**		
Weighting of total STI		**100%**			**Achievement of weighting of total STI**		**112.6%**

Remuneration report continued

The table below relates to FY18 STI, but will be paid in FY19 and so will appear in the 2019 Annual Report remuneration tables.

Short-term incentives payable to EMT in August 2018

		FY18 Max	FY18 actual[1]
		$	$
Timothy Collyer (Managing Director)			
Financial	Increase in FFO per security against budget	805,350	**805,350**
Non-financial	Sustainability of Increases in distributions	69,030	**66,269**
Non-financial	Reposition and diversify portfolio	57,985	**46,940**
Non-financial	Enhance existing assets	88,358	**74,552**
Non-financial	Securities liquidity and freefloat	11,045	**6,903**
Non-financial	Debt capital management	22,090	**16,567**
Non-financial	Operate sustainably	27,612	**19,328**
		1,081,470	**1,035,909**
Aaron Hockly (Chief Operating Officer)[1]			
Financial	Increase in FFO per security against budget	176,955	**176,955**
Non-financial	Sustainability of Increases in distributions	15,168	**14,561**
Non-financial	Reposition and diversify portfolio	12,741	**10,314**
Non-financial	Enhance existing assets	19,415	**16,381**
Non-financial	Securities liquidity and freefloat	2,427	**1,517**
Non-financial	Debt capital management	4,854	**3,640**
Non-financial	Operate sustainably	6,067	**4,247**
		237,627	**227,615**
Dion Andrews (Chief Financial Officer)			
Financial	Increase in FFO per security against budget	225,048	**225,048**
Non-financial	Sustainability of Increases in distributions	19,290	**18,518**
Non-financial	Reposition and diversify portfolio	16,203	**13,117**
Non-financial	Enhance existing assets	24,691	**20,833**
Non-financial	Securities liquidity and freefloat	3,086	**1,929**
Non-financial	Debt capital management	6,173	**4,630**
Non-financial	Operate sustainably	7,716	**5,401**
		302,207	**289,476**
Michael Green (Chief Investment Officer)			
Financial	Increase in FFO per security against budget	228,309	**228,309**
Non-financial	Sustainability of Increases in distributions	19,569	**18,787**
Non-financial	Reposition and diversify portfolio	16,438	**13,307**
Non-financial	Enhance existing assets	25,049	**21,135**
Non-financial	Securities liquidity and freefloat	3,131	**1,957**
Non-financial	Debt capital management	6,262	**4,697**
Non-financial	Operate sustainably	7,828	**5,479**
		306,586	**293,671**

1. Pro rata to 14 April 2018, the date Mr. Hockly went on parental leave.

Business Overview
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Long-Term Incentives ("LTI")

The Group has had an Employee Securities Plan ("the Plan") in place for all Employees and the Managing Director since 2011. The Plan is designed to link Employees' remuneration with the long-term goals and performance of the Group with the aim of consistently increasing total Securityholder return.

All securities issued under the LTI are issued on a zero-cost basis. In other words, the EMT and Employees are issued securities as part of their remuneration without having to pay any amounts for them.

LTI performance measures

The performance measures for the LTI are reviewed in advance of each financial year by the Committee and/or the Board.

The performance measures for the LTIs for FY15, FY16, FY17 and FY18 are[1]:

a) Total Securityholder returns ("TSR") – Weighting 50%

TSR reflects the amount of dividends or distributions paid/payable by the Group plus the change in the trading price of the Group's securities over the financial year. TSR is calculated as a percentage return on the opening trading price of the Group's securities on the first day of the financial year.

TSR is benchmarked relative to the S&P/ASX A-REIT 300 Accumulation Index[2] over a rolling 3-year period. At or below 50% performance, nil rights vest, 50% of rights vest at the 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).

b) Return on equity ("ROE") – Weighting 50%

ROE reflects the amount of dividends or distributions paid/payable by the Group plus the change in the Group's net tangible assets per security over the financial year. ROE is calculated as a percentage return on the Group's net tangible assets per security as at the first day of the financial year.

ROE is benchmarked relative to the ROEs of constituents of the S&P/ASX A-REIT 300 Index[2] over a rolling 3-year period using the following methodology:

- Below the benchmark return - 0%.
- At the benchmark - 50%.
- 0.1% - 1.9% above the benchmark – 51.25% - 75% in increments of 1.125% for each 0.1% above the benchmark
- 2% or more above the benchmark - 100%.

LTI Maximum

In advance of each financial year, the Board and/or the Committee will establish an LTI pool in respect of the upcoming financial year and determine the maximum incentive which can be achieved by each Employee ("**LTI Maximum**"). Under the terms of his employment contract, the Managing Director's LTI Maximum is 80% of total fixed remuneration ("**TFR**"). The LTI Maximum for other KMP is 70% of TFR. Other Employees currently have an LTI Maximum of 20%-30% of TFR. Refer to the table on page 44 for details of TFR for senior executives for FY17 and FY18 and to page 47 for details of proposed TFR for senior executives for FY19.

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LTI Minimum

There is no minimum grant under the LTI. Accordingly, if minimum performance measures are not achieved, no grant will be made under the LTI.

LTI Achievement

In early October of each year, the Committee assesses the achievement of the performance measures listed above to determine a percentage achieved for the previous financial year ("**LTI Achievement**").

LTI Awards

The LTI Maximum multiplied by the LTI Achievement provides the "**LTI Award**" for each employee for the relevant financial year.

The LTI Award is translated into an equivalent value of the Group's securities through dividing the LTI Award by the volume weighted average price of the securities over the 20 trading days prior to 30 September following the financial year to which the LTI relates. This gives a total number of securities to be issued to each Employee for each subsequent vesting.

25% of the securities to be issued to each Employee based on the LTI Award are issued to each Employee in October or November of each of the following four years. Each such vesting is subject to the Employee remaining employed by Growthpoint at the relevant date subject to certain contractual exceptions such as a redundancy and in the discretion of the Board (e.g. in the case of a "good leaver").

1. Prior to FY15, an additional measure, "Distributable Income", was used. However, this now forms part of the STI and so has been removed from the LTI. Readers can refer to previous annual reports available on the Group's website if they require information in relation to previous LTIs.
2. The benchmark only includes those constituents of the ASX REIT 300 that have a comparable trading history. For example, it they have listed, merged or demerged within three years they are excluded.

Remuneration report continued

As each grant is on the basis of a fixed number of securities rather than a fixed value, Employees are exposed to variations in the Group's security price for securities which are yet to vest (as well as for any securities they already hold).

The LTI is cumulative meaning that Employees can receive up to four issues of securities in a particular year in respect of four prior financial years. Subject to some exceptions, securities immediately vest in the case of a takeover of the Group or an Employee being made redundant.

ASX Listing Rules

In accordance with ASX Listing Rule 10.14, the issue of any stapled securities to the Managing Director is subject to Securityholder approval. It is intended that such approval be obtained at the Group's annual general meeting each year and, if approved, stapled securities be issued shortly after the relevant meeting.

FY18 Achievement

The LTI Maximum for the Managing Director and other KMP for the year ended 30 June 2018 is below. The FY18 LTI Achievement cannot be calculated until the release of the benchmark data for the year ended 30 June 2018 so an estimated fair value at issue date is provided. The estimated LTI Achievement is included in an equity reserve in the year to 30 June 2018, pro-rated over the period to which any securities under the LTI are issued.

LTI maximum for KMP

	FY18			FY17		
	LTI Maximum of TFR	LTI Maximum	LTI Estimate	LTI Maximum of TFR	LTI Maximum	LTI Actual
	%	$	$	%	$	$
Timothy Collyer (Managing Director)	80	736,320	368,160	80	708,000	700,920
Aaron Hockly (Chief Operating Officer)	70	257,198	128,599	70	241,500	239,085
Dion Andrews (Chief Financial Officer)	70	257,198	128,599	70	241,500	239,085
Michael Green (Chief Investment Officer)	70	260,925	130,463	70	245,000	242,550
		1,511,641	**755,821**		**1,436,000**	**1,421,640**
		LTI Estimate	**50%**		**LTI Actual**	**99%**

As there is no minimum LTI Award, if none of the benchmarks were achieved for FY18, the LTI Award would be $0.

Hedging of issues by Employees

Under the Group's "Securities Trading Policy" persons eligible to be granted securities as part of their remuneration are prohibited from entering a transaction if the transaction effectively operates to hedge or limit the economic risk of securities allocated under the incentive plan during the period those securities remain unvested or subject to restrictions under the terms of the plan.

Worked example of LTI (unaudited)

Sam Sample is a manager at Growthpoint with a TFR of $100,000. His TFR has not changed for three years and his LTI Maximum is $30,000 (being 30% of his TFR).

The LTI Achievement for the financial years since his employment commenced were:

1. FY13 – 98.6% of $30,000 = $29,580
2. FY14 – 80.0% of $30,000 = $24,000
3. FY 15 - 78.0% of $30,000 = $23,400

The volume weighted average price for the 20 trading days prior to 30 September 2015 was $3.12.

As a result, Mr Sample would have been eligible to receive 6,168 Growthpoint Properties Australia securities in October 2015 comprising the following LTI Awards:

1. FY13 – 2,370 ($29,580/$3.12/4)
2. FY14 – 1,923 ($24,000/$3.12/4)
3. FY15 – 1,875 ($23,400/$3.12/4)

Details of Performance Rights that vested to KMP in FY18

Plan participants	Plan identification	Issue date	Value of securities issued on conversion of performance rights	Number of securities issued on conversion of performance rights	Value of performance rights still to vest	Percentage of plan that vested during FY18
			$	No.	$	%
Timothy Collyer (Managing Director)	FY17 Plan	23/11/17	175,231	55,104	N/A	25
	FY16 Plan	4/10/17	83,427	26,235	N/A	25
	FY15 Plan	4/10/17	129,540	40,736	N/A	25
	FY14 Plan	4/10/17	128,653	40,457	N/A	25
Aaron Hockly (Chief Operating Officer)	FY17 Plan	4/10/17	59,771	18,796	N/A	25
	FY16 Plan	4/10/17	24,292	7,639	N/A	25
	FY15 Plan	4/10/17	29,813	9,375	N/A	25
	FY14 Plan	4/10/17	29,240	9,195	N/A	25
Dion Andrews (Chief Financial Officer)	FY17 Plan	4/10/17	59,771	18,796	N/A	25
	FY16 Plan	4/10/17	23,557	7,408	N/A	25
	FY15 Plan	4/10/17	28,035	8,816	N/A	25
	FY14 Plan	4/10/17	27,151	8,538	N/A	25
Michael Green (Chief Investment Officer)	FY17 Plan	4/10/17	60,639	19,069	N/A	25
	FY16 Plan	4/10/17	23,557	7,408	N/A	25
	FY15 Plan	4/10/17	28,035	8,816	N/A	25
	FY14 Plan	4/10/17	27,151	8,538	N/A	25
Total			**937,865**	**294,926**		

Number of performance rights held by EMT at 30 June 2018

	FY18			
Names	**1 July 2017**	**Granted**	**Vested**	**30 June 2018**
Timothy Collyer (Managing Director)	200,634	220,416	(162,532)	**258,518**
Aaron Hockly (Chief Operating Officer)	50,862	75,184	(45,005)	**81,041**
Dion Andrews (Chief Financial Officer)	48,394	75,184	(43,558)	**80,020**
Michael Green (Chief Investment Officer)	48,394	76,276	(43,831)	**80,839**

Key change

Following the PwC review of the Group's remuneration structures the Committee decided to move the current LTI structure from a "backward looking" measurement period to a "forward looking" structure. For FY19, instead of measuring the 3-year period from 1 July 16 to 30 June 2019 and determining relative TSR and ROE for that period, the assessment period will instead be 1 July 2018 to 30 June 2021. The same relative TSR and ROE measures will be used with the same hurdle rates. Once the assessment of performance is complete, 100% of performance right will vest (i.e. in three years time).

There will be a transition period between when the current plans cease and the new plans become fully effective (no vesting under the new plan can occur until after the measurement of the first three-year performance period ending 30 June 2021 is complete). The Group will continue to operate "backward looking" LTI plans in the transition period with steadily reducing opportunities under each plan until they are phased out completely with the first vesting under the new structure. The Committee asked PwC to review these transitional arrangements and they found that there is no advantage/disadvantage of the transitioned arrangements to either the Group or the Employees.

The reason for this change is simply to bring the structure of the LTI measurement into line with general market practice.

Remuneration report continued

Non-executive Director Remuneration

There are currently seven Non-Executive Directors. An aggregate pool of $1,200,000 available for the remuneration of Non-Executive Directors was approved by Securityholders at the Company's Annual General Meeting in November 2017.

Remuneration paid and payable

47 The total remuneration paid to Non-Executive Directors for FY18 is listed below and the proposed FY19 remuneration is on page 47.

Principles of remuneration for Non-Executive Directors

The principles of non-executive director remuneration are:

1. Non-Executive Directors should receive total remuneration at market rates for equivalent positions at listed Australian entities of similar size (measured by market capitalisation and gross assets), complexity and Non-Executive Director workload having regard to the industry in which the Group operates.
2. Fees are set at a level to attract and retain suitably qualified and experienced persons to the Board.
3. The Chairman is entitled to a base annual fee and is not eligible for any additional fees for chairing or being a member of any Board committees.
4. All Non-Executive Directors other than the Chair are entitled to a base annual fee plus additional fees for being a Chairman or a member of a committee.
5. All Non-Executive Directors' fees are paid on a base fee basis rather than per meeting.
6. All Non-Executive Directors' fees are to be paid in cash and include superannuation where applicable. Where Australian GST is applicable, this is paid in addition to the relevant director's fees.
7. 89 From 1 July 2019, Non-Executive Directors are required to hold a certain amount of securities in the Group. Refer to page 89 for details of Director holdings at the date of this Report, as well as details on the MSR.
8. Non-Executive Directors are not entitled to any termination or similar payments upon retirement or other departure from office.
9. In addition to remuneration, Non-Executive Directors may claim expenses such as travel and accommodation costs reasonably incurred in fulfilling their duties.
10. With the prior approval of the Chairman, Non-Executive Directors may obtain independent advice at the Company's cost.

Non-executive Director Remuneration

		Short-term		Post employment	
	Period	**Fees**	**Committee Fees**	**Superannuation benefits**	**Total**
		$	$	$	$
Geoff Tomlinson, Chair (appointed 1 September 2013)	**FY18**	**179,027**	**–**	**17,008**	**196,035**
	FY17	170,502	–	16,198	186,700
Grant Jackson (appointed 5 August 2009)	**FY18**	**91,618**	**10,911**	**9,740**	**112,269**
	FY17	88,950	10,594	9,457	109,001
Francois Marais (appointed 5 August 2009)	**FY18**	**100,322**	**10,609**	**–**	**110,931**
	FY17	97,400	10,300	–	107,700
Norbert Sasse (appointed 5 August 2009)	**FY18**	**100,322**	**15,960**	**–**	**116,282**
	FY17	97,400	15,200	–	112,600
Estienne de Klerk (appointed 5 August 2009)	**FY18**	**100,322**	**11,948**	**–**	**112,270**
	FY17	97,400	11,600	–	109,000
Maxine Brenner (appointed 19 March 2012)	**FY18**	**91,618**	**18,342**	**10,446**	**120,406**
	FY17	88,950	17,808	10,142	116,900
Josephine Sukkar (appointed 1 October 2017)	**FY18**	**68,714**	**7,266**	**7,218**	**83,198**
	FY17	–	–	–	–
Total	**FY18**	**731,944**	**75,037**	**44,412**	**851,393**
	FY17	640,602	65,502	35,796	741,900

FY19 remuneration (unaudited)

To assist readers of this Report to understand how Directors and Employees are remunerated for the year ahead and to understand the performance the board and the Committee are trying to encourage through remuneration, FY19 remuneration has been provided below.

This information is in addition to that required by the *Corporations Act 2001* (Cth) and, as a result, has not been audited. Remuneration listed below is subject to a range of factors including persons remaining employed by the Company in their current role for all of FY19.

FY19 Remuneration (unaudited)

	Total fixed remuneration including superannuation ("TFR")	Short-term Incentive (maximum)	Long-term Incentive (maximum)	Other Benefits	Termination notice (without cause)	Termination Payments (without cause for redundancy or similar by the Company)	Restraint of trade period
Chairman Geoff Tomlinson	$203,876 (4.0% increase from FY 18)	Nil	Nil	Nil Ineligible for additional committee fees	Nil	Nil	Nil
Non-Executive Directors	$104,335 (base fee 4.0% increase from FY 18) plus fees for acting as: – Chair - Audit, Risk & Compliance Committee - $22,094 (10.0% increase) – Member - Audit, Risk & Compliance Committee - $13,143 (10.0% increase) – Chair - Nomination, Remuneration & HR Committee - $18,354 (15.0% increase) – Member - Nomination, Remuneration & HR Committee - $11,670 (10.0% increase)	Nil	Nil	Nil	Nil	Nil	Nil
Managing Director Timothy Collyer	$943,410 (2.5% increase from FY 18)	117.5% of TFR	80% of TFR	– Gym membership – Payment of up to 1.5% of TFR in lieu of premium for Life, TPD and Income Protection Cover	Six months' notice	Nine months' notice and Redundancy Policy benefits. Unvested LTI grants remain on foot	12 months
Chief Operating Officer Aaron Hockly	$378,448 (3.0% increase from FY 18)[1]	82.3% of TFR	70.0% of TFR	Payment of up to 1.5% of TFR in lieu of premium for Life, TPD and Income Protection Cover	Six months' notice	Redundancy Policy benefits plus vesting of any granted but unvested options under LTI	6 months
Chief Financial Officer Dion Andrews	$400,000 (8.9% increase from FY 18)	82.3% of TFR	70.0% of TFR	Payment of up to 1.5% of TFR in lieu of premium for Life, TPD and Income Protection Cover	Six months' notice	Redundancy Policy benefits plus vesting of any granted but unvested options under LTI	6 months
Chief Investment Officer Michael Green	$400,000 (7.3% increase from FY 18)	82.3% of TFR	70.0% of TFR	Payment of up to 1.5% of TFR in lieu of premium for Life, TPD and Income Protection Cover	Six months' notice	Redundancy Policy benefits plus vesting of any granted but unvested options under LTI	6 months
Other Management Staff	Various	30.0% of TFR	30.0% of TFR	Payment of up to 1.5% of TFR in lieu of premium for Life, TPD and Income Protection Cover	One month (By either party)	Redundancy Policy benefits plus vesting of any granted but unvested options under LTI	3 months
Other Staff	Various	20.0% of TFR	20.0% of TFR	Payment of up to 1.5% of TFR in lieu of premium for Life, TPD and Income Protection Cover	One month (By either party)	Redundancy Policy benefits plus vesting of any granted but unvested options under LTI	0-3 months

1. Increase based on full year FY18 pay.

Remuneration report continued

LTI

The structure of the LTI for FY19 has changed from FY18 to move to a forward-looking plan. There will be a reduced opportunity backward looking LTI plan in place as part of the transition to the new forward-looking plans. This will have the same structure as the FY18 LTI, except the opportunity under the plan will be 50% rather than 100%. Refer to page 48 for details about the LTI for FY18 backward looking plan and, accordingly, the FY19 LTI backward looking plan. The measures for the forward-looking plan and their hurdles are identical to the backward looking plans. For further explanation of this change, see the section "key change" on page 45.

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The figures included in the table on page 47 are the maximum available for award under this scheme in respect of FY19.

STI

For the EMT, an STI award may be payable in respect of FY19 based on the following measures:

1) Financial criteria – 70% (subject to a stretch target)

The financial criteria is based upon achieving or outperforming budgeted Funds From Operations ("FFO") per security for the financial year.

2) Non-financial measures – 30% – comprising the matters below

The Committee again reviewed non-financial measures for EMT based on market feedback and the PwC review of remuneration structures. The changes to these criteria were based on simplification (reducing the overall number of measures) and introducing an individual measure to the assessment.

The agreed criteria for FY19 and their weightings are as follows:

Performance Criteria	FY19 performance measures	Reason chosen	Weighting
Execution of Business Strategy	– Delivery of development pipeline of Botanicca, Gepps Cross and Broadmeadows – Undertake strategic acquisition and disposition of property assets to maximise income and capital growth opportunities – Maintain the quality of property portfolio whilst operating within the framework of the Group's gearing range, cost of capital and yields available in the property market	Development and delivery of key strategic initiatives will deliver long-term and sustainable growth	**7.5%**
Organisational Performance	– Maintain a high employee engagement score – Delivery of IT, compliance and risk management business excellence projects – Retain talented individuals in roles and provide for advancement within the Group	Creating a talented and engaged team and providing them with the right functionality to support Growthpoint will underpin ongoing high performance	**7.5%**
Environmental, Social and Governance (ESG) Improvement and Initiatives	– Promote and achieve diversity targets – Maintain average high NABERS ratings, undertake budgeted property specific energy reduction projects and develop long-term energy reduction strategy – Maintain investment grade credit rating	ESG goals form the foundation for Growthpoint's guiding principles.	**7.5%**
Individual Performance of Executive	– Execution of key strategies to achieve annual budget/guidance and longer-term earnings growth – Role model values, leadership behaviours, collaboration and inclusiveness – Embedding strong governance, risk and compliance culture	Having a focussed Executive Team with clear targets, displaying strong leadership and governance is important to the Group's success.	**7.5%**

Employees, other than the EMT, have their STI determined based upon individual performance reviews, achievement of individual KPIs and their personal contribution to the Group's success throughout the financial year. The STI amounts are determined by either the Managing Director or the Committee based on recommendations of the Managing Director.

Other information

KMP and Non-Executive Director holdings of Growthpoint securities

Key change

From 1 July 18, the Committee implemented a Minimum Securityholding Requirement (MSR) for KMP and Non-Executive Directors. Those covered must comply with the MSR within four years of the implementation date. The MSR is as follows:

- Non-Executive Directors – 100% of base fees in equivalent value of Growthpoint securities;
- Managing Director – 100% of TFR in equivalent value of Growthpoint securities; and
- Other KMP – 50% of TFR in equivalent value of Growthpoint securities.

The table below provides holdings as at the date of this report and indicates the current percentage holdings.

Name	Holding as at 16 August 2018	MSR	Current equivalent value in Growthpoint securities[1]
	No.	*%*	*%*
Geoff Tomlinson	81,467	100	144
Grant Jackson	170,309	100	589
Francois Marais	150,322	100	520
Norbert Sasse	1,520,087	100	5,260
Estienne de Klerk	1,601,804	100	5,542
Maxine Brenner	7,245	100	25
Josephine Sukkar	–	100	–
Timothy Collyer	953,492	100	365
Aaron Hockly	45,005	50	86
Dion Andrews	85,815	50	155
Michael Green	45,201	50	82

1. Current equivalent value takes the closing price of Growthpoint securities on 30 June 2018 ($3.61), multiplied by the holding and compares this to the relevant FY19 measure (100% of base fees for Non-Executive Directors, for example). This is provided for information only at this time as compliance with the MSR is not required until 30 June 22.

Nomination, Remuneration & HR Committee

The Committee advises the Board on compensation policies and practices generally, and makes specific recommendations on compensation packages and other terms of engagement for non-executive directors, executive directors and other senior executives. The Committee also periodically reviews the compensation arrangements for other Employees.

Committee members

The members of the Committee during the year and at the date of this Report are:

- Norbert Sasse (Chairman) – non-executive director
- Francois Marais – non-executive director
- Geoff Tomlinson – independent, non-executive director
- Josephine Sukkar – independent, non-executive director (appointed 1 October 2017)

Delegated authority

The Committee operates under delegated authority from the Board. The duties of the Committee in relation to remuneration are to:

a) Recommend, for adoption by the Board, a remuneration package for the Chairman of the Board and the other Directors on a not less than annual basis.

b) Recommend, for adoption by the Board, a remuneration package, including bonus incentives and related key performance indicators, for the most senior executive officer of the Group both on appointment and on a not less than annual basis.

c) Review the most senior executive officer's recommendations for the remuneration packages, including bonus incentives and related key performance indicators, of other Group Employees both on appointment and on a not less than annual basis.

Remuneration report continued

d) Review the most senior executive officer's recommendations for any bonus payments which are in excess of that delegated to the most senior executive officer under the Group's "Delegations of Authority Policy". The Committee cannot approve payments which exceed the bonus pool approved by the Board without Board approval.

e) Make recommendations to the Board in relation to the introduction of, and amendments to, any employee share plan established by the Group.

Remuneration objectives

In carrying out its remuneration functions, the Nomination, Remuneration & HR Committee shall have regard to the following objectives:

a) Provide competitive rewards to attract, motivate and retain highly skilled directors and management.

b) Set challenging but achievable objectives for short and long-term incentive plans.

c) Link rewards to the creation of value for Securityholders.

d) Limit severance payments on termination to pre-established contractual arrangements that do not commit the Group to making unjustified payments in the event of non-performance.

Impact of performance on Securityholders' wealth

In considering the Group's performance and benefits for Securityholders' wealth, the Committee has regard to the financial measures in the table below in respect of the five financial years ended 30 June 2018.

		2018	**2017**	**2016**	**2015**	**2014**
Profit attributable to the owners of the Group	*$'000*	**357,709**	278,090	219,377	283,004	117,348
Dividends and distributions paid	*$'000*	**148,432**	140,077	118,134	110,685	86,790
Distribution per stapled security	*$*	**0.222**	0.215	0.205	0.197	0.190
Closing stapled security price	*$*	**3.61**	3.14	3.15	3.13	2.45
Change in stapled security price	*$*	**0.470**	-0.010	0.020	0.680	0.050
Total Securityholder return[1]	*%*	**22.3**	6.3	7.4	36.4	10.8
Return on equity	*%*	**18.5**	18.6	13.5	23.9	17.5

1. Source UBS Investment Research.

Independent consultants

During the year, the Committee engaged PwC as an independent consultant. PwC was paid a total of $86,700 for providing these services.

The Committee is satisfied on behalf of the Board that PwC remained free from undue influence from those KMP in respect of whom it was making recommendations. The Committee received the report directly from PwC and reviewed and discussed the report with PwC when it was received. The company did not engage PwC for any other work during FY18.

The Committee also had regard to additional third-party industry remuneration benchmarking surveys.

Remuneration reviews

The Committee reviews the appropriate levels of remuneration for all Directors and Employees based on:

1. Remuneration advice and benchmarking from PwC.
2. Remuneration surveys.
3. Benchmarking against peers.
4. Recommendations from the Managing Director (excluding in relation to his own remuneration).

Executive Director Remuneration and Service Contract

There is currently only one executive director being the Managing Director, Timothy Collyer.

Remuneration paid and payable

44 47 The total remuneration paid or payable to the Managing Director for FY18 is listed on page 44 of this report and the proposed remuneration parameters for FY19 are on page 47.

Service contract

The Managing Director has a contract of employment dated 22 August 2016 with the Group that specifies the duties and obligations to be fulfilled by the Managing Director and provides that the Board and the Managing Director will, early in each financial year, consult to agree objectives for achievement during that year. Changes to the Managing Directors' remuneration requires full Board approval and, in certain circumstances, Securityholder approval.

The Managing Director can resign by providing six months' written notice. The Group can terminate his employment immediately for serious misconduct, bankruptcy, material breach of his employment agreement, failure to comply with a reasonable and lawful direction by the Board, committing an act which brings the Group into disrepute or conviction of an offence punishable by imprisonment. In addition, the Group can terminate the Managing Director's employment without cause with not less than nine months' severance pay.

On termination as Managing Director, he must resign as a director of any Group entity and he is restrained from a number of activities in competition with or to the detriment of the Group for a period of 12 months from the date of termination.

Principles of remuneration for the Managing Director

The principles of remuneration for the Managing Director are:

1. The Managing Director should receive total remuneration which is competitive with rates for an equivalent position at listed and unlisted Australian entities of similar size (measured by market capitalisation and gross assets), complexity and workload having regard to the industry in which the Group operates and the relative profit and expenses versus the Group's peers.
2. The Managing Director's total remuneration should be set at a level to attract and retain a suitably qualified and experienced person to this role and tailored to encourage Group performance which is in the best interests of all Securityholders.
3. The components of the Managing Director's remuneration are:
   a) total fixed remuneration (including applicable superannuation);
   b) 41 if specified performance criteria are met, eligibility to receive a short-term incentive ("STI") bonus payable in cash (up to and including FY18, and cash and deferred performance rights for FY19 onwards) in respect of each financial year up to a maximum set by the Board. Refer to page 41 for measures for the FY18 STI;
   c) long-term incentive ("LTI") plan under which, upon attainment of specified criteria, the Managing Director is eligible to receive securities in the Group that vest over time to help ensure alignment of the Managing Director's interests with those of Securityholders;
   d) life, TPD and income protection insurance cover payable directly to the Managing Director (in lieu of premium);
   e) five weeks annual leave;
   f) personal, long-service and other leave to the extent required by law or under any Group policy; and
   g) car parking, airline club membership, gym membership and other similar benefits as considered appropriate.
4. The Managing Director is not eligible for any additional fees for chairing or being a member of any Board committee, acting as an officer of the Company or being a responsible manager or key person under the Company's AFSL.
5. 89 The Managing Director has a Minimum Securityholding Requirement. Refer to page 89 for details of his holdings as at the date of this report and details of the MSR.
6. 47 The Managing Director is entitled to receive certain payments including the vesting of all unvested securities under the LTI if the Company decides to terminate his position without cause including through redundancy. Refer to page 47 for more details of redundancy entitlements.

Other service contracts

It is the Group's policy that service contracts are unlimited in term but capable of termination on six months' notice or less and that the Group retains the right to terminate the contract immediately, by making payment equal to a payment in lieu of notice. Employees are also entitled to receive certain statutory entitlements on termination of employment including accrued annual and long service leave, together with any superannuation benefits and, if applicable, redundancy payments in accordance with a redundancy policy approved by the Committee. Service contracts outline the components of compensation paid to each Employee (including all key management persons) but does not prescribe how compensation levels may be modified each year.

Remuneration report continued

Director and Senior Executive Reviews

Director reviews

The performance of the Board and individual Directors is regularly considered by the Chairman who, from time to time, arranges Board meetings to specifically consider the function of the Board, the strategy of the Group and to hear any concerns/feedback from directors. The Chairman typically meets with each individual Director not less than once per year. A relevant Board meeting and individual meetings all occurred in FY18.

The Chair of each Board sub-committee also regularly considers the performance of the committee they chair.

Board composition

The Board currently comprises Directors with extensive experience and expertise in property, finance, law, investment banking, accounting and corporate governance. Refer to the Growthpoint website for full profiles of each Director:

growthpoint.com.au/about/board/

Being a property company, the Board has expressed a particular desire to ensure it comprises directors with extensive Australian commercial property knowledge. The Managing Director, Grant Jackson and Josephine Sukkar have had, and continue to have, extensive careers in Australian commercial property and have held, and continue to hold, senior positions in the property industry. The Board is eager to ensure that where Board members are replaced, the Board's property experience is not diminished.

Succession planning for directors

The Committee has developed plans for the succession and/or temporary replacement of the Chairman and the Managing Director.

Director training

To ensure the Board has sufficient knowledge to discharge its duties, the Company Secretary co-ordinates an annual training program which includes presentations (verbal and written) from the Group's lawyers, auditors and property managers as well as from investment banks, real estate service providers and leading governance and training organisations.

Senior Executive Reviews

41 The Managing Director's performance is formally considered annually by the Committee and, based on this formal assessment, the Committee makes remuneration recommendations to the Board. In making its assessment, the Committee considers, among other things, the STI performance measures listed on page 41.

41 The Managing Director reviews the performance of the other senior executives and makes recommendations to the Committee on their remuneration based, in part, on the STI performance measures listed on page 41.

Meetings of Directors (FY18)

	Growthpoint Board		Audit, Risk & Compliance Committee		Nomination, Remuneration & HR Committee	
Board member	eligible to attend	attended	eligible to attend	attended	eligible to attend	attended
G. Tomlinson (Chairman)	9	9	4	4	7	7
M. Brenner	9	8	4	3	–	–
T. Collyer (Managing Director)[1,2]	9	9	–	4	–	6
E. de Klerk	9	8	4	4	–	–
G. Jackson	9	8	4	4	–	–
F. Marais	9	9	–	–	7	7
J. Sukkar[3]	8	8	–	1	6	6
N. Sasse	9	9	–	–	7	7

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 Nomination, Remuneration & HR Committee. Mr Collyer is not present for any part of meetings which consider his remuneration except to answer questions from the Committee.
2. 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 Audit, Risk & Compliance Committee.
3. Josephine Sukkar was appointed as director and member of the Nomination, Remuneration & HR Committee effective from 1 October 2017.

Additional information

Indemnification and Insurance of Directors, Officers and Auditor

The Company has entered into a Deed of Indemnity, Insurance and Access with each of its directors, Aaron Hockly (Chief Operating Officer), Dion Andrews (Chief Financial Officer) and Michael Green (Head of Property) providing these persons with an indemnity, to the fullest extent permitted by law, against all losses and liabilities incurred in their respective role for the Company. The Deeds also require the Company to grant the indemnified person with access to certain Company documents and insure the indemnified persons.

In compliance with the Deeds referred to above, the Company insured its Directors and officers against liability to third parties and for costs incurred in defending any legal proceedings that may be brought against them in their capacity as Directors or officers of the Group. This excludes a liability which arises out of a wilful breach of duty or improper use of inside information. The premium also insures the entity for any indemnity payments it may make to its Officers in respect of costs and liabilities incurred. Disclosure of the premium payable is prohibited under the conditions of the policy.

In addition, Growthpoint SA, the Group's majority Securityholder, has undertaken to those Directors and officers of the Group who are not also Directors of Growthpoint Properties Limited that to the extent D&O insurance is not available due to (1) the insolvency of the Group or (2) limitations on claims arising from Peter David Steingrad & others v BFSL 2007 Limited & Others, HC, Auckland, CIV-2011 – 404 – 611 15 September 2011 and Court of Appeal decision CA 674/2011 (20 December 2012), it will provide the directors and officers the same level of financial recourse had the insurance been available. The undertaking expires on the earlier of a superior court in Australia or New Zealand finally determining that the principles of the aforementioned case should not be followed and Growthpoint Properties Limited ceasing to hold (whether beneficially or otherwise) more than 50% of the shares in Growthpoint Properties Australia Limited.

The Auditor is indemnified by the Group against claims from third parties arising from the provision of audit services except where prohibited by the *Corporations Act 2001* (Cth) or due to negligence, fraudulent conduct, dishonesty or breach of trust by the auditor.

Non-Audit services

During the year KPMG, the Group's auditor, has performed certain other services in addition to the audit and review of the financial statements.

The Board has considered the non-audit services providing during the year by the auditor and are satisfied that the provision of those non-audit services during the year by the auditor is compatible with and did not compromise, the auditor independence requirements of the *Corporations Act 2001* (Cth) for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit, Risk & Compliance Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principals relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its network firms for audit and non-audit services provided during the year are set out below.

	2018
	$
Services other than audit and review of financial statements:	
Other regulatory audit services	59,410
Other assurance service and due diligence services	9,000
Audit and review of financial statements	140,966
Total paid to KPMG	**209,376**

Environmental Regulations

As a Trustee of a property owner, the Group is subject to the normal environmental regulations of landowners within Australia. The Directors are not aware of any significant breaches during the year.

Auditors' Independence Declaration

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A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 97.

Rounding

The Group is of a kind referred to in ASIC Corporations (Rounding in Directors' / Financial Reports) Instrument 2016/191 and in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.