

Risk Management Policy

Owner	SCA Board
Applicability	SCA Property Group
Version	6
Version Date	12 December 2019
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1. Overview

SCA Property Group comprises Shopping Centres Australasia Property Group RE Limited (**SCP****RE**) as Responsible Entity for Shopping Centres Australasia Property Management Trust (**SCA Management Trust**), Shopping Centres Australasia Property Retail Trust (**SCA Retail Trust**) (together, Trusts) and any entities owned, either beneficially or legally, by the Trusts or SCPRE (together, **SCA** or the **Group**).

SCA is a registered managed investment scheme, it the holder of an Australian financial services licence and is listed on the Australian Securities Exchange. To meet its obligations under the Corporations Act 2001 (Cth) and ASX Corporate Governance Principles & Recommendations, SCA is required to have a system in place to manage risk.

SCA's Risk Management System has been developed in accordance with the guidance set out in ISO/AS 31000: 2018 – Risk Management, and consists of the:

- Risk Management Policy;
- Risk Management Framework (**Framework**);
- Risk Register;
- Risk Appetite Statement;
- Risk Management Procedures & Guidance Notes
- Relevant internal policies; and
- SCA's Compliance Management Framework.

2. Scope

This Policy applies to all operations of the SCA Property Group.

3. Purpose

This Policy is a statement of the overall approach to risk management for SCA Property Group. SCA's manages its business risks with the objectives of:

- Protecting the value of the Group;
- Recognising the potential impact our operations may have on all stakeholders; and
- Ensuring that its business objectives are met with regards to risk appetite.

4. Principles

The effective management of risk is vital to the continued growth and success of the Group. For risk management to be effective, the following principles are applied to the SCA's business objectives¹:

- **Integrated**: risk management is an integral part of the businesses activities and aims to create and protect value.

¹ Based on the principles set out in AS/ISO 31000:2018 – Risk Management - Guidelines

- **Structured & comprehensive:** risk management is focused on the sources of uncertainty around the achievement of objectives.
- **Customised:** risk management must be customised to the context of; proportionate to; and aligned with, SCA's business activities.
- **Inclusive:** appropriate and timely involvement of SCA stakeholders allows their knowledge, views and perceptions to be considered
- **Dynamic:** risk management is dynamic, iterative and responsive to emerging and changing risks
- **Best available information:** explicit risk management processes helps decision-makers make informed choices with informational limitations and uncertainties taken into account
- **Human & cultural factors:** risk management is integrated into organisational processes and embedded in SCA Property Group's culture
- **Continual improvement:** risk management is continually improved through learning and experience

5. Risk Management Process

SCA Property Group has a risk management process that is consistent with the process described in the ISO/AS 31000:2018 Risk Management standard. The system governing risk and the process of identifying, analysing, evaluating and treating risk are detailed in the Risk Management Framework.

6. Roles & Responsibility

At SCA, risk management is a core responsibility. Accountability for, and oversight of, the risk management process is as follows:

6.1 The Board & ARMCC

The Board has ultimate responsibility for the Group's risk culture and oversight of risk management.

The Board is responsible for ensuring that the Group's risk appetite is clearly articulated², that there are appropriate policies in place to manage risk and maintain internal controls and that this Framework allows SCA's managers to operate appropriately within those boundaries.

The Board's Audit, Risk Management & Compliance Committee (**ARMCC**) assists the Board in overseeing and reviewing the Framework and the effectiveness of risk management of the Group, including the appropriate investigation and management reporting of significant risk events and incidents.

² Refer to SCA's Risk Appetite Statement

6.2 CEO and Other KMPs

The CEO has day-to-day responsibility for the operation of the Group. The CEO and Chief Financial Officer/Chief Risk Officer and General Counsel/Company Secretary/Compliance Officer (together, **KMPs**), are responsible for overseeing the identification, management and reporting on, and effecting measures, to manage risk.

The KMPs will ensure that:

- All material risks are identified and managed appropriately and effectively;
- SCA operates within its Risk Appetite;
- SCA operates a sound system of risk management and internal control which is operating effectively; and
- Risk is embedded in the operation of the business.

6.3 Management Risk Committee

Management's Risk Committee will meet quarterly and will review the Risk Register and control / actions plans for all identified risks with a low and / moderate risk rating.

6.4 Risk Management Function

The Chief Risk Officer (**CRO**) and General Manager – Risk & Compliance will oversee the implementation of SCA's Risk Management System by:

- Providing guidance on risk management within SCA;
- Coordinating risk reporting to management Risk Committee, the ARMCC and the Board;
- Provide ongoing employee training to employees to ensure that risk management is embedded in the business; and
- Ensure that SCA's Risk Appetite is reflected where relevant in SCA's policies.

6.5 All Managers

It is the responsibility of all SCA managers to ensure that employees are aware of and actively applying SCA's approach to risk management.

6.6 All Employees

It is the responsibility of all employees to understand SCA's approach to risk management as set out in SCA's Risk Management System. Employees should be able to identify, escalate, manage and report risk as part of day to day activities.

7. Related policies & procedures

- Risk Management Framework
- Risk Appetite Statement
- Risk Management Procedures & Guidance Notes
- Compliance Management Framework
- Code of Conduct