

# INGENIA COMMUNITIES GROUP

## CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices currently in place for Ingenia Communities Group (**Group** or **Ingenia**) and also addresses the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**). The Board believes the Group accords with the majority of the principles and recommendations of the ASX Corporate Governance Council.

The corporate governance policies and practices described below are those that have been in place for the 2014-15 financial year, or as at the date of this report where indicated. The Board continues to review the governance framework and practices of the Group to ensure they meet the interests of securityholders.

All references to the Group's website are to: [www.ingeniacommunities.com.au](http://www.ingeniacommunities.com.au)

### Principle 1: Lay solid foundations for management and oversight

#### (a) Ingenia Communities Group and its Constitutions

Ingenia Communities Group is a triple stapled structure comprising the parent company, Ingenia Communities Holdings Limited (**ICH**), Ingenia Communities Fund (**ICF**) and Ingenia Communities Management Trust (**ICMT**), (together known as the Group). ICF and ICMT each have their own Constitution (the **Constitutions**) both of which have been lodged with the Australian Securities and Investments Commission (**ASIC**). The rights and obligations of unitholders are governed by these Constitutions and the *Corporations Act 2001 (Cth)* (**Corporations Act**). The terms contained in each Constitution are substantially the same.

The responsible entity of ICF and ICMT, Ingenia Communities RE Limited (**ICRE**) is the holder of an Australian Financial Services Licence (**AFSL**).

As a result of the stapling, ICH and ICRE operate as a coordinated Group with the Boards of both companies having the same composition and the meetings held concurrently where appropriate. References to the 'Board' in this statement are references to the boards of ICH and ICRE (as the Responsible Entity of ICF and ICMT), which comprise the same directors.

#### (b) Compliance Plans

In accordance with Corporations Act requirements, the Responsible Entity has registered compliance plans for ICF and ICMT with ASIC. The compliance plans describe the procedures that the Responsible Entity will apply in operating ICF and ICMT to ensure compliance with the Corporations Act and the Constitutions of ICF and ICMT.

The Board of the Responsible Entity is responsible for monitoring the Group's compliance with the compliance plans. Further details are provided under the section on risk management.

#### (c) Role of the Board

The Board is committed to effectively representing and promoting the Group, and thereby adding long-term value to all securityholders. The board is accountable to securityholders for the management of the Group's business and affairs and as such is responsible for the overall strategy, governance and performance of the Group. To clarify the roles and responsibilities of directors and management and to assist the Board in discharging its responsibilities, the Group has established a governance framework at 1(d) below, which sets out the functions reserved to the Board and provides for the delegation of functions to Board Committees and to senior management. The Board operates under a formal charter, which can be found on the Group's website.

**(d) Governance Framework**

The diagram below depicts the operation of the Group's governance framework.

**BOARDS OF ICH AND ICRE**

Formally delegates certain functions to Board Committees and to management via the formal Board and Committee charters.

Directly retains responsibility for a number of matters including:

- Corporate Strategy – Evaluate, approve and monitor the strategic and financial plans for the group.
- Oversight of Management - guide and monitor management's performance and implementation of strategy. The appointment and replacement of the CEO, executive succession planning, monitor the performance of the CEO and the senior management team and determine their remuneration.
- Oversight of Financial Management – review and approve the annual operating budgets, review and approve all financial reports of the Group, evaluate and approve decisions concerning major capital expenditure of the Group.
- Oversight of Capital Management – approve changes to the Group's capital structure, determine distribution policy and approve dividend payments pursuant to that policy and approve the establishment and issue of any equity rights via incentive plans
- Board Composition and Structure – review composition of the Board, succession, carry out annual performance reviews and assess establishment, composition and effectiveness of Board committees.
- Compliance and Risk Management – monitor strategic risk management systems and the integrity of internal control and reporting systems.
- Investor Communications – approve all material reporting and other external communications by the Group, review policies and procedures to ensure compliance with ASX continuous disclosure requirements.
- Ethics and Responsible Decision-Making – actively promoting ethical and responsible decision making and monitoring compliance with policies governing the operation of the Group.

**Audit and Risk Committee**

Key functions are to oversee and review:

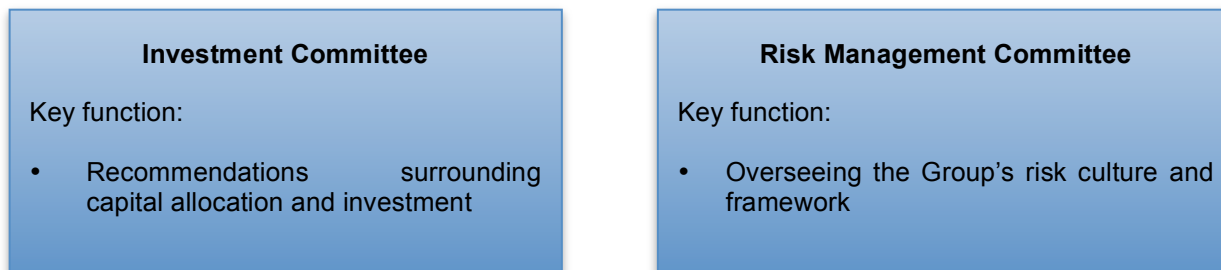
- The integrity of the Group's external financial reporting and financial statements;
- The appointment, independence and competence of Ingenia's external auditors;
- The effectiveness of Ingenia's system of risk management and internal controls;
- Ingenia's systems and procedures for compliance with applicable legal and regulatory requirements; and
- Ensuring the Group maintains appropriate insurance.

**Remuneration and Nomination Committee**

Key functions are to review and make recommendations on:

- Executive remuneration and incentive policy;
- Level of remuneration for non executive directors;
- Design of all equity based plans;
- Board size and composition;
- Criteria for Board membership; and
- Appointment, re-elections and succession of directors and key management personnel.

## CEO & Other Senior Executives



### (e) Role of the Board of the Responsible Entity

As the Responsible Entity, the Board of ICRE has additional responsibilities for the operation of ICF and ICMT. The Responsible Entity must exercise its powers and perform the obligations conferred on it under the Constitutions and the Corporations Act and ensure that the activities of the Group are conducted in a proper and efficient manner in the best interests of unitholders. The Responsible Entity must also ensure compliance with the conditions of the AFSL and approve and monitor compliance with compliance plans.

### (f) Board committees

The ultimate responsibility for the oversight of the operations of the Group rests with the Board. However, the Board may discharge any of its responsibilities through committees of the Board in accordance with the Constitutions and the Corporations Act.

The Board has established the following standing Board Committees, which assist it with the execution of its responsibilities. The composition and effectiveness of the committees are reviewed on an annual basis:

- Audit and Risk Committee
- Remuneration and Nomination Committee

Each of these committees operate in accordance with specific charters approved by the Board which can be found on the Group's website.

The applicable composition requirements and current membership of each of the Board Committees are set out below:

Board Committee	Composition Requirements	Membership
Audit and Risk Committee	At least three members, all non-executive and the majority of whom are independent. The chairman should be a non-executive director. One member must also have financial expertise.	Ms Amanda Heyworth (Chairman); Mr Robert Morrison; and Ms Norah Barlow.
Remuneration and Nomination Committee	At least three members, the majority of whom are non-executive independent. The chairman should be an independent non-executive director.	Mr Philip Clark AM (Chairman); Ms Amanda Heyworth; and Mr Jim Hazel.

The number of scheduled Board and Committee meetings held during the year and the number of meetings attended by each of the directors is set out in the table below:

	Board		Audit & Risk Committee		Remuneration & Nomination Committee	
	A	B	A	B	A	B
Jim Hazel	21	20	-	-	3	3
Philip Clark AM	21	20	-	-	3	3
Amanda Heyworth	21	21	7	7	3	3
Robert Morrison	21	21	7	7	-	-
Norah Barlow	21	20	7	7	-	-
Simon Owen	21	21	-	-	-	-

**A:** Meetings eligible to attend    **B:** Meetings attended

**(g) Executive committees**

The Group has also established the following two executive committees:

- Investment Committee (**IC**); and
- Risk Management Committee (**RMC**).

The IC is an executive committee that has been established to assist the Board oversee the investment activities of the Group by reviewing and making recommendations to the Board on:

- Major capital expenditure;
- Capital management;
- All major corporate transactions including acquisitions and divestment; and
- Developments and refurbishments.

The IC reviews investment activities greater than \$250,000 and provides endorsement to the CEO for execution. Investment activities greater than \$500,000 are submitted to the Board for approval.

The IC monitors the performance of the Group's investments by conducting quarterly reviews on development activities and bi-annual reviews on acquisitions.

The IC consists of senior executives.

The RMC is an executive committee that has been established to assist the Audit and Risk Committee in fulfilling its risk responsibilities. The RMC is responsible for overseeing the Ingenia risk culture and framework which includes:

- Review of the effectiveness of the design and implementation of the risk framework,
- Understanding the business' risk appetite,
- Assessing methodologies, monitoring and reporting processes; and
- Evaluation of lessons learned when a variation is experienced.

The RMC meets monthly, or as necessary, with a minimum of four meetings a year. The RMC will report the proceedings of the committee to the Audit and Risk Committee at their next meeting.

The RMC consists of senior executives.

## **(h) Senior Executives**

The Board delegates the responsibility for the day-to-day management of the Company and implementation of the strategic plan to the Chief Executive Officer (**CEO**), who is assisted by the senior executives who report to him.

The CEO consults with the chairman on any matters that the CEO considers are of such a sensitive, extraordinary or strategic nature as to warrant the attention of the Board, regardless of value. The authorisation thresholds for the control of expenditure and capital commitments are established and defined in the Company's Delegations and Authorities Policy, which is set to optimise the function and decision-making of the executive as the Group continues to grow and expand, whilst maintaining appropriate oversight by the Board.

Subject to these policy limits and the directions of the Audit and Risk Committee, the CEO may sub-delegate the day-to-day running of the Group to the senior executive team. The exercise of delegated authority is restricted to specific organisational functions and roles.

The Delegations and Authorities Policy details the delegated thresholds for various types of commitment and individual positions, as well as the authorisation processes required to be followed.

All senior executives are appointed to their positions after a rigorous recruitment process. Each member of the senior executive team, including the executive director, is employed pursuant to an employment contract, which covers a range of matters including their duties, rights, responsibilities and any entitlements on termination. Each contract refers to a specific formal job description. Each contract sets out the remuneration of the executive, including their entitlements to any rights under incentive plans.

## **(i) Performance of Senior Executives**

The evaluation for all executives is based on specific criteria, including the business performance of the Group, whether strategic objectives are being achieved, and the development of management and personnel.

The Board formally assesses the CEO's performance on an annual basis. All key performance indicators (**KPIs**) are carefully considered by the Remuneration and Nomination Committee, which evaluates the CEO's performance and makes recommendations to the Board.

An annual assessment of the performance of all other senior executives is undertaken by the Board on the basis of recommendations by the CEO, who conducts performance reviews in relation to each senior executive.

A performance evaluation for all senior executives, including the CEO, was undertaken in the reporting period in accordance with the process disclosed above.

Further information on directors' and executives' remuneration, including principles used to determine remuneration, is set out in the Annual Report under the heading 'Remuneration Report'.

## **(j) The Company Secretary**

The Company Secretary acts as secretary of the Board, attending all meetings of the Board and its committees. The Company Secretary is accountable to the Board through the chairman on all corporate governance matters.

## **Principle 2: Structure the Board to add value**

### **(a) Board size and composition**

The Constitution of the Group provides that there will be a minimum of three directors and not more than ten directors.

At the date of this report, the Board comprises five non-executive directors and one executive director. The Boards of ICH and ICRE have the same directors.

The current members of the Board are:

- Mr Jim Hazel (Chairman), (appointed 1 March 2012)
- Ms Amanda Heyworth (Non-executive Director), (appointed 16 April 2012)
- Mr Philip Clark (Non-executive Director), (appointed 4 June 2012)
- Mr Robert Morrison (Non-executive Director), (appointed 8 February 2013)
- Ms Norah Barlow (Non-executive Director), (appointed 31 March 2014)
- Mr Simon Owen (Managing Director and CEO), (appointed 24 November 2011)

The Board considers that the existing Board composition and structure is appropriate for the Group's current operations and stage of development.

Directors' details are listed in the Annual Report in the Directors' Report, including details of their other listed entity directorships and experience.

**(b) Board skills and diversity**

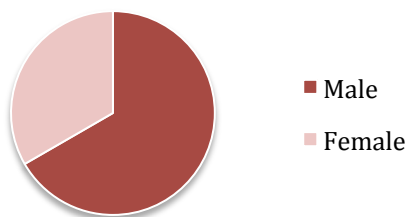
The skills and diversity of the current Board are depicted in the diagrams below. The information presented has been taken from the Board's current skills matrix, which was reviewed and updated during the 2014-15 financial year.

Each of the skills criteria in the diagram represents a competency that the Board believes it requires to effectively discharge its duties.

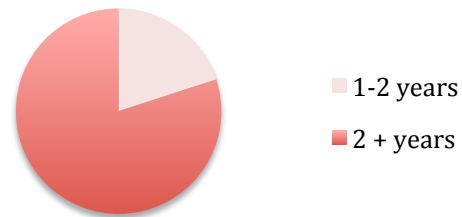
The Board, via the use of its skills matrix, has assessed the relevant level of each competency on the Board and the Board is of the opinion that collectively it has an adequate skill level for all competencies to discharge its duties in an effective manner.



### Diversity



### Tenure



The diagrams above outline the diversity and tenure of the current composition of the board.

#### (c) Director Appointments

Pursuant to its charter, the Remuneration and Nomination Committee reviews, and where appropriate, makes recommendations to the Board on the size and composition of the Board, including assessment of necessary and desirable competencies of Board members. To this end, the Remuneration and Nomination Committee will periodically assesses the appropriate mix of competencies, skills, experience and expertise required by the Board and assess the extent to which the required skills and experience are represented on the Board.

The Remuneration and Nomination Committee is also responsible for reviewing and making recommendations to the Board on its membership, including recommendations for the appointment and re-election of directors and where necessary, proposing candidates for consideration by the Board. The Remuneration and Nomination Committee must have regard to the factors set out in the Remuneration and Nomination Committee Charter, including that the Board should comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds in accordance with the Diversity Policy.

Ultimately, the full Board determines who is invited to fill a casual vacancy after extensive one-on-one and collective interviews with candidates and thorough due diligence and reference checking.

The tenure of the current Board, as illustrated above, is relatively low due to the group only listing on the ASX in 2012. However, Mr Clark was a director in the pre-internalised group, providing the Board with continued experience from this time.

The Remuneration and Nomination Committee's current membership is set out earlier in this statement and the independence of the members is discussed below.

#### **(d) Terms of appointment**

Non-executive directors are appointed pursuant to formal letters of appointment which, among other things, set out the key terms and conditions of their appointment, the Board's expectations in relation to the performance of the director, procedures for dealing with a director's potential conflict of interest and the disclosure obligations of the director, together with the details of the director's remuneration.

Non-executive director remuneration is reviewed on an annual basis pursuant to advice from an external remuneration consultant. No non-executive director has any entitlement to participate in any executive incentive plan.

A director induction program has been designed and directors are expected to participate in this induction and orientation program on their appointment.

#### **(e) Directors' independence**

The Board considers that it is able to exercise its judgement in an independent and unfettered manner and provide independent and effective oversight of management.

All members of the Board, whether independent directors or not, exercise independent judgement in making decisions in the best interests of the Group as a whole.

In determining the independent status of each director, the Board has adopted the approach contained in ASX Principle 2, and specifically assesses the independence of all directors against the criteria outlined in Box 2.3 of the ASX Recommendations.

The Group does not use prescribed or pre-determined materiality thresholds for the purposes of assessing director independence but instead assesses independence on a case by case basis, having regard to the extent to which any relevant relationship or connection may materially interfere with the director's ability to exercise unfettered and independent judgement in the discharge of their responsibilities and duties.

Mr Jim Hazel, Ms Amanda Heyworth, Mr Philip Clark, Mr Robert Morrison and Ms Norah Barlow are considered by the Board to be independent. Given the executive position held by Mr Owen, he is considered to be non-independent based on the criteria in Principle 2 of the ASX Recommendations.



**(f) Directors' interests**

Directors are required to keep the Board advised of any interest that might be in conflict with those of the Group, and restrictions are applied to directors' rights to participate in discussion and to vote, as circumstances dictate when a conflict has been identified. In particular, where a potential conflict of interest may exist, directors concerned may be required to leave the Board meeting while the matter is considered in their absence.

The Group has also entered into a deed of disclosure with each director, which is designed to facilitate the Group's compliance with its obligations under the ASX Listing Rules relating to disclosure of changes in directors' interests in Ingenia securities. Directors and their nominated related party securityholdings, are also monitored to identify changes that may require urgent disclosure.

Standing items at each Board meeting include:

- Director's Securityholding Register; and
- Director's Standing Notice Register.

**(g) Chairman**

The same person does not occupy the role of chairman and CEO. The Board has agreed that it should continue to have a majority of independent non-executive directors, that the positions of chairman and CEO must be separate, and that the chairman should be an independent non-executive director.

Mr Jim Hazel was appointed chairman of the Group on 1 March 2012 and is considered an independent director in accordance with recommendation 2.5 of the ASX Recommendations.

**(h) Board meetings**

The Board typically schedules meetings on a monthly basis, with additional meetings convened as required. Agendas for each meeting are prepared by the Company Secretary together with the CEO and input from the chairman, and are distributed prior to the meeting together with supporting papers.

Standing items include the CEO's report and the financial report, as well as reports addressing matters of strategy, governance and compliance. Senior executives are directly involved in Board discussions, and directors have a number of further opportunities to contact a wider group of employees, including visits to business operations.

**(i) Independent advice**

The Board has a policy of enabling directors to seek independent professional advice for Group related matters at the Group's expense, subject to the prior notification of the chairman and where the estimated costs are considered to be reasonable.

**(j) Board and director performance**

The Board is committed to enhancing its effectiveness through performance management and review. The Board review process is designed to help enhance performance by providing a mechanism to raise and resolve issues and to provide recommendations to enhance its effectiveness.

In June 2015, the Board conducted a formal, structured evaluation that involved each director completing a confidential questionnaire covering the role, composition, processes and the carrying out of its responsibilities. The results of the questionnaire and an analysis of these results were reported to the Board by the Company Secretary. A similar evaluation process was undertaken by each of the Board committees in the 2014 financial year (with general review questions included in the Board Review in 2015) and is scheduled again for the 2016 financial year.

Results of the evaluations consistently indicate that the perception of the role, the composition, function, procedures, working style, behaviours and administration of the Board are highly effective and that the Board and each of the committees are performing extremely well.

In relation to the Board, the evaluation identified that the high quality of interaction between Board, members and the relationship between the Board and management, and the Board's strong understanding of the business were key factors in its effective function.

The established evaluation process continues to identify strengths, improvements and areas for increased focus.

### **Principle 3: Act Ethically and Responsibly**

#### **(a) Code of conduct and ethical behaviour**

The Board acknowledges the need for high standards of corporate governance practice and ethical conduct by all directors and employees of the Group.

The Board has endorsed a Code of Conduct which outlines acceptable behaviour and attitudes expected from all staff to promote and maintain the confidence and trust of all those dealing with the Group.

The Group's Code of Conduct, which may be viewed on the Group's website, is the subject of periodic review to ensure that it covers all relevant issues and sets standards consistent with the Group's commitment to ethical and responsible behaviors.

Various measures have been established to ensure that a high standard of ethical business behaviour is observed by all staff members, including policies and procedures for:

- managing conflicts of interests;
- personal security trading;
- whistleblower procedures;
- acceptance of gifts and entertainment as part of the Gifts, Entertainment and Anti-bribery Policy; and
- handling confidential information.

In addition to their obligations under the Corporations Act in relation to inside information, all directors, employees and consultants have a duty of confidentiality to the Group in relation to confidential information they possess.

#### **(b) Employee and director trading in Ingenia Communities Group securities**

In accordance with ASX Listing Rule 12.9, the Group has in place a Personal Trading Policy that governs the ability of directors, employees and contractors to trade in the Group's securities. Subject to necessary prior written consents being obtained, the Group's directors, executives and employees may trade in the Group's securities at any time outside closed periods, which cover the following:

- from 1 January until the day after the release of half yearly results;
- from 1 July until the day after the release of annual results; or
- for any other time period determined by the Board.

Directors, employees and contractors may, in exceptional circumstances as defined in the policy, trade during a closed period but only with the prior written consent of the chairman for directors, another non executive director for the chairman and the Compliance Manager for employees and contractors. Notwithstanding the closed periods and approval requirements, a person is prohibited from trading at any time if they possess material, price-sensitive information about the Group that is not generally available to the public.

The policy also prohibits short term trading, margin lending, short selling and hedging of the Group's securities.

The Group's Personal Trading Policy may be viewed on the Group's website.

### **(c) Diversity**

A formal diversity policy has been adopted by the Board that outlines the Group's commitment to diversity in the workplace and the provision of a work environment that is free from discrimination and promotes equal opportunity for all. Ingenia promotes an inclusive workplace where employee differences in areas like gender, age, culture, disability and lifestyle choice are valued. The unique skills, perspectives and experience that the Group's employees bring to the table encourage creativity and innovation in thought, that better represents Ingenia's diverse customer base, ultimately driving improved business performance.

The policy includes the following specific gender diversity targets:

- Board: 30% female; and
- Executive Committee: 30% female.

As at the date of this report, both of these gender diversity targets have been met.

The Group has always had a policy of actively encouraging gender diversity at all levels in the organisation and a culture that supports workplace diversity. This is evidenced by:

- The proportion of female directors: 33%
- The proportion of female employees on the executive committee: 60%
- The proportion of female employees in the whole organisation: 70%
- The proportion of female employees in senior positions: 48%

In accordance with the requirements of the Workplace Gender Equality Act 2012, the Group has lodged its 2015 annual public report with the Workplace Gender Equality Agency.

### **Principle 4: Safeguard integrity in corporate reporting**

The Audit and Risk Committee is responsible for assisting the Board in discharging its responsibilities to safeguard the integrity of the Group's financial reporting and the system of internal control. A key component of the committee's role is to provide appropriate advice and recommendations to the Board to assist the Board to fulfil its responsibilities in regard to financial reporting, the internal control environment, and audit management where appropriate across the Group.

The Audit and Risk Committee Charter, which is available on the Group website, takes into account the roles and responsibilities of the Audit and Risk Committee as well as contemporary governance practices. The Audit and Risk Committee Charter includes details on the appointment and oversight of the external auditor. The Group will ensure the external auditor is available to securityholders at the Annual General Meeting to answer any questions they may have about the Group's external audit.

The Audit and Risk Committee's current membership, the independence of the members and details of Audit and Risk Committee meetings and attendance by each Committee member are set out earlier in this Corporate Governance Statement and the Directors' Report in the Annual Report. The Directors' Report in the Annual Report also outlines the relevant qualifications and experience of the committee.

In accordance with the Group's legal obligations and Recommendation 4.2 of the ASX Recommendations, the CEO and Chief Financial Officer have made the following certifications to the Board in relation to the Financial Statements for the financial year ended 30 June 2015:

- The financial statements and associated notes comply in all material respects with the Accounting Standards as required by Section 296 of the Corporations Act 2001, Corporations Regulations, International Reporting Standards and other mandatory professional reporting requirements;
- The financial statements and associated notes give a true and fair view, in all material respects, of the financial position as at [balance date] and performance of the group for the period ended as required by Section 297 of the Corporations Act 2001;
- The financial records of the Group have been properly maintained in accordance with Section 286 of the Corporations Act 2001;
- The integrity of the financial statements are founded on a sound system of risk management and internal compliance and control which, in all material respects, implements the policies adopted by the Board of directors;
- 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 end of the financial period, no changes or other matters have arisen that would have a material effect on the operation of risk management and internal compliance and control systems of the group.

## **Principle 5: Make timely and balance disclosure**

The Group is committed to complying with its continuous disclosure obligations under the ASX Listing Rules and Corporations Act and to ensuring that its securityholders are kept well-informed of all major developments affecting the Group's state of affairs, in order to promote transparency and investor confidence.

The Group has a Continuous Disclosure Policy and it incorporates the continuous disclosure framework as set out in the ASX Listing Rules Chapter 3, as well as the revised ASX Listing Rules Guidance Note 8. This policy is available on the Group's website.

The Policy creates a framework for compliance with relevant disclosure obligations and establishes the accountability of the Board for achieving compliance. More specifically, the Policy:

- Explains the Group's obligations under ASX Listing Rule 3.1 and the Corporations Act 2001;
- Establishes internal processes for reporting of information considered to be potentially price-sensitive and for consideration of information reported by the Board;
- Establishes processes for the disclosure of price sensitive information, taking into account the clarification provided by ASX Guidance Note 8;
- Establishes internal processes for briefing of analysts, investor and media groups, responding to market speculation, leaks and rumours and calling trading halts where appropriate to avoid trading occurring in an uninformed market;
- Outlines authorisation procedures for ASX announcements; and
- Delegates to the Company Secretary the authority to release information or make disclosures to the ASX and responsibility for decisions regarding price sensitive information, coordinating disclosures, establishing and monitoring procedures under this Policy and making recommendations to the Board on any necessary updates to the Policy.

## **Principle 6: Respect the rights of securityholders**

The Board aims to ensure that its securityholders are kept well-informed of all major developments and business events that are likely to materially affect the Group's operations and financial standing, and the market price of its securities. Information is communicated to securityholders through:

- The engagement of a full-time Group Investor Relations Manager;
- The Group's website under the *Investor Centre* and *About Us* tabs;
- Annual and half year financial reports lodged with the ASX and made available to all securityholders;
- Announcement of market-sensitive and other information, including annual and half year results announcements and analyst presentations released to the ASX; and
- The chairman and CEO's addresses to, and the results of, the Annual General Meeting.

The Group's website contains a large amount of information for investors and is all contained in the *Investor Centre* and *About Us* tabs.

- I. The following information for investors is located under the Investor Centre tab:
  - Share Price details;

- ASX releases;
- Securityholder reports;
- Analyst presentations;
- Contact details (including email addresses for both the investor relations contact and the share registry);
- Share registry information and contact details;
- Dividend information (including taxation details);
- A frequently asked questions page; and
- An events schedule.

II. The following information for investors is located under the About Us tab:

- General information about the Group and its activities;
- Strategy and vision details;
- Details on the Board of Directors and the management team; and
- Corporate governance information – including Charters and Policies.

The Group has a Continuous Disclosure Policy that includes a formal procedure for dealing with potentially price-sensitive information. The policy sets out how the Group meets its disclosure obligations under ASX Listing Rule 3.1. The Group's policy is to lodge with the ASX and place on its website all market-sensitive information, including annual and half year results announcements and analyst presentations, as soon as practically possible.

The Group produces two sets of financial information each financial year: the half year financial report for the six months ended 31 December and the annual financial report for the year ended 30 June. Both are made available to securityholders and other interested parties via the Group website and the ASX.

Securityholders have the right, and are encouraged, to attend the Group's Annual General Meeting, held in November each year, and are provided with explanatory notes on the resolutions proposed through the notice of meeting. A copy of the notice of meeting is also posted on the Group website and lodged with the ASX.

In addition, a document is enclosed with the notice of meeting to invite securityholders to submit questions of the Board, auditors or management, which are addressed at the Annual General Meeting.

Securityholders are encouraged to vote on all resolutions and unless specifically stated otherwise in the notice of meeting, all securityholders are eligible to vote on all resolutions. Securityholders who cannot attend the Annual General Meeting may lodge a proxy in accordance with the Corporations Act. Proxy forms may be lodged with the share registry by mail, hand delivery, facsimile or electronically.

Transcripts of the chairman and CEO's reports to securityholders are also released to the ASX upon the commencement of the Annual General Meeting. These transcripts, together with the results of the meeting are also posted on the Group's website and the ASX.

The Group has a communications plan and an investor relations calendar providing information of key dates impacting securityholders, analyst briefings and conferences. These are available on the Group website.

All securityholders are provided the option to receive communications from the Group and the share registry electronically (and are encouraged to do so, with election documentation included in regular mail outs to securityholders).

## **Principle 7: Recognise and manage risk**

The Board is responsible for ensuring that a sound risk management framework and policies are in place. The Board has delegated to the Audit and Risk Committee the responsibility for identifying and overseeing major risks and ensuring that systems are in place to manage them.

In addition, the Audit and Risk Committee:

- Identifies and assesses the Group's material business risks;
- Regularly reviews and updates the Group's risk profile; and
- Oversees the risk management policies and systems.

The Audit and Risk Committee's current membership and the independence of the members are set out earlier in this Corporate Governance Statement. Details of Audit and Risk Committee meetings and attendance by each Committee member are outlined earlier in this statement and also in the Directors' Report contained in the Annual Report.

The Group's risk management framework is integrated with its day-to-day business processes and functional responsibilities, and is supported by a dedicated compliance officer.

The compliance officer has been appointed under the rules of the compliance plans of ICF and ICMT. The compliance officer is responsible for ensuring adequate internal systems and controls have been implemented to ensure compliance with the Corporations Act, ICF and ICMT's Constitutions, the Responsible Entity's AFSL, and internal and industry standards. These duties include promoting a strong compliance culture within the organisation and to external service providers.

The compliance officer is primarily responsible for reviewing compliance on an ongoing basis; reporting on compliance matters, including breaches, to the Audit and Risk Committee; and acting on recommendations of the Audit and Risk Committee. Matters are escalated to the ICRE Board or ASIC when necessary.

The compliance officer has direct access to the chairman of the Audit and Risk Committee to ensure the compliance officer is well placed to adequately deal with compliance issues. Management, via the compliance officer, is required to assess risk management and associated internal compliance and control procedures, and is required to report back quarterly to the Audit and Risk Committee as to whether those risks are being managed effectively. A quarterly risk and compliance report is prepared by the compliance officer for review and consideration by the Board.

### **(a) Compliance plans**

ICF and ICMT both have formal compliance plans that have been adopted by the Board and lodged with ASIC. The purpose of each compliance plan is to set out key processes, systems and measures the Responsible Entity will apply to ensure compliance with:

- The Corporations Act;
- The Constitutions of ICF and ICMT;
- Industry practice standards relevant to the particular scheme; and
- Internal policies and procedures.

Each compliance plan is a 'how to' document and has been prepared following a structured and systematic process to consider the Responsible Entity's key obligations under the Corporations Act, and the Constitutions; the risk of non-compliance; and measures required to meet the risks of non-compliance.

Each compliance plan describes the key obligations that must be met by the Responsible Entity, and how compliance with these measures will be monitored. In addition, the compliance plans detail the risk of not complying with these obligations, and how breaches are to be reported and addressed.

**(b) Internal Audit**

The Group does not have an internal audit function but does have a Compliance Officer whose responsibilities are outlined above. In addition, the structure of the Group requires the following additional external audits:

**I. Compliance plan audit**

The external auditors conduct annual audits on the compliance plans and report on:

- Whether the Responsible Entity has complied with the compliance plans of the Trusts for the financial year end; and
- Whether the compliance plans continue to meet the requirements of Part 5C.4 of the Corporations Act as at year-end.

**II. Australian Financial Services Licence audit**

The external auditor conducts the AFSL audit annually. The auditor reports on the following:

- Whether the Responsible Entity has complied with the specified provisions of Part 7.8 of the Corporations Act;
- Whether the Responsible Entity has complied with sections 981B and 982B of the Act (relating to the control and operation of trust accounts);
- Whether the Responsible Entity has complied with specific AFSL conditions relating to financial requirements, including internal procedures used by the Licensee to comply with the financial requirements under the licence; and
- Whether the cash projections meet the cash need requirement conditions of the AFSL.

**III. ASIC**

ASIC may undertake a review of the Responsible Entity's risk and compliance processes and systems at any time.

**(c) Risk Management Committee**

The RMC is an executive committee that has been established to assist the Audit and Risk Committee in fulfilling its risk responsibilities. The RMC is responsible for overseeing the Ingenia risk culture and framework. Details of this committee are outlined in 1(f) of this statement.



**(d) Economic, environmental and social sustainability risks**

In accordance with Recommendation 7.4, the Audit and Risk Committee has considered whether the group has any material exposure to economic, environmental and social sustainability risks and determined that there is no material exposure to these risks.

**Principle 8: Remunerate fairly and responsibly**

The Board has established a Remuneration and Nomination Committee, which in accordance with its Charter (available on the Group's website), is responsible for reviewing and making recommendations to the Board in respect of:

- Executive remuneration;
- Executive incentive plans;
- Remuneration of the Group's key management personnel;
- Equity based incentive plans;
- Recruitment, retention, performance measurement and termination policies and procedures for non-executive directors, the CEO and any other executive director and all senior executives reporting directly to the CEO; and
- The disclosure of remuneration in the Group's Annual Report.

The current membership of the Remuneration and Nomination Committee and the independence of the members are set out earlier in this Corporate Governance Statement. Details of Remuneration and Nomination Committee meetings and attendance by each Committee member are outlined in this Statement and in the Directors' Report contained in the Annual Report.

The Company distinguishes between the structure of non-executive directors' remuneration and that of executive directors and senior executives.

Ingenia rewards executives with a combination of fixed, performance-based and equity-based incentives.

The Group's Remuneration Policy aims to ensure that remuneration packages properly reflect the person's duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of suitable quality.

The structure of remuneration is designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of long-term value creation for securityholders. The remuneration structures take into account a range of factors, including the following:

- Capability, skills and experience;
- Ability to impact achievement of the strategic objectives of the Group;
- Performance of the KMP in their roles;
- The Group's overall performance;
- Remuneration levels being paid by competitors for similar positions; and
- The need to ensure continuity of executive talent.

Refer to the Remuneration Report, contained in the Annual Report, for detail of the mechanisms in place, which link the remuneration outcomes to individual and the Group's performance.

In relation to ASX Recommendation 8.3, the Company's Security Trading Policy prohibits employee shareholders (which includes those that have obtained shares via the equity-based remuneration scheme) short-term trading, margin lending, short selling and hedging of the Company's securities.

Non-executive directors receive Board fees that are set having regard to the responsibilities and risks of the role and market competitiveness. To create alignment between non-executive directors and securityholders, non-executive directors are encouraged to hold INA securities and a policy has been implemented that places a minimum holding requirement of the equivalent of one-years director fees. Conversely to preserve independence and impartiality, no element of non-executive director remuneration is 'at risk' (that is, it is not based on the performance of the Group).

For details of the Company's remuneration structure, please refer to the Remuneration Report in the Group's Annual Report.

**This Corporate Governance Statement was approved by a resolution of the Board on 5 August 2015.**