

Mirvac Group

# 2019 Corporate Governance Statement

*Reimagine Urban Life*



## CORPORATE GOVERNANCE STATEMENT

### Introduction

Mirvac comprises Mirvac Limited and its controlled entities, which includes Mirvac Property Trust and its controlled entities. The shares in Mirvac Limited are stapled to units in Mirvac Property Trust, and the stapled securities are listed on the Australian Securities Exchange (ASX) as the Mirvac Group (Mirvac or Group).

Mirvac is committed to ensuring that its systems, procedures and practices reflect high standards of corporate governance. The Directors believe that a strong corporate governance framework is critical in fostering a culture that values ethical behaviour, integrity and respect, to protect securityholders' and other stakeholders' interests at all times.

During the financial year ended 30 June 2019 (FY19), Mirvac's corporate governance framework was consistent with the third edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council in 2014 (3rd Edition Recommendations). While this Corporate governance statement reports against the 3rd Edition Recommendations, Mirvac's practices are already consistent with the fourth edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council in 2019 that are relevant to its business.

The Appendix 4G lodged with the ASX indicates whether specific Recommendations are dealt with in this Corporate governance statement or on the Mirvac website, or a combination of both. In accordance with the 3rd Edition Recommendations, this Corporate governance statement and copies of the Group policies referred to in it are published on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

This Corporate governance statement was approved by the Board of Mirvac (Board) and is current as at 8 August 2019 in accordance with ASX Listing Rule 4.10.3.

References to the "Annual Report" are to Mirvac's 2019 Annual Report lodged with the ASX on 8 August 2019.

### Governance documents available on the Mirvac website

The governance documents referred to in this Corporate governance statement can be found on Mirvac's website as set out below: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance), [www.mirvac.com](http://www.mirvac.com) and [groupir.mirvac.com](http://groupir.mirvac.com).

## Principle 1

### Lay solid foundations for management and oversight

- Mirvac Limited Constitution
- Mirvac Property Trust Consolidated Constitution
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- 2018/2019 Workplace Gender Equality Agency report

## Principle 2

### Structure the board to add value

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- Human Resources Committee Charter
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## CORPORATE GOVERNANCE STATEMENT

### Principle 1

#### Lay solid foundations for management and oversight

##### 1.1 Responsibilities of the Board and management

###### *Role of the Board*

The primary role of the Board is to provide strategic guidance to the Group and effective oversight of management to build long-term value for securityholders. The Board does this by setting the Group's strategic direction and context, such as Mirvac's purpose and values, and focusing on issues critical for the successful delivery of Mirvac's strategy such as people, culture, financial performance and management of risk. The Board is also responsible for overseeing Mirvac's corporate governance framework. In performing its role, the Board has regard to other stakeholder interests and an appropriate risk and return framework in accordance with the risk appetite it sets for the Group.

The Chief Executive Officer & Managing Director (CEO/MD) provides transparent and comprehensive reports on Mirvac's performance and related matters to the Board at each Board meeting. The Chief Financial Officer (CFO) also provides transparent and comprehensive reports on Mirvac's financial performance, debt and gearing position and the status of financing facilities. The Board monitors the decisions and actions of the CEO/MD, the direct reports of the CEO/MD, and the performance of the Group as a whole, to gain assurance that progress is being made towards the attainment of the approved strategies and plans. The Board also monitors the performance of the Group through its Board committees.

###### *Board Charter*

To promote high standards of corporate governance and to clarify the role and responsibilities of the Board, the Board has formalised its roles and responsibilities in a Board Charter. A copy of the Board Charter is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

Under the Board Charter, the key responsibilities of the Board include:

###### *Strategy and performance targets:*

- setting the strategic direction and purpose of the Group; and
- approving operational and financial performance targets of the Group and monitoring their achievement;

###### *People and culture (with the assistance of the Nomination Committee and Human Resources Committee):*

- appointing, and reviewing the performance, remuneration and succession planning of the CEO/MD;
- appointing the Chair of the Board;
- leading, demonstrating and monitoring the instilling of the Group's values, code of conduct and desired culture in the achievement of its purpose;
- monitoring the performance of and providing input into the selection of candidates for roles reporting to the CEO/MD; and
- monitoring the alignment of the Group's remuneration practices and policies with its purpose, values, strategic objectives and risk appetite;

###### *Corporate Reporting, Audit, Risk and Compliance (with the assistance of the Audit, Risk & Compliance Committee):*

- overseeing the integrity of the Group's accounting and corporate reporting systems, including approving the remuneration of, and appointing or removing the Group's external auditors;
- monitoring significant business risks, assessing the adequacy of the risk management framework to satisfy itself that it continues to be sound and that the Group is operating with due regard to the risk appetite set by the Board; and
- determining the Group's dividend and distribution policies and the amount, nature and timing of such dividends and distributions;

**Major expenditure:** approving major capital expenditure, acquisitions and divestments;

**Corporate governance:** approving and monitoring the effectiveness of the Group's system of corporate governance; and

**Stakeholder relations:** overseeing the Group's relationship and communications with stakeholders.

Non-Executive Directors spend approximately 20 to 25 days each year on Board activities and business, including attendance at Board meetings, Board committee meetings, strategy and budget meetings with management, visits to project sites (including interstate) and meetings with Mirvac stakeholders. During FY19, the Board visited each of the Mirvac offices and a selection of sites in Sydney, Melbourne, Brisbane and Perth.

The Non-Executive Directors by themselves, and the Board as a whole, meet regularly without the presence of management to discuss the operation of the Board and a range of other matters.

Subject to prior consultation with the Chair or CEO/MD, the Board Charter provides that the Board collectively, and each Director individually, has the right to seek independent professional advice as they consider necessary to fulfil their responsibilities and permit independent judgement in decision making, at the expense of Mirvac.

###### *Board committees*

The Board has established the following standing Board committees:

- Audit, Risk & Compliance Committee (ARCC);
- Human Resources Committee (HRC); and
- Nomination Committee.

Each standing Board committee has a formal Charter approved by the Board setting out the matters relevant to the composition, terms of reference, process and administration of that Board committee. Details of the role, responsibilities and composition of the standing Board committees are contained in this Corporate governance statement.

The Board may establish special purpose committees as required. Membership and terms of reference of these committees are determined as needed by the Board. During FY19, a special purpose committee was established to manage the due diligence process for the equity raising announced on the ASX on 29 May 2019.

All Directors are encouraged to attend meetings of the Board committees. Proceedings of each Board committee meeting are reported by the committee Chair at the subsequent Board meeting. Each Board committee is entitled to the resources and information it requires to discharge its responsibilities, including direct access to senior executives, employees and advisors as needed. Minutes of all Board committee meetings are provided to the Board.

###### *Delegations of authority*

The Board delegates responsibility for the day-to-day management and administration of the Group to the CEO/MD, senior executives and management committees, including the Executive Leadership Team and Investment Committee. The CEO/MD and other senior executives of the Group operate in accordance with Board-approved policies and the Board's delegated authority limits.

###### *Executive Leadership Team (ELT)*

The ELT assists the CEO/MD in the day-to-day management and administration of Mirvac. The ELT Charter sets out the ELT's role, responsibilities and delegated authority limits from the Board via the CEO/MD. The ELT's membership currently comprises the CEO/MD, CFO, Chief Investment Officer (CIO), Head of Culture & Reputation, Head of Stakeholder Relations, Head of Office & Industrial, Head of Retail and Head of Residential. The registers of decisions made by the ELT are provided to the Board.

###### *Investment Committee (IC)*

The IC assists the CEO/MD in the capital allocation process of Mirvac. The IC Charter sets out the IC's role, responsibilities and delegated authority from the Board via the CEO/MD. The IC's membership currently comprises the CFO, CIO and certain other members of the ELT and senior management. The registers of decisions made by the IC are provided to the Board.

###### *New Business Forum (NBF)*

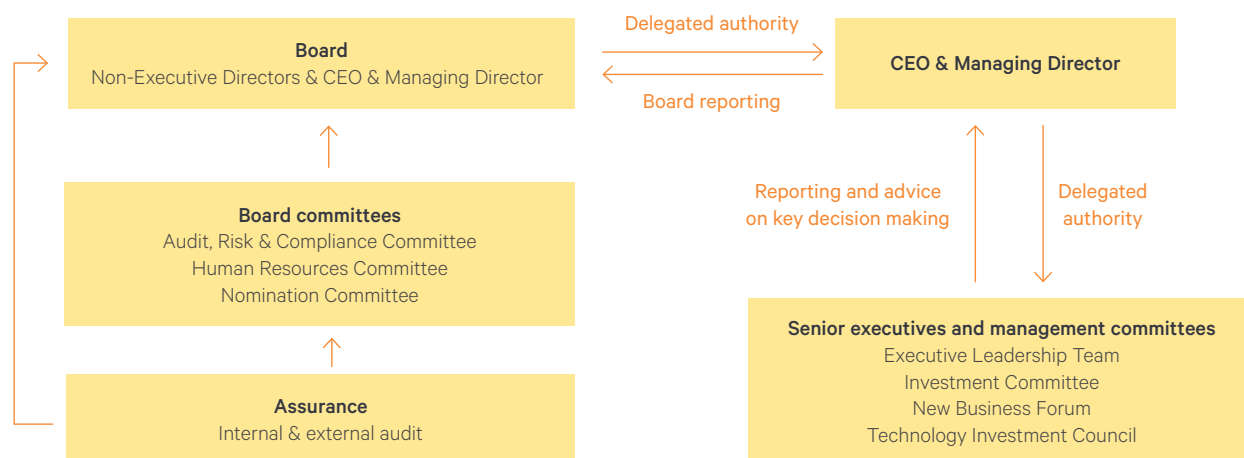
The NBF was established in 2018 to provide an early assessment and consideration of new business opportunities. The NBF operates under the delegated authority of the CIO. The NBF's membership currently comprises the CIO, certain Heads of Divisions and other members of senior management. The registers of decisions made by the NBF are provided to the IC.

## CORPORATE GOVERNANCE STATEMENT

### Technology Investment Council (TIC)

During FY19, the TIC was established to facilitate an holistic view of technology investment decisions across the Group. The TIC Charter sets out the TIC's role, responsibilities and delegated authority. The TIC's membership currently comprises the ELT and other members of senior management.

The Board governance structure is set out below:



### Board meeting attendance

Details of Board meeting attendance of the Directors for FY19 are in the following table:

Director	Number of Board meetings attended in FY19 while a member	Number of Board meetings held in FY19 while a member
John Mulcahy (Chair)	12	12
Susan Lloyd-Hurwitz	12	12
Christine Bartlett	12	12
Peter Hawkins	12	12
Jane Hewitt	6	6
James M Millar AM	12	12
Samantha Mostyn	12	12
Peter Nash	7	7
John Peters	12	12
Elana Rubin	12	12

### 1.2 Appointment of new Directors

The Nomination Committee is responsible for the Board's succession planning by seeking to ensure that the Board (and any relevant subsidiary board) is comprised of individual Directors best able to discharge their responsibilities having regard to the law and better practice governance standards.

The Nomination Committee continually assesses the Board's collective skills and experience to provide strategic guidance and effective oversight of management and create long-term value for securityholders. In its succession planning, the Nomination Committee monitors the market for potential future Board candidates who possess the skills and experience that may need to be filled upon the retirement of a Director, or that the Board views as desirable to remain current or effectively discharge its duties.

The Nomination Committee recognises that the mix of skills, experience and diversity will change from time to time as Mirvac's business and environment changes. If a change to the Board is considered necessary, the Nomination Committee manages the process of identifying, reviewing and recommending preferred Director candidates to the Board.

Thorough background checks are undertaken before a new candidate is appointed to the Board as a Director. This includes checks as to the person's character, experience, education, criminal record and bankruptcy history.

The notices of meeting and explanatory notes for the 2019 Annual General Meeting of Mirvac Limited and General Meeting of Mirvac Property Trust (together, the 2019 AGM) will contain all of the information set out in Recommendation 1.2 of the 3rd Edition Recommendations in relation to each Director standing for election or re-election, including their biographical details, details of other material directorships, the Director's independence and a statement by the Board as to whether it supports their election or re-election.

### 1.3 Written agreements with Directors and senior executives

Mirvac has a written agreement in place with each Director which sets out the terms of their appointment and includes each of the matters listed in the commentary to Recommendation 1.3 of the 3rd Edition Recommendations (such as the time commitment envisaged, remuneration arrangements, the requirement to disclose Directors' interests and comply with key corporate policies, indemnity and insurance arrangements, and confidentiality obligations).

All senior executives, including the CEO/MD, have their position descriptions, roles and responsibilities set out in writing, either in their employment contract or as part of Mirvac's performance management system. Appropriate checks are conducted prior to the appointment of senior executives.

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In accordance with the ASX Listing Rules, Mirvac has disclosed the material terms of any employment, service or consultancy agreement it has entered into with the CEO/MD and any other Director (or their related parties), or any material variation to such agreement.

### 1.4 Company Secretary

The Board has appointed a Company Secretary who is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. Each Director communicates directly with the Company Secretary and vice versa. The role of the Company Secretary includes:

- advising the Board and its committees on governance matters;
- monitoring that Board and committee policies and procedures are followed;
- coordinating the timely completion and despatch of Board and committee papers;
- ensuring that the business at Board and committee meetings is accurately reflected in the minutes; and
- facilitating the induction and professional development of Directors.

### 1.5 Board and Director performance evaluation

The Board undertakes an annual assessment and review of its performance, with at least every second annual review being conducted with the assistance of an external consultant. The review process includes an assessment of the performance of the Board, the Board committees and each individual Director, with the results presented to the Board.

The Chair also seeks feedback on the performance of the Board and Directors from the CEO/MD and other members of the ELT by way of surveys and interviews. Feedback is also sought on the Chair's performance.

The Chair provides transparent performance feedback to the Board, the Board committees and each individual Director, based on the discussions and surveys conducted.

The Board performance review for FY19 was conducted externally with input from management and identified that the Board continues to function effectively. The results were shared with the full Board in June 2019. To further enhance its stewardship of the Group in the year ahead, the Board will continue its focus on Board succession planning and increase its focus on technology, capital partnering and customer reporting.

### 1.6 Senior executive performance evaluation

The performance of senior executives is reviewed on an annual cycle, with an interim six-monthly review as part of Mirvac's performance management system. The performance management system comprises a series of key performance indicators (KPIs) which are aligned to Mirvac's strategic objectives. Performance is measured against the agreed KPIs and against consistency of senior executives' behaviour against the Mirvac corporate values.

On an annual basis, the Chair and the Board review the performance of the CEO/MD, following a review by the HRC. The CEO/MD is assessed against qualitative and quantitative criteria, including profit performance of Mirvac and achievement of other measures, including safety performance and alignment of Group performance to strategic objectives. In turn, the CEO/MD reviews the performance of her direct reports against their agreed KPIs, and their performance outcome is reviewed by the HRC.

Performance review activities were undertaken for FY19 in accordance with the above processes.

Further information on performance evaluation and remuneration (including assessment criteria) is set out in the Remuneration Report starting on page [51] of the Annual Report.

### 1.7 Diversity and Inclusion

#### *Diversity & Inclusion Policy*

Mirvac has adopted, and is fully compliant with, Recommendation 1.5 of the 3rd Edition Recommendations. A copy of the Diversity & Inclusion Policy can be found on Mirvac's website at: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

Mirvac's Diversity & Inclusion vision is to "build a diverse team and inclusive culture that values the diversity of perspectives and enables our people to safely contribute; realise their potential; respond to our stakeholders' needs; and provide Mirvac with a competitive advantage". To achieve this vision, Mirvac has a Diversity & Inclusion strategy comprising four key focus areas:

Focus area	Outcome
Diversity of thought	A culture that honours the individual and supports diversity of thought will underpin innovation and our capacity to identify and adapt to change.
Inclusive culture	Foster a safe and respectful environment that seeks, cultivates and leverages the views of a demographically diverse workforce, by reflecting inclusion in our values and building inclusive leadership.
Flexibility	Develop innovative approaches to work arrangements that enable our employees to achieve better work/life quality and differentiate Mirvac in the battle for talent.
Gender balance	Continue our initiatives to reduce bias and provide equal opportunity for females to contribute and progress their careers at Mirvac. Drive participation in industry advocacy to improve gender representation within the broader property sector.

The Board has committed to measurable gender diversity targets and reports on progress each year and is responsible for the regular review of diversity related activities.

The Board has appointed the Chair, John Mulcahy, as the diversity program sponsor. The CEO/MD, Susan Lloyd-Hurwitz, chairs the Mirvac Diversity and Inclusion Council. The Council is made up of senior executives of each of the business areas and meets quarterly to review metrics, progress against the strategy and consider future initiatives.

#### *Gender balance*

During FY19, Mirvac achieved a zero per cent pay gap for like-for-like roles for the third consecutive year, continued to pursue improved gender equality outcomes by requiring 50:50 gender balance on shortlists for senior appointments, and assessed gender as part of talent and succession planning.

Mirvac's Chair, John Mulcahy, continues to actively participate in the Property Male Champions of Change (PMCC) group. He is currently working with the PMCC on ways to retain and promote female talent more effectively across the property industry. Mirvac will continue to support the work of the PMCC to drive continued gender equality within the property industry.

In FY19, Mirvac received the "Employer of Choice for Gender Equality" citation from the Workplace Gender Equality Agency (WGEA) for the fifth consecutive year. This citation, which was only awarded to 120 organisations, highlights Mirvac's commitment to encouraging, recognising and promoting active commitment to achieving gender equality.

Mirvac's 2019 employee engagement survey results show that 94 per cent of employees say that "Mirvac management supports diversity in the workplace".

## CORPORATE GOVERNANCE STATEMENT

### *Growing our talent pipeline for females*

Further to our work with the PMCC to grow the talent pipeline, Mirvac has partnered with the Greater Western Sydney Giants Foundation to develop and roll out a program for Year 9 female students across Western Sydney. The purpose of the program is to open the student's eyes to the possible career opportunities in the property industry and consider selecting STEM (Science, Technology, Engineering and Maths) subjects in their remaining high school years. The Mirvac Giant Goals Leadership Program is a unique curriculum linked to a hands-on learning experience for the students. The components of the program cover enhancing positive self-esteem and resilience, providing a variety of life experiences and encouraging goal setting behaviours, equipping students with key career strategies, exposing the students to healthy and career focused female role models along with social, personal and vocational skills. The students also get to experience a tour of Mirvac's assets and work on a property related project throughout the program.

### *Domestic and Family Violence Leave Policy*

In 2018, Mirvac proudly became a White Ribbon accredited organisation in recognition of the steps we have taken (and continue to take) to stop violence against women, and the support we offer to those affected by it.

Our support went a step further during FY19, with the delivery of a bridging accommodation facility in Queensland to provide a safe, stable and comfortable environment for women with children leaving domestic violence situations.

Mirvac and property developer, Halcyon, along with not-for-profit organisation, DVConnect, have collaborated on building the facility, which, once complete, will comprise a mix of one-, two-, and three-bedroom units each with their own kitchenette, living area and courtyard. It is intended to provide those leaving domestic violence situations with a safe place, giving them the opportunity to plan for the future, and where relevant, re-enter the workplace with confidence.

In 2018 alone, DVConnect placed 4,000 women and children in Queensland motels because all other shelters were at capacity.

### *Australian HR Institute (AHRH) Awards*

In November 2018, Mirvac was a finalist in two AHRI awards, being the Dame Quentin Bryce Gender Equity Award and the Elizabeth Broderick Workplace Flexibility Award. Mirvac was also the winner of the CEO Diversity Champion Award for our CEO/MD's commitment to promoting and personally championing diversity and inclusion.

In line with the Diversity & Inclusion Policy, the table below outlines Mirvac's female representation targets, and progress against achievement of these targets:

	Measurable objective		Actuals		
	2018 target %	2022 target %	FY17 %	FY18 %	FY19 %
Female representation on Board	40 – 60	40:40:20	50	50	50
Female representation in senior executive positions	36 – 40	40:40:20	39	40	43
Female representation in the workplace	40 – 45	40:40:20	41	41	42

Female representation in senior executive positions is defined as a senior management position up to one reporting level below the ELT (or CEO-2).

In 2018, Mirvac amended the targets relating to female representation on the Board, in senior executive positions and in management positions to 40 per cent women, 40 per cent men and 20 per cent discretionary to be reached by 2022. This change was implemented to support inclusiveness and follows the PMCC gender targets.

Mirvac has lodged its 2018/2019 WGEA report containing the Gender Equality Indicators, and a copy is available on the website at: [www.mirvac.com/About/News/WGEA-Annual-Compliance-Report-2019](http://www.mirvac.com/About/News/WGEA-Annual-Compliance-Report-2019)

A copy will also be published by the WGEA on their website (under public reports, Mirvac Projects Pty Ltd) at: [www.wgea.gov.au/node](http://www.wgea.gov.au/node)

### *Flexibility*

Mirvac has continued to focus on enhancing workplace flexibility and supporting its people to achieve better work/life quality.

The "My Simple Thing" initiative was launched in 2016 across the business. Pleasingly, Mirvac's 2019 employee engagement survey showed that 75 per cent of employees have some type of flexible work arrangement in place, which is consistent with the 2018 results. Mirvac has invested in technology to assist employees to deliver the requirements of their roles when and where they need to, which enables flexibility in the way they work. Being able to work remotely or log in at a time that suits them - for example, taking time to attend a child's school performance, taking an elderly parent to a medical appointment, or attending a university lecture - allows employees to create a balance in their lives while enhancing engagement and support for the organisation.

### *Inclusion*

Creating an inclusive culture is one of the four focus areas of Mirvac's Diversity & Inclusion strategy. Over the past two years, several activities have been undertaken:

- in 2016, Mirvac partnered with CareerTrackers to place three Indigenous interns as part of Mirvac's intern program. Mirvac has continued to participate in this program and nine Indigenous interns have participated to date;
- Mirvac became a signatory to Article 23 of the Universal Declaration of Human Rights in FY19 and has formalised its commitment to employing CareerSeekers interns annually. CareerSeekers is a not-for-profit social enterprise that helps to create employment opportunities for people seeking asylum and refugees who are either studying or looking to re-establish their careers in Australia. Participants undertake a paid internship over 12 weeks, which provides them with local experience and a local reference, while helping them establish a network within their chosen profession. Mirvac has supported three CareerSeekers over the past three years. Inclusion principles are built into Mirvac's Leadership Success Profiles as a minimum expectation of all leaders; and
- workshops have been delivered to further support inclusivity and diversity of thought, and to help leaders understand the importance of different preferences and work styles.

## CORPORATE GOVERNANCE STATEMENT

### Principle 2

#### Structure the board to add value

##### 2.1 Size, structure and tenure of the Board

Together, the Board members have a broad range of financial and other skills, experience and expertise required to effectively oversee Mirvac's business. The Board currently comprises nine independent Non-Executive Directors and one Executive Director (being the CEO/MD). The Chair of the Board, John Mulcahy, is an independent Non-Executive Director.

The skills, experience and expertise of each Director are set out on pages 44 and 45 of the Annual Report. The Board determines its size and composition within the limits imposed by Mirvac's Constitutions, which provide that there be a minimum of three and a maximum of 10 Directors (or a number less than 10 determined by the Directors).

The Board Charter provides that the Board will comprise:

- a majority of independent Non-Executive Directors;
- Directors with an appropriate range of skills, experience and expertise from a diverse range of backgrounds;
- Directors who have a proper understanding of, and competence to deal with, current and emerging issues of the business; and
- Directors who can effectively review and challenge the performance of management and exercise independent judgement.

##### Director period of office and independence status

The period of office held by each current Director, and the independence status of each Director, is as follows:

Director	Appointed	Last elected or re-elected at an AGM	Independence status
John Mulcahy (Chair) <sup>1</sup>	November 2009	Will stand for re-election at the 2019 AGM	Independent
Susan Lloyd-Hurwitz (CEO/MD)	November 2012	n/a	Executive (non-independent)
Christine Bartlett	December 2014	November 2017	Independent
Jane Hewitt	December 2018	Will stand for election at the 2019 AGM	Independent
Peter Hawkins	January 2006	November 2017	Independent
James M Millar AM	November 2009	Will stand for re-election at the 2019 AGM	Independent
Samantha Mostyn	March 2015	November 2018	Independent
Peter Nash	November 2018	Will stand for election at the 2019 AGM	Independent
John Peters	November 2011	November 2018	Independent
Elana Rubin	November 2010	November 2016	Independent

1. John Mulcahy was appointed as Chair on 14 November 2013.

##### Director tenure

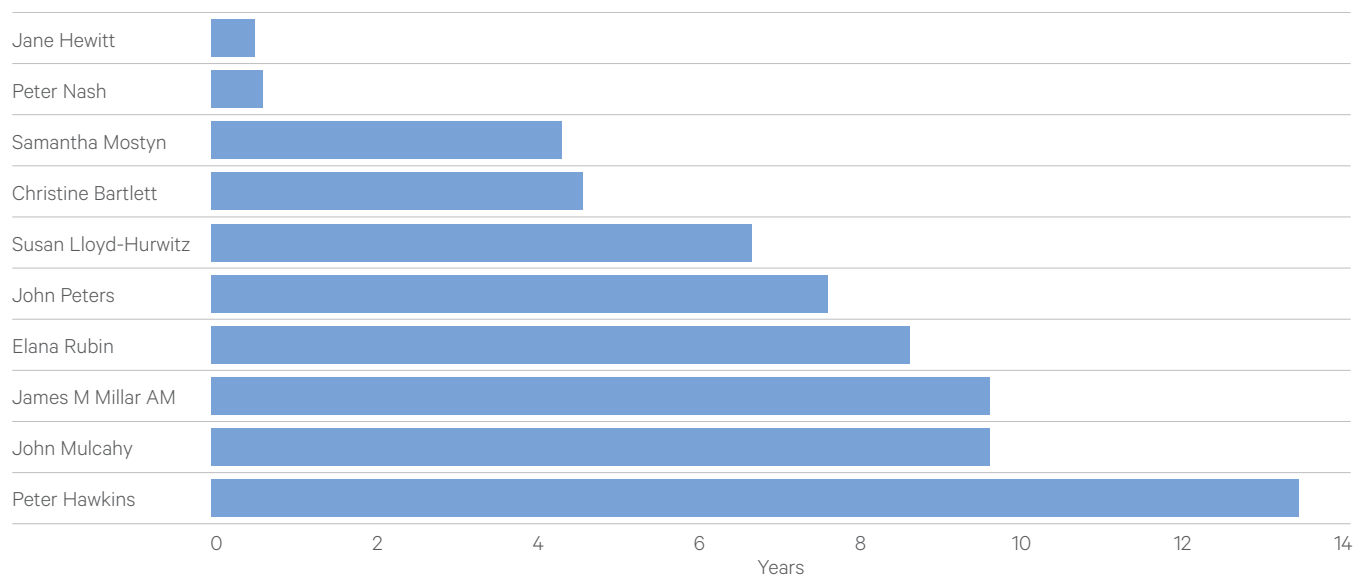
The tenure of the Directors is governed by Mirvac's Constitutions and the ASX Listing Rules. In summary:

- one-third of the Directors (excluding the CEO/MD and any Director appointed to fill a casual vacancy or as an additional Director), or if their number is not three or a multiple of three, then the number nearest one-third (but not more than one-third) must retire from office and stand for election at each Annual General Meeting of Mirvac Limited and General Meeting of Mirvac Property Trust (together, AGM);
- a Director (other than the CEO/MD) must retire at the conclusion of the third AGM after the Director was last elected or re-elected even if their retirement results in more than one-third of all Directors retiring; and
- a Director appointed to fill a casual vacancy or as an additional Director (other than the CEO/MD) only holds office until the next AGM, where they must retire and seek election by securityholders at that AGM.

Directors required to retire at an AGM, or who only hold office until the next AGM, are eligible for re-election or election (as appropriate) at that AGM.

##### Director tenure at 30 June 2019

The length of service for each Director is set out below:



## CORPORATE GOVERNANCE STATEMENT

### 2.2 Board independence

The Board has adopted guidelines based on the 3rd Edition Recommendations to assist in considering the independence of Directors. In general, the Board considers a Director to be independent if they are not, and have been, employed in an executive capacity within the Group in the past three years and there has been a period of at least three years between ceasing such employment and serving on the Board, and they:

- are not a substantial securityholder with a holding of more than five per cent of Mirvac's voting stock, or an officer of or otherwise associated with a substantial securityholder;
- are not (and have not been within the last three years) a partner, director or senior employee of a professional advisor to Mirvac whose billings exceed five per cent of the advisor's total revenues, or have not been an officer of or otherwise associated with someone with such a relationship;
- are not (and have not been within the last three years) in a material business relationship (for example, as a supplier or customer) with any entity in the Group (where the amounts received from or payable to the supplier or customer exceed five per cent of the supplier's total revenues or the customer's total operating costs) or have not been an officer of or otherwise associated with someone with such a relationship;
- have no material contractual relationship with any entity in the Group other than as a Director;
- have no close family ties with any person who falls within any of the categories described above; or
- have not been a Director for such a period that their independence may have been compromised.

However, a qualitative assessment of whether any particular relationship could affect a Director's independence will override these considerations. The materiality of the interest, position, association or relationship will also be assessed to determine whether it might interfere with, or might reasonably be seen to interfere with, the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Group and its securityholders generally.

The Board is responsible for assessing the independence of Directors upon appointment and each year with the support of an attestation by each Director. Each Non-Executive Director also has an ongoing obligation to disclose any personal interest which could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of judgement or where they do not meet the Board's guidelines for assessing independence.

As set out in the table on page 6, it is the Board's view that all its independent Non-Executive Directors exercised judgement and discharged their responsibilities in an unrestricted and independent manner throughout FY19. The Board also recognises that the interests of Mirvac and its securityholders are well served by having a mix of Directors, some with a longer tenure with a deep understanding of Mirvac's business and some with a shorter tenure who bring fresh ideas and perspective to the Board. In this regard, the Board is comfortable that no Director has served for a period such that their independence may have been compromised.

### 2.3 Chair's responsibilities and independence

The Board Charter sets out the key responsibilities of the Chair of the Board.

The Chair of the Board is John Mulcahy, an independent Non-Executive Director. He was appointed as an independent Non-Executive Director in November 2009 and Chair in November 2013. The Board considers that having an independent Chair contributes to a culture of openness and constructive challenge that allows for a diversity of views to be expressed by Directors, and in applying appropriate scrutiny and challenge to management.

### 2.4 Nomination Committee

#### *Role of the Nomination Committee*

The Nomination Committee assists the Board in fulfilling its oversight responsibility to securityholders by ensuring the Board (and relevant subsidiary boards) is comprised of individual Non-Executive Directors best able to discharge the responsibilities of Directors having regard to the law and better practice governance standards.

The Nomination Committee is governed by the Nomination Committee Charter, which is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

The responsibilities of the Nomination Committee include:

Board size and composition:

- reviewing and making recommendations to the Board on the size and composition of the Board and relevant subsidiary boards, including facilitating the conduct of searches for new Board members; and
- assessing the skills required to competently discharge the Board's (and relevant subsidiary board's) duties, including specific qualities or skills that the Committee believes are necessary and the mix of skills, experience and diversity that the Board desires to achieve;

Board appointment:

- recommending the appointment and re-election of Directors to the Board and relevant subsidiary boards, including recommending the appointment of the Chair of the Board, subsidiary boards and standing Board committees;

Board and CEO/MD succession planning:

- developing and reviewing succession plans for Board members including the Chair and CEO/MD;

Board performance and continuing education:

- assessing and reviewing annually the performance of the Board as a whole, its committees and individual Directors;
- making recommendations on the election or re-election by Mirvac Group securityholders of Directors at the next AGM; and
- reviewing the induction and continuing professional development programs for Directors to ensure the skills and knowledge needed to perform their roles effectively are maintained; and

Director remuneration:

- reviewing and making recommendations to the Board on Mirvac's remuneration framework and fee levels for Non-Executive Directors on the Board and relevant subsidiary boards.

#### *Nomination Committee composition and meeting attendance*

The Nomination Committee currently consists of four members who are appointed by the Board. The current members of the Nomination Committee are John Mulcahy (Chair), Peter Hawkins, James M Millar AM and Elana Rubin, each of whom is an independent Non-Executive Director.

Details of meeting attendance of members of the Nomination Committee for FY19 are in the following table:

	Number of Nomination Committee meetings attended in FY19	Number of nomination Committee meetings held in FY19
<b>Director</b>		
John Mulcahy (Chair)	3	3
Peter Hawkins	3	3
James M Millar AM	3	3
Elana Rubin	3	3



## CORPORATE GOVERNANCE STATEMENT

### 2.5 Director skills matrix

The Board seeks to have a mix of skills, experience and diversity across its members, including the skills required to competently discharge the Board's (and relevant subsidiary board's) duties. In addition to bringing independent judgement to the Board, the mix of skills, experience and diversity that the Board is looking to achieve in its non-executive membership includes:

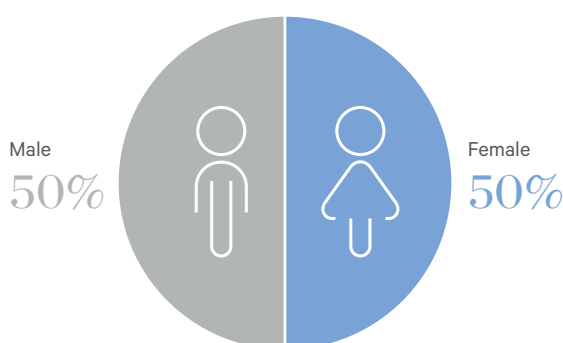
- experience in board, executive leadership and international roles;
- financial acumen and capital management experience;
- real estate management, development or funds management;
- experience with sophisticated governance structures and health, safety, and environment initiatives; and
- experience in strategy development and execution and an understanding of, and competence to deal with, current and emerging issues of the business including technology and digital issues.

The Nomination Committee is responsible for reviewing the mix of skills, experience, expertise and diversity on the Board each year.

The Board considers that it has the mix of skills, experience and diversity across its members to be an effective Board, as set out in the current Board skills and experience matrix below:

Skills and experience	Number of Directors/Board representation (out of 10)
<b>Executive leadership</b> Senior executive experience including international experience	10
<b>Board experience</b> Experience as a board member or member of a governance body	10
<b>Financial acumen</b> Senior executive or equivalent experience in financial accounting and reporting, corporate finance, risk and internal controls	9
<b>Health, safety, environment and sustainability</b> Experience related to health, safety, environmental, social responsibility, or sustainability initiatives	9
<b>Governance</b> Experience with sophisticated governance structures	9
<b>Strategy</b> Experience in developing, implementing and challenging a plan of action designed to achieve the long-term goals of an organisation, including information technology and digital experience	10
<b>Real estate management, development or funds management</b> Experience in real estate management, property development, construction or funds management	9
<b>Capital management</b> Experience in capital management strategies, including capital partnerships, debt financing and capital raisings	9

### Board gender representation at 30 June 2019



### Director selection and Board renewal

The Nomination Committee recognises that the mix of skills, experience and diversity will change from time to time as Mirvac's business and environment change. If a change to the Board is considered necessary, the Nomination Committee manages the process of reviewing and recommending preferred Director candidates to the Board.

A key component of the Board renewal and selection process is ensuring succession plans are in place for Directors including the Chair and CEO/ MD. When reviewing and implementing succession plans, the Nomination Committee considers the strategic priorities and direction of the Group and what skills, experience and expertise are likely to be needed on the Board in the future.

### 2.6 Director induction

All new Directors participate in a formal induction program. This includes meetings with the CEO/MD and other senior executives (including members of the ELT, the Group General Manager, Strategy and the Head of Risk), briefings on Mirvac's strategy, independent meetings with Mirvac's external and internal auditors, provision of all relevant corporate governance material and policies, and discussions with the Chair and other Directors.

### 2.7 Director education and professional development

Directors are provided with continuing education and professional development opportunities (at the Group's expense) to update and enhance their skills and knowledge needed to perform their role effectively. During FY19, Director education opportunities included:

- office and site visits of Mirvac's operations throughout Australia;
- briefings and site visits to better understand major innovation and technology trends;
- workshops and briefings on key changes to the industry, economic and regulatory environment in which Mirvac operates, including on health, safety and environment, risk culture, sustainability and current economic issues; and
- ongoing briefings on developments in accounting standards and the corporate governance landscape.

## CORPORATE GOVERNANCE STATEMENT

### Principle 3

#### Act ethically and responsibly

##### 3.1 Responsibilities of the Board and management

###### Code of Conduct

Mirvac has a Code of Conduct (Code) which reflects its corporate values and reflects the 3rd Edition Recommendations. The Code applies to the Board, employees, contractors, labour hire employees, suppliers, apprentices and work experience students (known as Workplace Participants) and any changes are approved by the Board. All material breaches of the Code are reported to the Board. A copy of the Code is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

Mirvac is committed to maintaining a high standard of ethical business behaviour at all times and requires Workplace Participants to conduct themselves in a professional, lawful, ethical and respectful manner.

The Code was reviewed and updated in 2018. The updated Code categorises the obligations of Workplace Participants into five broad categories of Legal, Compliance and Conflicts; Using Mirvac's Resources; Diversity and Respect; Representing Mirvac; and Working Safely.

###### Corporate values

In 2018, Mirvac reviewed and refreshed its corporate values. Mirvac's values reflect the high-performing culture at Mirvac and are intended to act as a guide for employee behaviour. These values are:

###### Mirvac Values

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We put people first

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We collaborate

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We are curious and bold

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We are genuine and do the right thing

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How we work matters

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We are passionate about quality and legacy

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###### Fraud, Bribery & Corruption Policy

Mirvac has a specific Fraud, Bribery & Corruption Policy which outlines its commitment to prevent fraud, bribery and corruption and provides guidance to Workplace Participants to manage these risks. All material breaches of the Fraud, Bribery & Corruption Policy are reported to the Board through the ARCC.

A copy of the Fraud, Bribery & Corruption Policy is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

###### Whistleblower Policy

Mirvac has an established Whistleblower Policy which provides a mechanism for individuals to report concerns regarding potentially unethical, unlawful or improper practices or behaviours. The Whistleblower Policy provides protection for individuals reporting such matters in good faith. Access to Mirvac's Whistleblower Hotline is also available to any third party including suppliers, customers and securityholders who wish to report any concerns.

All issues reported under the Whistleblower Policy are reported to the Board through the ARCC. A copy of the Whistleblower Policy, together with the Whistleblower Hotline contact number, is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

###### Conflicts of interest

The Board Charter sets out the obligations of Directors in dealing with any conflicts of interest. Pursuant to the Board Charter, Directors are obliged to:

- disclose to the Board any interest which may give rise to a real or substantial possibility of conflict (including any material personal interest) immediately upon becoming aware of the interest, including any proposed Board or executive appointments to other organisations;
- take any necessary and reasonable measures to manage or resolve the conflict; and
- comply with the *Corporations Act 2001* provisions on disclosing interests and restrictions on voting if a conflict or potential conflict situation exists.

Unless the Board determines otherwise, a Director with any actual or potential conflict of interest in relation to a matter before the Board does not:

- receive any Board papers in relation to that matter; and
- participate in any discussion or decision making in relation to that matter.

Related party transactions are governed by the Conflicts of Interest and Related Party Transactions Policy, which clearly sets out the Group's position as to how it identifies and manages conflicts of interest in respect of both personal conflicts of interest of Workplace participants and corporate related party transactions. A copy of the Policy is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

Mirvac's Code of Conduct sets out guidelines for dealing with conflicts of interest that may arise for senior executives and other employees.

###### Dealings in Mirvac securities

In line with Mirvac's Code of Conduct, Mirvac has implemented a Security Trading Policy which covers dealings in Mirvac securities by Directors and employees, as well as their respective associates. The Security Trading Policy adopts a "trading window" approach under which Mirvac Directors and employees may only deal in Mirvac securities (with prior approval to do so), or in securities of other publicly listed entities that are in the Mirvac Group, within certain trading periods as identified in the Policy. In accordance with the law, no Director, executive or employee may deal in Mirvac securities if they are in possession of price sensitive information that is not available to the market. Margin loans and any form of hedging or short-term speculative dealing in Mirvac securities (including options or derivatives) are prohibited under the Policy.

The Security Trading Policy sets out the specific approval process to be followed prior to any dealing in Mirvac securities by Directors and employees. Any dealing in Mirvac securities by Directors is notified to the ASX within five business days of the transaction. The Security Trading Policy is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

The Board has adopted a Minimum Securityholding Policy which requires current Non-Executive Directors to build up to a minimum securityholding level of 50,000 Mirvac securities by December 2020 (or within three years of appointment for any Non-Executive Directors appointed after December 2017). Any purchases of Mirvac securities will be subject to the Security Trading Policy. All Non-Executive Directors, other than Jane Hewitt, Samantha Mostyn and Peter Nash, have achieved the minimum securityholding level of 50,000 Mirvac securities as set out in the Remuneration Report starting on page 52 of the Annual Report. During FY19, Samantha Mostyn and Peter Nash participated in the Non-Executive Director Fee Sacrifice Rights Plan to build up their securityholdings to the minimum level.

A copy of the Minimum Securityholding Policy is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

###### Political donations

Mirvac has in place a Political Donations Policy, which prohibits the Group and any Mirvac employee from making (or soliciting another person to make) any political donation on behalf of the Group. Directors and certain designated employees and their spouses or de facto partners are also prohibited from making political donations in their personal capacity. During FY19, Mirvac (including its Directors and the designated employees) made no political donations.

## CORPORATE GOVERNANCE STATEMENT

### Principle 4

#### Safeguard integrity in corporate reporting

##### 4.1 ARCC

###### Role of the ARCC

The ARCC assists the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Group's financial reporting, systems of internal control and management of risk, internal and external audit functions, and compliance obligations. The ARCC does this having regard to relevant laws and regulations and better practice governance standards.

It is the ARCC's role to ensure that Mirvac's financial statements and disclosures are complete and accurate and are in accordance with accounting standards and applicable laws. The ARCC is also responsible for making recommendations to the Board regarding the selection and appointment of the external auditor and the rotation of external audit engagement partners.

The ARCC is governed by the ARCC Charter, which is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

The responsibilities of the ARCC include:

- reviewing Mirvac's risk profile including approving the Group's Business Continuity Plan and insurance program (other than Directors' and Officers' liability insurance);
- reviewing and recommending to the Board the adoption and maintenance of policies and procedures to ensure there is an adequate system of internal control, management of business risks and safeguarding of assets, and accountability at senior management level for risk oversight and risk management;
- overseeing and approving Mirvac's financial reporting and disclosure processes, and reviewing and recommending Mirvac's financial statements, proposed distributions and significant accounting policies and principles to the Board;
- overseeing Mirvac's external auditor including approving the external audit annual plan and monitoring compliance with the non-audit services policy (see below);
- overseeing Mirvac's Internal Audit function including approving the Internal Audit annual plan and reviewing the results of any significant internal audits and issues raised; and
- reviewing and overseeing Mirvac's compliance framework, including the compliance plans of Mirvac's registered managed investment schemes and compliance with Mirvac's Australian financial services licences.

###### ARCC composition and meeting attendance

The ARCC currently consists of six members. Members are appointed by the Board and all members are Non-Executive and independent. The current members of the ARCC are James M Millar AM (Chair), Christine Bartlett, Peter Hawkins, John Mulcahy, Peter Nash and Elana Rubin.

Each member of the ARCC has the technical expertise to enable the Committee to effectively discharge its mandate. The Chair of the ARCC, James M Millar AM, is the former Chief Executive Officer of Ernst & Young in the Oceania Region. Further details of each members' qualifications and experience can be found at pages 44 and 45 of the Annual Report.

The CEO/MD, CFO, Head of Risk and Head of Internal Audit and representatives of the Group's external auditors are invited to attend ARCC meetings. The ARCC regularly meets with the external auditors without management present.

Details of meeting attendance of members of the ARCC for FY19 are in the following table:

	Number of ARCC meetings	Number of ARCC meetings attended in FY19
<b>Director</b>		
James M Millar AM (Chair)	6	6
Christine Bartlett	6	6
Peter Hawkins	6	6
John Mulcahy	6	6
Peter Nash	4	4
Elana Rubin	6	6

##### 4.2 External auditor relationship

The ARCC is responsible for overseeing the relationship with the Group's external auditor, PricewaterhouseCoopers (PwC). In addition to the matters set out above, the ARCC is also responsible for monitoring and evaluating the performance, independence and objectivity of the external auditor and the provision of non-audit services.

###### Auditor independence

In accordance with the *Corporations Act 2001*, it is Mirvac's policy to rotate the audit engagement partner on the listed entity (being the Mirvac Group) at least every five years, and in accordance with that policy a new audit engagement partner was introduced in FY16.

To maintain auditor independence, the Board has adopted a policy and practice protocol related to non-audit services. A copy of the Policy on Non-Audit Services Provided by the Independent External Auditors (Non-Audit Services Policy) is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

The Non-Audit Services Policy specifies that Mirvac's external auditor cannot be engaged to undertake any non-audit services for the Group that results in the external auditor:

- creating a mutual or conflicting interest with that of the Group;
- auditing their own work;
- acting in a management capacity or as an employee of the Group;
- providing appraisal or valuation and fairness opinions;
- performing internal audit services; or
- acting as an advocate for the Group.

Non-audit services will not be awarded to the external auditor if the ARCC (or the CEO/MD or CFO) believes such work would give rise to a "self-review threat" (as defined in APES 110 Code of Ethics for Professional Accountants) or would create an actual or perceived conflict of interest for the external auditor or any member of the audit team, or would otherwise compromise the auditor's independence requirements under the *Corporations Act 2001*.

In addition, under the Non-Audit Services Policy the Chair of the ARCC must give prior approval for any non-audit services engagement of Mirvac's external auditor where the fee for the particular engagement exceeds \$100,000, or if the annual cumulative fees for all non-audit services exceed, or are likely to exceed, 50 per cent of the external auditor's annual audit fees. The CEO/MD or the CFO can approve the appointment if the engagement falls below these amounts.

An analysis of fees paid to the external auditors, including details of fees for non-audit services, is provided in note [H5] to the consolidated financial statements contained in the Annual Report.

## CORPORATE GOVERNANCE STATEMENT

### *Certificate of independence*

PwC has provided the ARCC with an annual and half-yearly certification of its continued independence, in accordance with the requirements of the *Corporations Act 2001*, and in particular confirmed that it did not carry out any services or assignments during FY19 that were not compatible with auditor independence.

### *Auditor attendance at AGM*

The external auditor attends each AGM and securityholders are provided with a reasonable opportunity to ask questions of the external auditor relevant to the audit and the preparation and content of the auditor's report. The external auditor also has the opportunity to answer written questions submitted by securityholders in advance of each AGM.

### **Audit and verification of periodic corporate reports**

The external auditor conducts a review of the Group's full and half-yearly financial reports in accordance with auditing standards ahead of release to the market.

All other periodic corporate reports are verified internally by management ahead of release to the market. The verification process incorporates cross checking and signing off of financial information and other statements contained in periodic corporate reports by members of management, approval by the ELT and as relevant, the Continuous Disclosure Committee or the Board.

### **4.3 Assurances from the CEO/MD and CFO**

In accordance with section 295A of the *Corporations Act 2001*, the CEO/MD and the CFO have provided the following assurance to the Board in connection with Mirvac's financial statements and reports for FY19, namely that in their opinion:

- the financial records of the Group for FY19 have been properly maintained in accordance with section 286 of the *Corporations Act 2001*, such that those records correctly record and explain the Group's transactions and its financial position and performance and enable true and fair financial statements to be prepared and audited;
- Mirvac's financial statements, and the notes to those statements, for FY19 comply with accounting standards (as defined in the *Corporations Act 2001*) and are in accordance with the *Corporations Act 2001*;
- Mirvac's financial statements, and the notes to those statements, for FY19 give a true and fair view of the financial position and performance of the consolidated Group;
- there are reasonable grounds to believe that Mirvac will be able to pay its debts as and when they become due and payable;
- each of the statements referred to above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- Mirvac's system of risk management and internal compliance and control is operating effectively in all material respects in relation to financial reporting risks.

The effective control environment established by the Board supports this assurance provided by the CEO/MD and the CFO. However, it should be noted that joint venture arrangements that are not controlled by Mirvac are not covered for the purpose of this assurance or the declaration given under section 295A of the *Corporations Act 2001*.

Mirvac's practice is to provide similar assurances to the Board for the Group's half-yearly financial statements and reports.

## Principle 5

### **Make timely and balanced disclosure**

#### **5.1 Commitment to disclosure**

Mirvac is committed to ensuring:

- facilitation of an efficient and informed market in Mirvac securities by keeping the market apprised through ASX announcements of all information that a reasonable person would expect to have a material effect on the price or value of Mirvac's securities;
- compliance with the ASX Listing Rules disclosure requirements; and
- announcing to the ASX copies of all new and substantive investor or analyst presentations ahead of the presentation.

All Directors receive copies of ASX announcements promptly after they have been made.

#### **5.2 Continuous Disclosure and External Communications Policy**

Mirvac has a Continuous Disclosure and External Communications Policy which is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

The Policy is designed to support Mirvac's commitment to a fully informed market in Mirvac securities by:

- ensuring that Mirvac complies with its continuous disclosure obligations under the ASX Listing Rules and the *Corporations Act 2001* and that there is accountability of Directors and senior executives for that compliance;
- establishing a corporate governance framework to enable disclosure to securityholders and the market in a fair, accurate, timely, effective, consistent and transparent manner;
- establishing a corporate governance framework for external communications to minimise the risk of selective or inadvertent disclosure of material information; and
- establishing a system for monitoring compliance with Mirvac's continuous disclosure obligations and that appropriate verification processes are in place.

## Principle 6

### **Respect the rights of securityholders**

#### **6.1 Continuous Disclosure and External Communications Policy**

As noted in Principle 5 above, Mirvac has a Continuous Disclosure and External Communications Policy which is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

In accordance with the Policy, all Mirvac ASX announcements are posted to Mirvac's website, including annual and half-year reports, investor presentations, operational updates, market briefings, notices of meetings and the Mirvac Property Compendium.

Mirvac maintains an investor relations program to facilitate effective two-way communication with investors and market analysts. The aim of this program is to allow investors and market analysts to understand Mirvac's business, governance, financial performance and prospects.

Mirvac seeks to engage with retail brokers bi-annually to ensure that retail investors and the organisations that represent them have timely two-way communication.

In addition, Mirvac values the opportunity to hear investors and analysts' views and concerns and, where appropriate, distils and communicates those views to the Board.

## CORPORATE GOVERNANCE STATEMENT

### 6.2 Mirvac website

The Mirvac website contains the information in the commentary to Recommendation 6.1 of the 3rd Edition Recommendations. The corporate governance section of the Mirvac website (under the "About" menu on the Mirvac home page) contains:

- Mirvac's Constitutions, Board Charter and Board committee charters; and
- copies or summaries of the corporate governance policies referred to in this Corporate governance statement.

The Investor Centre section of the Mirvac website provides access to relevant information about the Group, including copies of ASX releases, copies of annual reports and financial statements, investor presentations, a key events calendar including details of the next AGM, distribution information, historical security price information and registry contact details (including the website address which contains key securityholder forms). Webcasting links for market briefings are also provided on the website to encourage participation from all stakeholders, regardless of location.

The "About" section of the Mirvac website contains an overview of Mirvac, its structure and history, and biographical information and photos for each of the Directors and members of the ELT.

### 6.3 Participation in the AGM

Mirvac encourages all securityholders to attend the AGM which is usually held in November each year. The AGM provides securityholders with an insight into the operations of Mirvac during the year. Notices of meetings for each AGM are accompanied by explanatory notes to enable securityholders to assess and make an informed decision on the resolutions being put forward at the meetings. Full copies of notices of meetings and explanatory notes are posted on Mirvac's website.

Mirvac is committed to making the AGM accessible to securityholders no matter their location. In 2019, Mirvac will again hold a hybrid AGM to enable securityholders to participate virtually in the meeting in real-time, by voting on resolutions and asking questions online, effectively allowing securityholders to attend the AGM remotely.

As part of the hybrid meeting, each AGM is webcast to enable those securityholders who are unable to attend in person to view the AGM online. The access details for the webcast will be posted to Mirvac's website in advance of the 2019 AGM.

Securityholders who are unable to attend Mirvac's AGM in person or online may vote by appointing a proxy using the form included with the notices of meeting or via an online facility. Since 2014, Mirvac has enabled securityholders to vote before the AGM without having to attend or appoint a proxy by way of a direct voting facility. Securityholders are also invited to submit questions in advance of each AGM so that Mirvac can appropriately address those issues.

At each AGM, securityholders are entitled to ask questions about the management of Mirvac and questions of the external auditor about the conduct of the audit and the preparation and content of the auditor's report. All resolutions at each AGM are decided by way of a poll.

### 6.4 Electronic communications with securityholders

Securityholders may elect to receive all (or some) communications from the registry electronically, including notices of meetings and annual reports, in line with Recommendation 6.4 of the 3rd Edition Recommendations.

To improve the speed, convenience and environmental sustainability of its reporting communications, Mirvac encourages all securityholders to receive communications electronically, including annual reports. Securityholders may contact the registry, either by phone or via their website, to elect to receive such communications electronically.

Mirvac's registry provider also gives securityholders the option to update their details electronically via their website, including changes of address, any changes to bank details for the payment of distributions and distribution reinvestment plan forms (when the plan is active).

## Principle 7

### Recognise and manage risk

Mirvac's risk management framework is a core part of its corporate governance structure and is in place to identify risks and implement mitigations to eliminate, reduce, or otherwise manage the impact to the Group's objectives and activities.

#### 7.1 Risk management responsibility

The Board determines the overall risk appetite for the Group and has approved strategies, policies and practices to ensure that key risks are identified and managed within the approved risk appetite. The application of Group policies and procedures to manage risk is ultimately the responsibility of the Board, which has in turn delegated specific authority to the ARCC. The ARCC Charter is further described in Principle 4 above.

The Board has charged management with responsibility for managing risk across the Group and the implementation of mitigation strategies, under the direction of the CEO/MD and supported by other senior executives. A Group Risk function, led by the Head of Risk, provides a centralised role in facilitating the risk management framework, advising business units on risk management plans and consolidating risk reporting to senior executives, the ARCC and the Board.

#### 7.2 Risk management framework

The Board has adopted a consolidated Risk Management Policy & Framework which incorporates governance and compliance, risk appetite and business continuity management. Financial consequence parameters for the categories of strategic risks, business risks, emerging risks and development project risks and issues were reviewed as part of the 2019 Policy review. The approach defined within the Risk Management Policy & Framework is consistent with the Australian and New Zealand standard on risk management (ISO 31000:2009). The Risk Management Framework is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

The ARCC advises the Board on risk management and is responsible for reviewing the effectiveness of the Group's approach to risk management. Risk management activities and the Group risk profile are reviewed on a regular basis by the ARCC. The Group's Risk Management Policy & Framework is reviewed at least annually to ensure it remains sound, relevant to the changing business environment and with due regard to the risk appetite set by the Board. In FY19, this review was undertaken by the ARCC. In addition, a Board risk workshop was conducted in September 2018 where a deep dive of Mirvac's risk culture was undertaken. There are a number of key risks and opportunities Mirvac faces in delivering its strategic plan which are set out in the Risk Management section of its annual reports.

Mirvac's Risk Appetite Framework includes risk appetite statements in relation to identified risk categories for the entire Group, including at the responsible entity and scheme levels. These risk categories have been identified to support the delivery of Mirvac's strategy and are kept under review by the Group Risk function against any change in strategic direction. The statements are measured every six months against key risk indicators.

To make risk management more visible and relevant for all Mirvac staff:

- risk registers are maintained across Mirvac for strategic risks, operational risks and project risks;
- risks and controls are reviewed and signed off at least annually. In FY18, the Group Risk, Compliance and Legal teams also conducted a comprehensive gap analysis review to ensure compliance with the Australian Securities and Investments Commission RG 259 *Risk management systems of responsible entities*;
- emerging risks are identified and reviewed quarterly by senior executives and the ARCC;
- a Risk Index, measuring risk culture and awareness, is produced on an annual basis for the Group, divisions and teams across the organisation, allowing the Group Risk function to focus its attention on areas that need further development or education in risk management;
- compulsory induction training in relation to how risks are managed in the organisation is required to be completed by all new staff members; and
- the Group Risk team runs risk management workshops including incident and crisis management training on a regular basis.

## CORPORATE GOVERNANCE STATEMENT

### 7.3 Role of Internal Audit

Mirvac has an Internal Audit function which is a key element of Mirvac's governance framework. Mirvac's Internal Audit function is led by the Head of Internal Audit who reports functionally to the Chair of the ARCC and administratively to the CFO and has direct access to the CEO/MD and the ARCC. The role of Internal Audit is to:

- provide independent and objective assurance to the ARCC and Board that controls are operating in an efficient and effective manner to manage the Group's risks; and
- assist management in improving business processes and controls.

### 7.4 Economic, environmental and social sustainability risks

Mirvac is cognisant of its impact on the economy, the environment and the communities in which it operates, and the risks associated with not dealing with these aspects appropriately. Accordingly, Mirvac is active in identifying and managing these impacts as well as developing relevant opportunities through its refreshed Sustainability strategy, *This Changes Everything*.

Mirvac is committed to providing its stakeholders with credible, transparent and timely information on its sustainability performance, while effectively balancing its efforts to deliver as well as report. Mirvac annually reports on these matters through its combined ESG and annual reports, as well as through proactive disclosure on our website, together with reporting under ESG indices including the UN Principles for Responsible Investment, the Global Real Estate Sustainability Benchmark, the London Benchmarking Group, the Task Force on Climate-related Financial Disclosures, the Global Reporting Initiative, and government reporting through National Greenhouse and Energy Reporting.

Mirvac Group reports are available on Mirvac's website: [www.mirvac.com](http://www.mirvac.com)

## Principle 8

### Remunerate fairly and responsibly

#### 8.1 HRC

##### Role of the HRC

The HRC assists the Board in its oversight of the Group's human resources practices and policies having regard to the need for alignment of those practices and policies with the Group's purpose, values, strategic objectives and risk appetite. It also supports the Board in the appointment and review of the performance, remuneration and succession planning of senior management and where relevant, the CEO/MD.

The HRC is governed by the HRC Charter which is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance)

The responsibilities of the HRC include ensuring Mirvac:

- has an effective people strategy, organisational culture and policies and benefits to attract, motivate and retain the right people who will achieve Mirvac's purpose;
- has remuneration policies and practices which are consistent with Mirvac's strategic goals and human resources objectives by attracting and retaining individuals who will create value for securityholders and other stakeholders;
- fairly and responsibly remunerates executives, having regard to the performance of the Group, the performance of individuals and the expectations of securityholders and other stakeholders;
- has an effective Diversity & Inclusion Policy and regularly reviews progress towards achieving measurable objectives and strategies aimed at improving diversity; and
- has appropriate succession and talent strategies in place for senior leadership and other key roles.

### HRC composition and meeting attendance

Under the HRC Charter, the Committee must comprise a minimum of three independent Non-Executive Directors appointed by the Board, one of whom is appointed as the Committee Chair. The HRC currently consists of five members, being Peter Hawkins (Chair), Jane Hewitt, Samantha Mostyn, John Mulcahy and John Peters.

Details of meeting attendance of the members of the HRC for FY19 are in the following table:

	Number of HRC meetings attended in FY19	Number of HRC meetings held in FY19
<b>Director</b>		
Peter Hawkins (Chair)	5	5
Jane Hewitt	2	2
Samantha Mostyn	5	5
John Mulcahy	5	5
John Peters	5	5

### Remuneration policies

Information on the Group's remuneration policies and practices is set out in the Remuneration Report starting on page 52 of the Annual Report.

#### 8.2 Non-Executive Director remuneration

The remuneration of Non-Executive Directors is fixed and is paid according to the role in which they serve on the Board and Board committees. Non-Executive Directors do not participate in other remuneration components such as performance-related short-term or long-term incentives, options or variable remuneration and do not receive retirement benefits other than superannuation. Information relating to the remuneration of Non-Executive Directors is disclosed in the Remuneration Report starting on page 52 of the Annual Report.

#### 8.3 Equity-based remuneration schemes

As noted in the Remuneration Report contained in the Annual Report, performance rights or options relating to Mirvac securities are granted to employees in accordance with the Mirvac remuneration strategy. Consistent with the prohibition under the *Corporations Act 2001*, the Security Trading Policy prohibits hedging of the value of both unvested awards and vested awards that remain subject to a holding lock.