



Property Group

CORPORATE
GOVERNANCE
STATEMENT 2018



Corporate Governance

SCA Property Group is an internally managed listed real estate investment trust and is listed on the Australian Securities Exchange (ASX: SCP).

SCA Property Group (SCP or the Group) is comprised of Shopping Centres Australasia Property Group RE Limited (ACN 158 809 851) (SCPRE or Company), the responsible entity to the Shopping Centres Australasia Property Management Trust (ARSN 160 612 626) (SCA Management Trust) and the Shopping Centres Australasia Property Retail Trust (ARSN 160 612 788) (SCA Retail Trust) (each a Trust and, together, Trusts). The units of each Trust are stapled together.

The Group is subject to regulation from multiple sources, including:

- ASX Listing Rules;
- Corporations Act 2001 (Cth) (Act) – as a company, a holder of an Australian Financial Services Licence and as registered schemes;
- Trusts' Constitutions; and
- Trusts' Compliance Plans,

and, accordingly, the Board of SCPRE, together with management, recognise the value to the business's stakeholders of establishing and maintaining best practice corporate governance systems.

The Group's governance systems are reviewed and monitored by the SCPRE Board and reflect the requirements of the market regulators and the expectations of stapled unitholders (unitholders), market participants and other stakeholders. This corporate governance statement outlines the governance systems in effect during the period from 1 July 2017 to 30 June 2018 (Reporting Period) by reference to the third edition of the ASX Corporate Governance Principles and Recommendations (Recommendations) and to the Act. As at 30 June 2018, the Group achieved substantial compliance with the Recommendations.

SCA Property Group's Board and Committee Charters and the Group's policies referred to in this statement, can be found on SCA Property Group's website: www.scaproperty.com.au/about/governance.

This statement was approved by the Board on 14 September 2018.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1. Roles and responsibilities of Board and management

The primary role of the Board of SCPRE (Board), as the Responsible Entity of the Group, is to represent the interests of unitholders by managing delivery of the Group's corporate strategies, policies and performance. The Board has adopted a Charter (Board Charter) that establishes and discloses the respective roles and responsibilities of the Board and of management.

The responsibilities retained by the Board include:

- Approving corporate strategic initiatives and reviewing strategic direction;
- Reviewing budgets and monitoring financial performance, including approval of major capital expenditure, acquisitions and divestments;
- Overseeing the integrity of financial reporting, including external audit;
- Appointing the Chief Executive Officer (CEO) and other senior Executives;
- Evaluating the performance of senior Executives;
- Oversight of remuneration and succession planning;
- Reviewing and monitoring corporate governance policies and practices;
- Overseeing the effectiveness of the risk management system;
- Overseeing disclosure of material information;
- Approving distributions calculated in accordance with the Trusts' Constitutions;
- Considering any social, ethical and environment impact of operations; and
- Appointing the Chair.

The Board Charter sets out the particular responsibilities of the Chair and the process by which Directors can seek independent professional advice.

The Board has established the following standing committees to assist with the carrying out of its responsibilities:

- Audit, Risk Management and Compliance Committee;
- Nomination Committee;
- Remuneration Committee; and
- Investment Committee.

Each committee has its own charter which describes its delegated roles and responsibilities.

Corporate Governance

The Board has delegated to the CEO the day-to-day management and operation of the Group's business. Under the terms of the Board Charter, the CEO is accountable to the Board for the exercise of the delegated authority and, with the support of senior management, must provide succinct, clear, verifiable and high-quality reports and information to the Board that will enable the Board to effectively discharge its duties.

The Board is committed to the ongoing safety and wellbeing of the Group's stakeholders and undertakes appropriate due diligence to ensure management is taking all reasonable steps to ensure health and safety at SCP's centres and for all SCP employees. Workplace health, safety and environment (WHSE) is a standing agenda item at each Board meeting. Refer to the Sustainability and Safety Report, starting on page 24 of SCA's 2018 Annual Report, which is available at www.scaproperty.com.au/investor/reports, for details of the Group's activities in respect of WHSE in the Reporting Period.

The qualifications and experience of the Directors of the Board, the number of Board meetings and committee meetings held and the number of meetings attended by each Director in the Reporting Period are set out in the Directors' Report, starting on page 58 of SCA's 2018 Annual Report, which is available at www.scaproperty.com.au/investor/reports.

The Board Charter and committee charters are available at www.scaproperty.com.au/about/governance. The Board reviewed its Charter and those of its committees in the Reporting Period.

1.2.Pre-appointment verification of Directors

In accordance with the processes and procedures set out in the Group's Nomination Charter, satisfactory confirmation as to any Director-candidate's character, experience, education and qualifications and lack of criminal record or bankruptcy history must be sought. Prior to an appointment any Director-candidate must confirm that they consider they have adequate time to dedicate to the affairs of the Group.

No new Directors were appointed to the Board in the Reporting Period.

The Board has determined that Kirstin Ferguson and Mark Fleming will stand for re-election at the 2018 Annual General Meeting (AGM).

Information about each candidate standing for election or re-election is included in the Notice of Meeting for the Group's AGM.

1.3.Written agreements with Directors and senior Executives

The terms of the appointment of each independent Director are set out in an appointment letter between the Company and the Director. The appointment letters are reviewed regularly to ensure they accurately reflect the roles and responsibilities of each Director and SCPRE's expectations of them. Each senior Executive has been appointed pursuant to a service agreement, and in the case of the two Executive Directors the terms of their service agreements have been disclosed to the market.

1.4.Company Secretary directly accountable to the Board

SCPRE's Company Secretary is accountable directly to the Board through the Chair on all matters to do with the proper functioning of the Board, and the decision to appoint or remove the Company Secretary rests with the Board. Details of the Board's delegation of authority to the Company Secretary are set out in the Board Charter.

While the Company Secretary reports directly to the Board, the Board has delegated certain functional reporting obligations to the CEO. Each Director is able to communicate directly with the Company Secretary and the Company Secretary may communicate directly with each Director.

1.5.Diversity Policy

SCA Property Group's continued success depends largely on its staff who must continually meet the high expectations of investors in the changing and competitive finance and property services industries. The Group depends, therefore, on the support of a body of competent, informed and motivated employees. To maintain these standards and to continue meeting our business goals, it is essential the Group recruits appropriately qualified personnel.

SCA Property Group recognises the value of a diverse Board and employee base and is committed to creating and maintaining an environment where the diverse backgrounds, experiences and perspectives of our people can be leveraged to drive the overall performance of the Group in meeting its stated objectives. The Group rewards and promotes team members based on assessments of individual performance, capability and potential and recognises that team members will assume changing domestic responsibilities during their careers.

Gender balance remains a strong focus area of SCA Property Group's approach to diversity; however, as SCA has less than 100 employees, measurable diversity-related objectives and targets have not been set and SCA's diversity-related reporting continues to be consistent with Recommendation 1.5(c)(1). The Board will continue to monitor this as the Group grows in size.

Corporate Governance

In respect of SCA Property Group, as at 30 June 2018, the gender-related statistics are as follows:

Female Board Directors ¹	40%
Female Executives in senior management ²	45%
Female employees	64%

1. Non-Executive Directors of Board of SCPRE.

2. Senior Management means the CEO, his direct or functional reports and certain of their reports who have responsibility for an area and/or report regularly to the Board or a committee of the Board on the performance of that area.

The Remuneration Committee closely monitors diversity and related activities and reports to the Board on the effectiveness of the Group's diversity-related initiatives.

The Group's Diversity Policy is available at www.scaproperty.com.au/about/governance.

1.6. Board performance evaluation

Each year consideration is given to the form of the Board performance evaluation, including whether an external facilitator should be used in the process.

In the Reporting Period, an independent, external performance evaluation was undertaken by an appropriately qualified consultant in respect of the performance of the Board, its committees and Directors. The external facilitator conducted the performance reviews by way of interviews with individual Directors and with management personnel. The report of the external facilitator has been received and the Board's Chair is leading the review process in relation to the report's recommendations.

1.7. Evaluation of senior Executives

The Remuneration Committee assessed the achievements of each senior Executive against agreed formal financial and operational objectives and key performance indicators, in addition to agreed personal objectives for the Reporting Period. The Remuneration Committee, together with the Board, reported the findings to the relevant Executives.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

2.1. Nomination Committee

The Board has established a Nomination Committee. During the Reporting Period, the Nomination Committee was comprised of at least three Non-Executive Directors, all of whom were independent Directors. The Nomination Committee was chaired by an independent Director. The responsibilities of the Nomination Committee are set out in a Board-approved Nomination Committee Charter and include making recommendations to the Board in relation to:

- Succession planning for the Board and Chair;
- Developing and implementing plans for identifying, assessing and enhancing Director competencies;
- Ensuring an effective induction process is in place;
- Appointment and re-election of Directors;
- Overseeing the recruitment of new Directors in accordance with the policy and procedure for selection and appointment of new Directors; and
- Evaluating the performance of the Board, its committees and individual Directors against appropriate measures.

The terms of the Nomination Committee Charter delegate authority to the Committee to:

- Obtain independent professional advice; and
- Obtain information to reasonably fulfil its duties.

The Charter for the Nomination Committee is available at www.scaproperty.com.au/about/governance.

The qualifications and experience of the members of the Nomination Committee, the number of meetings held and the number of meetings attended by each Nomination Committee member in the Reporting Period are set out in the Directors' Report, starting on page 58 of SCA's 2018 Annual Report, which is available at www.scaproperty.com.au/investor/reports.

Corporate Governance

2.2. Board Skills Matrix

To maximise the effectiveness with which it discharges its responsibilities, the Board ensures that it has an appropriate mix of skills, experience, diversity and expertise. At least annually, the Nomination Committee reviews the composition of the Board and makes recommendations to the Board in respect of the appropriateness of the skills mix of Directors, giving due consideration to the business's strategy and operations. Diversity is also considered; however, in this context, diversity is not limited to gender diversity.

A summary of the SCPRE's Board Skills Matrix as at 30 June 2018 is set out below. Additional commentary on the skills of Board members is included in the Directors' Report, starting on page 58 of SCA's 2018 Annual Report, which is available at www.scaproperty.com.au/investor/reports.

Theme	Desired skill/experience	Rating	Directors' assessment
M&A/Capital Markets	Listed company experience	7/7	Strong
	Capital markets/M&A experience	6/7	Strong
Corporate Finance	Knowledge of accounting standards	7/7	Strong
	Treasury experience	3/7	Adequate experience balanced between independent and Executive Directors
Real Estate/Property Mgt	Retailer/Supermarket experience	4/7	Adequate with strong experience in Executive Directors
	REIT and/or property experience	6/7	Strong
Capital/Funds Management	Knowledge of legal duties	7/7	Strong
	Funds management experience	6/7	Adequate to support dedicated subsidiary funds management Board
	Legal, compliance and risk management experience	7/7	Strong
Public Policy	Remuneration/HR experience	7/7	Strong
Social/WHS/Environmental	Workplace health and safety experience	4/7	Adequate experience balanced between independent and Executive Directors
Communications/Marketing/ Customer Services	Stakeholder engagement experience	7/7	Strong
	Marketing/social media experience	2/7	Adequate experience supporting wider management team

2.3 and 2.4 The majority of the Board should be independent Directors

As at 30 June 2018, the Board comprised seven Directors, five of whom the Board considered to be independent. The SCPRE Directors, as at 30 June 2018, were:

Director's name	Executive or Non-Executive	Independent	Date first appointed
Philip Marcus Clark AM	Non-Executive	Independent	19 September 2012
James Hodgkinson OAM	Non-Executive	Independent	26 September 2012
Philip Redmond	Non-Executive	Independent	26 September 2012
Belinda Robson	Non-Executive	Independent	27 September 2012
Dr Kirstin Ferguson	Non-Executive	Independent	01 January 2015
Anthony Mellowes	Executive (CEO)	Non-independent	02 October 2012
Mark Fleming	Executive (CFO)	Non-independent	26 May 2015

Corporate Governance

The Board considers a Director independent if they:

- Are not a substantial unitholder in SCA Property Group, nor an officer of or otherwise associated directly with a substantial unitholder of the Group;
- Are not a member of management and have not been employed in an Executive capacity by the Group in the last three years;
- Have not, within the last three years, been a partner, Director or senior employee of a material professional adviser to the Group;
- Are not a material supplier to or customer or tenant of the Group, nor an officer of or otherwise associated directly or indirectly with a material supplier, customer or tenant;
- Do not have a material contractual relationship with the Group in any capacity other than as Director;
- Do not have close family ties with any person who falls within any of the categories described above;
- Have been a Director of the Group for less than 10 years; and
- Are free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of their judgement.

The Board regularly assesses whether each Non-Executive Director is independent. Each Director provides the Board with the information necessary for the Board to assess whether they remain an independent Director under the above criteria. No Director that the Board has determined is an independent Director has an interest, position, association or relationship ("connection") of the type noted above that has caused the Directors to have to consider their independence in spite of that connection.

2.5 The Chair should be an independent Director and not the CEO

The roles of the Chair of the Board and the CEO are held by separate Directors.

The Board has elected Philip Marcus Clark as Chair of the Board. The Board is satisfied Mr Clark is and was for the entire Reporting Period an independent Director. Mr Clark's details are provided in the Directors' Report, starting on page 58 of SCA's 2018 Annual Report, which is available at www.scaproperty.com.au/investor/reports.

Anthony Mellowes was appointed as CEO with effect from 1 July 2013. Details of Mr Mellowes' experience are included in the Directors' Report, starting on page 58 of SCA's 2018 Annual Report, which is available at www.scaproperty.com.au/investor/reports.

2.6 New Director induction and continuing education program for all Directors

The Company Secretary provides new independent Directors with copies of the Group's Board and committee Charters and the policies and procedures relevant to the role of an independent Director. They are provided with copies of past Financial Statements and Board and committee papers, as well as full access to those members of management the new independent Director considers would be useful for them to meet.

Management coordinates site inspections for the Board to increase their familiarity with the Group's assets. The Company Secretary brings to the attention of the Board changes in laws relevant to their role as a Director of SCA Property Group, and Board members are encouraged at Board meetings to share experiences learned in other roles.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

3.1. Listed entities should establish a Code of Conduct

SCA Property Group has a Code of Conduct that is a reference point for the standards and behaviours required of all Directors, officers and staff members. The Code of Conduct articulates the commitment of the Group to:

- The maintenance of high ethical standards, integrity and respect in all business relationships;
- Honest, responsible and fair conduct;
- Compliance with all laws and regulations applicable to the Group's operations;
- Identification and effective management of actual or potential conflicts of interest;
- Transparency in respect of any gift or benefits, donations and political activity;
- Prohibiting any form of fraud, bribery or corruption;
- Identifying and reporting breaches;
- Providing and supporting processes and procedures that facilitate the reporting and investigation of any breaches; and
- Compliance with the Group's delegation of authority and the Group's policies in relation to use of the Group's assets.

The Code of Conduct is reviewed on a regular basis in response to changes in the Group's operational and regulatory environment. Staff members are provided with regular training in the Code of Conduct, and those policies and procedures referred to in the Code of Conduct, both on joining and at least annually. On joining, staff members are required to confirm that they have read and understood the Code of Conduct.

A copy of the Code of Conduct is available at www.scaproperty.com.au/about/governance.

Corporate Governance

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

4.1. Establish an appropriately structured audit committee and disclose information about it

The Board has established an Audit, Risk Management and Compliance Committee (ARMCC). During the Reporting Period, the ARMCC was comprised of at least three Non-Executive Directors, all of whom were independent. The Chair of the ARMCC was an independent Director who was not the Chair of the Board. The responsibilities of the ARMCC are set out in the Board-approved ARMCC Charter, and in respect of corporate reporting, include making recommendations to the Board pursuant to:

- External audit function, including appointment and removal of the auditor, rotation of the audit partner, oversight of audit scope, auditor independence, performance and provision of non-audit services;
- Internal audit function, including appointment of external provider of internal audit service and scope and performance (refer to Principle 7.3 for additional details of internal audit function);
- Financial reporting and disclosure processes, including oversight of the application of critical accounting policies, review of Financial Statements for accuracy and confirmation that they reflect a true and fair view of the Group's performance; and
- Internal accounting and control systems.

The terms of the ARMCC Charter delegate authority to the ARMCC Committee to:

- Obtain independent professional advice;
- Obtain information to reasonably fulfil its duties;
- Have access to the Group's records and personnel without management present; and
- Have access to the Group's internal and external auditors, with or without management present.

The ARMCC also has the responsibility of monitoring the effectiveness of the design, implementation and management of SCPRE's Compliance Management Framework, including reviewing compliance-related policies, systems and processes and of making recommendations to the Board in respect of compliance matters.

The members of the ARMCC, between them, have expertise in the areas of accounting and finance and property. The qualifications and experience of the members of the ARMCC, the number of meetings held and the number of meetings attended by each ARMCC member in the Reporting Period, are set out in the Directors' Report, starting on page 58 of SCA's 2018 Annual Report, which is available at www.scaproperty.com.au/investor/reports.

The ARMCC Charter can be found at www.scaproperty.com.au/about/governance.

4.2. The Board should receive a declaration from the CEO and Chief Financial Officer (CFO) relating to the control environment and the quality of the Financial Statements

In respect of both the half-year Financial Statements and the full-year Financial Statements, the CEO and the CFO confirm in writing to the Board that in their opinion:

- The Financial Statements and associated notes comply in all material respects with the applicable Accounting Standards as required by the Act;
- The Financial Statements and associated notes give a true and fair view of the financial position, as at the relevant balance date, and the performance of the Group for the relevant financial period;
- With regard to the financial records and systems of risk management and internal compliance and control of the Group for the relevant period:
 - The financial records of the Group have been properly maintained in accordance with the Act;
 - The statements made regarding the integrity of the Financial Statements are founded on a sound system of risk management and internal compliance and control;
 - The risk management and internal compliance and control systems of the Group relating to financial reporting objectives are operating effectively, in all material respects; and
 - Subsequent to the balance date, and up to the date of the relevant financial report, no changes or other matters have arisen that would have a material effect on the operation of the risk management and internal compliance and control systems of the Group, and
- With regard to solvency, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Corporate Governance

4.3. Auditor to attend AGM

SCA Property Group is not an entity that is required to hold an AGM. The Board, however, has determined that the Group will hold an AGM and will include in that meeting those resolutions usually considered by shareholders of a publicly listed company at its AGM.

The Group has and will continue to ensure that its external auditor is invited to and attends the AGM and is available to answer questions from unitholders relevant to the auditor's role.

In addition, the Group includes with its Notice of Meeting for the AGM a form that unitholders may complete asking questions of the auditor in advance of the AGM.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURES

5.1. Listed entities should have a written policy designed to ensure compliance with ASX Listing Rules disclosure requirements and disclose it

The Group's Continuous Disclosure Policy underlines the Group's commitment to ensuring unitholders and the market receive timely, accurate and relevant information regarding the Group. The Group acknowledges that providing information in this way enables investors to trade in SCP units in an informed, efficient and competitive market.

All staff members are trained in the Group's Continuous Disclosure Policy to ensure all market-sensitive information is provided to senior management, enabling prompt disclosure. Discussion of events relevant to the Group that may require disclosure to the market is a standing agenda item at all Board meetings.

The Group's Continuous Disclosure Policy is available at www.scaproperty.com.au/about/governance.

PRINCIPLE 6: RESPECT THE RIGHTS OF UNITHOLDERS

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

One of the Group's key communication tools is its website www.scaproperty.com.au. The Group endeavours to keep its website up-to-date, complete and accurate. Important information about the Group can be found in the "About us", "Investor Centre" and "News & Announcements" sections.

6.2. Listed entities should have a two-way investor relations program

The CEO and CFO regularly engage with investors. SCA Property Group's results presentations are webcast, and investors, financial analysts and others are invited to participate in the discussion forum that follows.

The Board, through its Chair, and the Chairs of each committee make themselves available to stakeholders and engage with them as required.

The Group is conscious of the large number of retail unitholders on its register and has considered their needs in each communication, both in terms of content and the channels used for the dissemination of information. The Board has balanced the communication preferences of some unitholders against the cost to the Group of meeting those unitholders' preference for personal contact or paper-based communication. Consistent with the Group's sustainability commitment, wherever possible, it will communicate with investors electronically.

6.3. Participation at meetings

Comprising stapled managed investment schemes, the Group is not required to hold an AGM. The Board has determined, however, that the Group will follow the AGM regime specified for companies to the extent reasonably practicable.

To ensure the AGM is productive and the Board is addressing unitholders' concerns, investors are invited to pose a question to the Board, management or the external auditors in advance of the AGM. These questions are reviewed, collated and themes identified. The Chair of the Board will try to respond to some of the more common questions in his address at the AGM.

The AGM is webcast, and this is made available on the Group's website.

6.4. Electronic communication between investors and SCP and its registry

SCA Property Group strongly encourages investors to provide contact details that permit us and our registry provider to communicate with them electronically. Communicating electronically with investors is more secure, reliable and reduces the Group's carbon footprint, assisting us in meeting our sustainability goals. The Group provides email addresses on its website to allow investors and the wider public to contact us electronically.

Apart from making announcements to the ASX, our website remains one of the most important methods we use to keep investors up-to-date. Investors are encouraged to visit it regularly to receive the latest news from the Group.

Corporate Governance

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1. Risk Committee

The Board has established an Audit, Risk Management and Compliance Committee to oversee risk management. During the Reporting Period, the ARMCC was comprised of at least three independent members, all of whom were independent Directors. The ARMCC was chaired by an independent Director who was not the Chair of the Board. The responsibilities of the ARMCC are set out in the Board-approved ARMCC Charter and, in respect of risk management, include making recommendations to the Board in relation to:

- Governance processes and procedures for managing risk, such as the Group's Risk Management Policy, Risk Management Framework and Risk Registers, to ensure the appropriateness and adequacy of the risk management system;
- The Group's insurance arrangements in the context of any insurable business risks; and
- Any evaluation arising from any exposure, or allegation of such, of the Group to fraud, malfeasance or any other significant risk event or breakdown of internal controls.

The terms of the ARMCC Charter delegate authority to the Committee to:

- Obtain independent professional advice;
- Obtain information to reasonably fulfil its duties;
- Have access to the Group's records and personnel without management present; and
- Have access to the Group's internal and external auditor, with or without management present.

The qualifications and experience of the members of the ARMCC, the number of meetings held and the number of meetings attended by each ARMCC member in the Reporting Period are set out in the Directors' Report starting on page 58 of SCA's 2018 Annual Report, which is available at www.scaproperty.com.au/investor/reports.

The ARMCC Charter is available at www.scaproperty.com.au/about/governance.

7.2. Review of Risk Management Framework

The ARMCC is responsible for advising the Board on the adequacy of the Group's risk management system. In the Reporting Period, the ARMCC reviewed the Group's Risk Management Framework (Framework) and advised the Board that the Framework was consistent with AS/NZS ISO 31000:2009: Risk Management – Principles and Guidelines and that the Group continued to have an approach to risk oversight, management and internal control that was appropriate for the Group's business.

7.3. Internal audit

The Group's ARMCC oversees the internal audit function and is responsible for examining the nature, extent and effectiveness of the internal audit program and delivery of the approved annual Internal Audit Plan. The Group has engaged an external professional internal audit provider to ensure that a systematic, disciplined and objective approach is applied to internal control processes. The internal audit function has direct access to the ARMCC members and the Internal Audit Plan is developed with management to ensure it appropriately reflects business value and risks and is approved by the ARMCC and the Board.

7.4. Material exposure to economic, environmental and social sustainability risk

SCA Property Group recognises that its operations can have social and environmental implications for its stakeholders, most significantly with regards to the wellbeing of the communities in which it operates and environmental sustainability. This can be material to investment value. The Group seeks to preserve or enhance shareholder value through managing environmental, social and governance risks and leveraging associated opportunities, and takes a practical, measurable and accountable approach, including:

- Actively identifying potential environmental, social and governance risks;
- Engaging its key stakeholders to understand relevant environmental, social and governance issues;
- Being transparent with its performance on sustainability, setting and reporting against targets annually;
- Integrating sustainability into its day-to-day operations and culture while continuously improving; and
- Proving leadership in the communities in which shopping centres are located.

The Group's Sustainability Policy and the 2018 Sustainability Report are available at www.scaproperty.com.au/about/sustainability.

Corporate Governance

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

8.1. Remuneration Committee

The Board has established a Remuneration Committee. In the Reporting Period, the Remuneration Committee was comprised of at least three Non-Executive Directors, all of whom were independent Directors. The Remuneration Committee was chaired by an independent Director. The responsibilities of the Remuneration Committee are set out in a Board-approved Remuneration Committee Charter and include making recommendations to the Board in relation to:

- Remuneration of Executive Directors and senior management;
- The design of long-term incentive and equity plans, including employee participation in the plans;
- Remuneration for Non-Executive Directors;
- Provision of superannuation; and
- Review of remuneration by gender.

The terms of the Remuneration Charter delegate authority to the Committee to:

- Obtain independent professional advice; and
- Obtain information to reasonably fulfil its duties.

The qualifications and experience of the members of the Remuneration Committee, the number of meetings held and the number of meetings attended by each Remuneration Committee member in the Reporting Period are set out in the Directors' Report, starting on page 58 of SCA's 2018 Annual Report, which is available at www.scaproperty.com.au/investor/reports.

The Remuneration Committee's Charter can be found at www.scaproperty.com.au/about/governance.

8.2. Remuneration policies and practices

In accordance with the terms of the Remuneration Committee Charter, in the Reporting Period the Remuneration Committee reviewed and approved the Group's overall remuneration policy in order to assess whether remuneration was market competitive and designed to attract, align and retain valuable members of staff.

While details of the Group's remuneration policies and practices are set out in the Remuneration Report, broadly:

- Independent (Non-Executive) Directors receive their fees in cash. They receive a fixed amount and do not receive options, bonus payments or other performance incentives. They are not entitled to retirement benefits (other than superannuation).
- Executive Directors and other executive Key Management Personnel (KMP) receive both fixed and incentive-based remuneration. Details of remuneration and the policies and practices adopted by the Group in setting the remuneration of Executive Directors and of other executive KMPs are outlined in the Remuneration Report, starting on page 28 of SCA's 2018 Annual Report, which is available at www.scaproperty.com.au/investor/reports.

8.3. Prohibition on the use of derivatives

The Group's Securities Trading Policy prohibits the use of any derivatives in relation to any unvested SCP Units (including unvested rights over SCP Units) or vested SCP Units that are still subject to disposal restrictions. Confirmation of this policy is included in the Remuneration Report, starting on page 28 of SCA's 2018 Annual Report, which is available at www.scaproperty.com.au/investor/reports.

