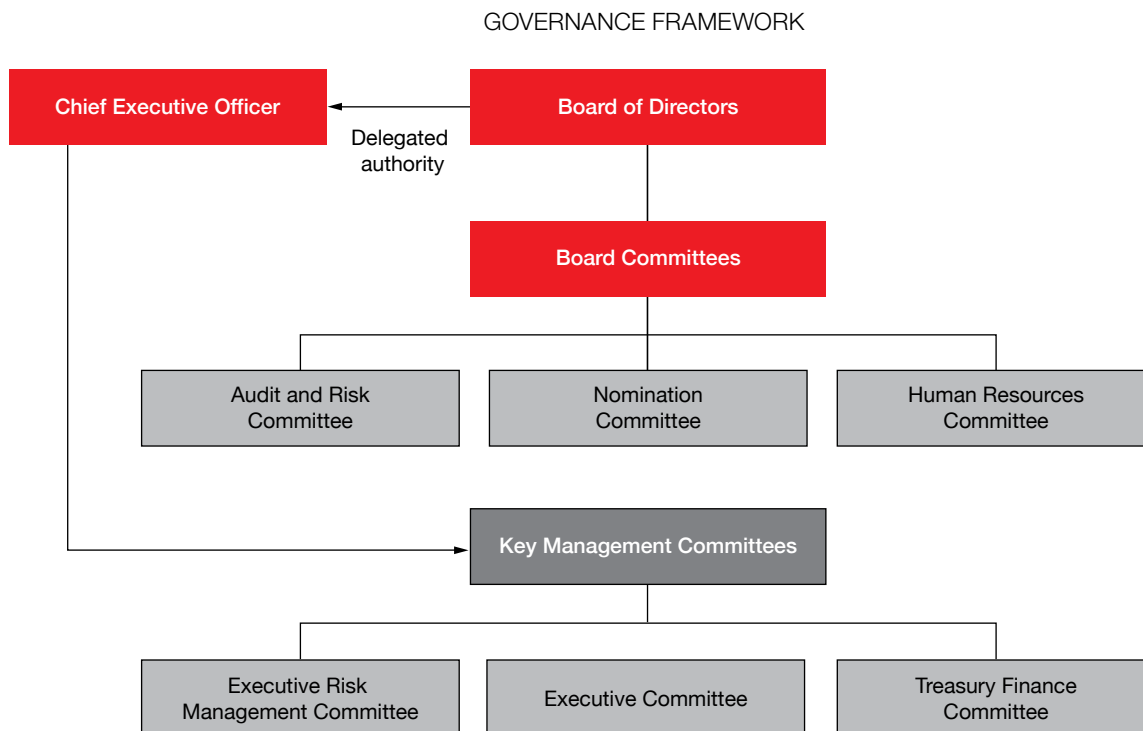


# Corporate Governance Statement

## Introduction

Scentre Group<sup>®</sup> is committed to ensuring that its policies and practices reflect a high standard of corporate governance. During 2018, the Group's corporate governance framework remained consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (published in 2014) (Principles and Recommendations).

Our governance framework is outlined in the diagram below. Our corporate governance documentation, including this statement and the charters and policies referred to in it, are available in the corporate governance section on our website [www.scentregroup.com/About-Us/Corporate-Governance](http://www.scentregroup.com/About-Us/Corporate-Governance). This corporate governance statement was approved by the Scentre Group Board and is current as at 20 February 2019.



The Board comprises seven non-executive Directors and one executive Director (being the Chief Executive Officer (CEO)/Managing Director). The period of office<sup>(i)</sup> held by, and the independence status of, each Director is set out below.

Name	Position Held	Last elected or re-elected at an AGM	Independent (Y/N)
Brian Schwartz	Non-Executive Chairman	5 May 2016: Standing for re-election at 2019 AGM	Y
Peter Allen	CEO/Executive Director	N/A	N
Andrew Harmos	Non-Executive Director	5 April 2017	Y
Michael Ihlein	Non-Executive Director	5 May 2016: Standing for re-election at 2019 AGM	Y
Carolyn Kay	Non-Executive Director	5 April 2018	Y
Aliza Knox	Non-Executive Director	5 April 2017	Y
Steven Lowy	Non-Executive Director	5 May 2016: Retiring at the end of the 2019 AGM	N
Margaret Seale	Non-Executive Director	5 April 2018	Y

Our governance practices, as against the 8 central principles of the Principles and Recommendations, are outlined below.

<sup>(i)</sup> Scentre Group is a stapled entity comprising Scentre Group Limited, Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3. The Boards of Scentre Group Limited, Scentre Management Limited (as responsible entity of Scentre Group Trust 1), RE1 Limited (as responsible entity of Scentre Group Trust 2) and RE2 Limited (as responsible entity of Scentre Group Trust 3) are identical. Each Board has adopted a common Board Charter which sets out the objectives and responsibilities of the Scentre Group Board. Each Board Committee operates as one "Scentre Group" Committee.

<sup>(ii)</sup> Scentre Group was established on 30 June 2014. Prior to that date, Scentre Group Limited and Scentre Management Limited formed part of the prior Westfield Group and the appointment dates of Mr Schwartz (6 May 2009), Mr Allen (25 May 2011) and Mr Lowy (28 June 1989) pre-date the establishment of Scentre Group. Mr Harmos and Mr Ihlein were both appointed to Scentre Group Limited and Scentre Management Limited on 30 June 2014 (the appointment date to RE1 Limited and RE2 Limited, which formed part of the prior Westfield Retail Trust, was 21 December 2010). Ms Knox was appointed to each board on 7 May 2015 and Ms Kay and Ms Seale on 24 February 2016.

## PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

### 1.1 Responsibilities of Board and management

The Board is responsible for overseeing the effective management and operation of the Group. The Board seeks to ensure that the business objectives of the Group are aligned with the expectations of securityholders and that the operations of the Group are effectively managed in a manner that is focused on those business objectives, as well as meeting all regulatory and ethical requirements.

The number of, and attendance at, Board and Committee meetings during the year is set out in the Directors' Report.

#### *Board Charter*

The Board Charter sets out the primary objectives of the Board and the practices and processes the Board has adopted to discharge its responsibilities including the matters reserved for the Board and the delegation of authority to the CEO and other senior executives, including the limits on the execution of that authority by those officers.

This framework ensures accountability and a balance of authority by clearly defining the respective roles and responsibilities of the Board and the senior executive team. In turn, this enables the Board to maintain its focus on strategic guidance while exercising effective oversight of the Group.

Key responsibilities of the Board are to:

- define the Group's purpose and setting the strategic objectives of the Group;
- instil the Group's culture and values;
- approve and monitor key budgets, business plans, financial statements, financial policies and financial reporting;
- establish, promote and maintain proper processes and controls and to maintain the integrity of financial accounting, financial records and reporting;
- develop and implement key corporate policies, procedures and controls as necessary to ensure appropriate standards of accountability, risk management and corporate governance and responsibility;
- oversee the adequacy of managerial resources to ensure there is adequate depth of resources and appropriate succession planning;
- monitor the performance of senior executives and the implementation of strategy;
- approve proposals for major new investments, capital expenditure and capital management initiatives as proposed by management;
- ensure that securityholders receive high quality, relevant and accurate information in a timely manner and that investors generally are able to trade in Scentre Group's securities in a market which is efficient, competitive and informed;
- determine and adopt distribution policies; and
- oversee compliance with our legal and regulatory obligations.

#### *Board Committees*

The Board delegates certain responsibilities to standing Committees which operate in accordance with charters approved by the Board. There are three standing Board Committees: the Audit and Risk Committee, the Human Resources Committee and the Nomination Committee.

Membership and the number of, and attendance at, Committee meetings during the year is set out in the Directors' Report.

All Directors have a standing invitation to attend meetings of the Audit and Risk Committee and Human Resources Committee.

The roles and responsibilities of the Committees are outlined in this statement.

The Chair of each Committee reports to the Board at the Board's next meeting on any matters arising from the Committee's duties and responsibilities. The Board also receives copies of the minutes of all Committee meetings. This ensures that all Directors have oversight of, as well as the opportunity to discuss matters being considered by, the Committees.

#### *Delegation to Management*

Day to day management of the Group's business and operations is delegated by the Board to management through the CEO and is subject to the agreed authority limits applicable to the senior executive team.

The CEO is assisted by the Chief Financial Officer (CFO) and Chief Operating Officer (COO) and other members of the Executive Committee.

The CEO together with the Executive Committee is responsible to the Board for the development and implementation of strategy and the overall management and performance of the Group.

The CEO reports regularly to the Board on the progress being made by the Group in all aspects of the business including customer experience, retail partnerships, developments, capital markets and potential new business opportunities.

The CFO also provides comprehensive reports on the Group's financial performance and other relevant matters such as the Group's gearing and liquidity.

### 1.2 New appointments/Re-election of Directors

Appropriate checks are undertaken before a new candidate is recommended to the Board for appointment. These include checks as to the candidate's experience, educational qualifications, character, criminal record and bankruptcy history which are carried out by an external consultant.

As noted at 2.1 'Structure of the Board and role of the Nomination Committee', the Board, on the recommendation of the Nomination Committee, determines if it will endorse a Director retiring under the Company's constitution or Listing Rules for re-election.

### 1.3 Written agreements with Directors

New Directors receive a letter of appointment which sets out the key terms and conditions of their appointment.

The letter of appointment clearly defines the role of Directors, including expectations in terms of independence, participation, time commitment and continuous development. Directors are required to disclose, on an ongoing basis, circumstances that may affect, or be perceived to affect, their ability to exercise independent judgment so that the Board can determine independence on a regular basis. The letter also provides that if a Director ceases to be a Director of Scentre Group Limited for any reason, they must also resign as a Director of Scentre Management Limited, RE1 Limited and RE2 Limited.

Procedures are also set out by which Directors are able to take independent, professional advice at the Group's expense. Directors are encouraged to direct any enquiries or requests for additional information to the Company Secretary, who will facilitate a response to the query and/or provide the Director with the requested information. Directors also have access to key members of the senior executive team, who regularly attend Board meetings to make presentations.

### 1.4 Role of the Company Secretary

The Company Secretary is directly accountable to the Board, through the Chairman, on all matters relating to the proper functioning of the Board and its Committees. The Company Secretary works with the Chairman, the Board and the Board Committees and is responsible for ensuring the smooth running of the Board and Board Committees and that all governance matters are properly addressed. All Directors have access to the Company Secretary for the purpose of obtaining information or advice.

### 1.5 Diversity

The Board is committed to ensuring that it continues to include directors with an appropriate mix of skills, knowledge, experience and diversity, including gender, and diversity of thought and approach. The Board currently comprises eight Directors, seven of whom are non-executive Directors. In terms of gender representation, we currently have three women on our Board representing 38%, which exceeds the 30% Club's target of 30% female representation on a board.

Our aspiration is to create a workforce reflective of the communities in which we operate and key to this is our diversity and inclusion strategy. We believe that a diverse and engaged workforce contributes to strong business performance and we seek to provide an inclusive and supportive working environment that recognises and leverages all the ways we are different. Our commitment is to a workplace where everyone is comfortable to "bring their whole self to work".

We continue to **embed** our diversity and inclusion initiatives and **empower** our people to own and drive our diversity and inclusion strategy. During the year we also sought to **expand** the impact of our diversity and inclusion strategy by engaging with our business partners and providers to align them with our strategy and our diversity and inclusion initiatives.

We continue with our strong support for gender equality and a culture which supports all employees at all stages of their careers and have maintained recognition as an Employer of Choice for Gender Equality

# Corporate Governance Statement (continued)

by the Workplace Gender Equality Agency (WGEA). In terms of our workforce, during the year 43% of new hires were females and 65% of promotions across the business were females.

We also saw the average tenure for females grow at a greater rate than males. Since 2015, the average tenure for females has increased from 5.4 years to 6.1 years (males 6.1 years to 6.4 years). In short, we are recruiting more women than are leaving the business and are retaining women for longer.

At the Executive Committee level, there were 2 new appointments of senior females with the percentage of females across all levels of management (at 31 December 2018) being 41% (2017: 41%). During the year, we achieved 26.5% representation of females at the senior executive level (General Manager and above), up from 22% and at the upper range of our 2018 target of 25 – 27%.

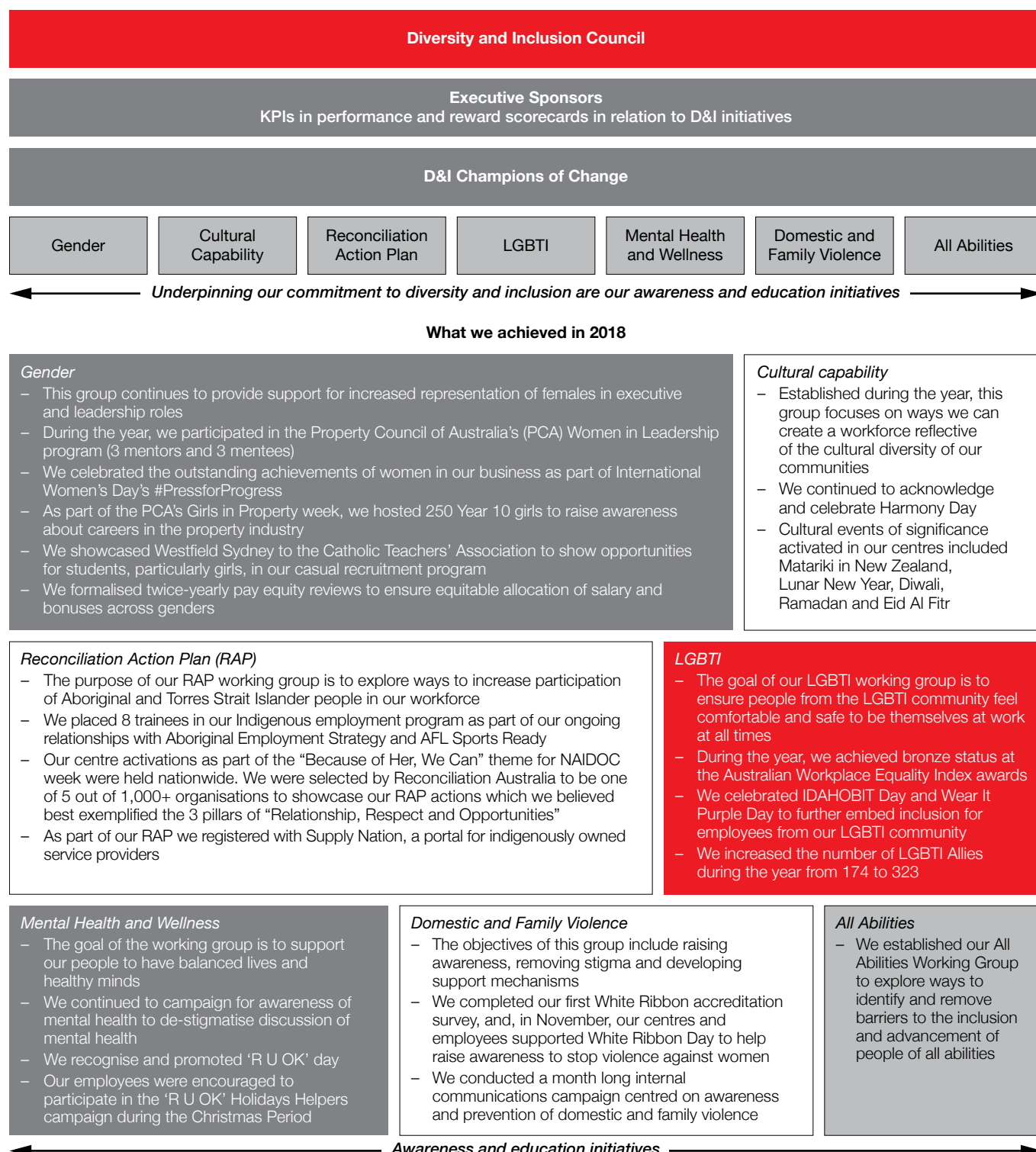
We are also pleased that our CSO, Cynthia Whelan, has recently been appointed as our first female executive KMP.

Across our workforce at 31 December 2018, the representation of men and women was 46% and 54% respectively.

Increasing gender diversity at the senior executive level remains a KPI for our CEO, Peter Allen, with a target of 30% by 2021. Peter is also continuing in his role as a WGEA Pay Equity Ambassador and as a Property Male Champion of Change.

We have a number of executive working groups (including in relation to gender equality) to assist in making recommendations, developing and implementing diversity and inclusion initiatives within the areas of their particular focus. Underpinning the purpose of each group is inclusion and respecting and supporting diversity. Each Group is sponsored by a senior executive and overseen by our Diversity and Inclusion Council.

The purpose and key achievements of the working groups are outlined below.



We continued to roll out our Inclusive Management Program (IMP), to provide our managers with skills to hold inclusive conversations with their people at key times across the employment cycle.

We launched an IMP Alumni program with a focus on diversity of thought, unconscious bias, psychological safety and embedding inclusion.

Our Champions of Change continue to support and disseminate our diversity and inclusion initiatives across the business.

### 1.6 Board self-assessment and performance

The Board undertakes an annual assessment and review of its performance. As a review was facilitated by an external consultant in 2017, the 2018 review was conducted by our Chairman, Brian Schwartz, who presented the results of the review to the Board.

Overall the results of the review were positive, which follows the results from the external review. Matters considered in the Board survey included an assessment of the performance of the Board, its Committees and Directors' individually, the composition and skills set of the Board, succession planning, the Board's relationship with management and the type and quality of the information provided to the Board.

### 1.7 Process for evaluating the performance of senior executives

We have an established process of objective setting and performance review for all employees, which is conducted on an annual basis. Senior executives have well defined objectives which are discussed and agreed at the commencement of each financial year. Each executive's Key Performance Indicators (KPIs) are set annually with the purpose of motivating that executive to achieve performance objectives which will contribute to the short and longer term success of the Group.

KPIs are established each year under a performance and development system. KPIs are designed to measure both financial and non-financial performance and we use a balance of measures that underpin the growth and sustainability of our business. Our remuneration philosophy and link to business strategy is outlined in our Remuneration Report.

During 2018, each member of the senior executive team, including the CEO, was subject to a performance review as described above. Details of the performance criteria against which the CEO were assessed for 2018 are set out in the Remuneration Report.

Written employment agreements are in place for senior executives, further details of which are set out in the Remuneration Report.

## PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

### 2.1 Structure of the Board and role of the Nomination Committee

The membership of the Board is reviewed by the full Board (following consultation with, and recommendations by, the Nomination Committee), having regard to the ongoing and evolving needs of our business.

Board renewal and succession planning is a central component of our overall governance program. The Board is committed to ensuring that it draws on a combination of executive and non-executive members with exceptional track records and reputations at the highest levels of business and commerce generally.

#### Nomination Committee

The role of the Nomination Committee includes supporting and making recommendations to the Board on the selection and appointment of Directors who are able to meet the needs of the Group presently and in the future. The Committee also facilitates the ongoing evaluation and review of the performance and effectiveness of the Board and the Directors.

The responsibilities of the Nomination Committee include:

- having regard to the strategic direction of the Group, assessing periodically the skills of current Board members against the collective skill set required by the Board to competently discharge the Board's duties;
- regularly reviewing and making recommendations to the Board regarding the structure, size, diversity and composition (including the balance of skills, knowledge and experience) of the Board and reviewing the effectiveness of the Board;
- identifying suitable candidates (executive and non-executive) to fill Board vacancies as and when they arise and nominating candidates for approval of the Board;
- annually reviewing the performance of the Board; and
- ensuring the existence of proper succession planning processes and plans for the Board (including, in conjunction with the Human Resources Committee, the CEO).

No member of the Committee participates in a review of their own performance or nomination for re-election.

The Board, on the recommendation of the Nomination Committee, determines if it will endorse a Director retiring under the Company's constitution or Listing Rules, for re-election. The notice of meeting for our AGM will provide information that is material to a decision whether or not to support the re-election of a Director.

Recommendations regarding future appointment of additional Directors are made by the Nomination Committee and considered by the Board having regard to:

- the assessment made on the skill set required to discharge the responsibilities of the Board compared with the skills currently represented on the Board;
- the current strategic direction of the Group and the consequent need to consider skills which may be required in the future; and
- the suitability of available candidates identified in the context of a detailed description of the role and capabilities required for a particular appointment.

Recommendations made by the Nomination Committee are considered by the Board, which retains an unfettered discretion on the appointment of a Director to fill a casual vacancy or act as an additional Director, prior to the formal election of that Director by the securityholders at the AGM.

The Nomination Committee may retain the services of external recruitment specialists to help identify potential candidates for appointment to the Board.

Once a candidate is identified, the Nomination Committee with the assistance of external consultants where required, conducts appropriate background and reference checks before the candidate is appointed to the Board or put forward to securityholders for election.

### 2.2 Board Skills Matrix

The Board is committed to ensuring that it continues to include directors who bring an appropriate mix of skills, knowledge, experience, expertise and diversity to Board decision making.

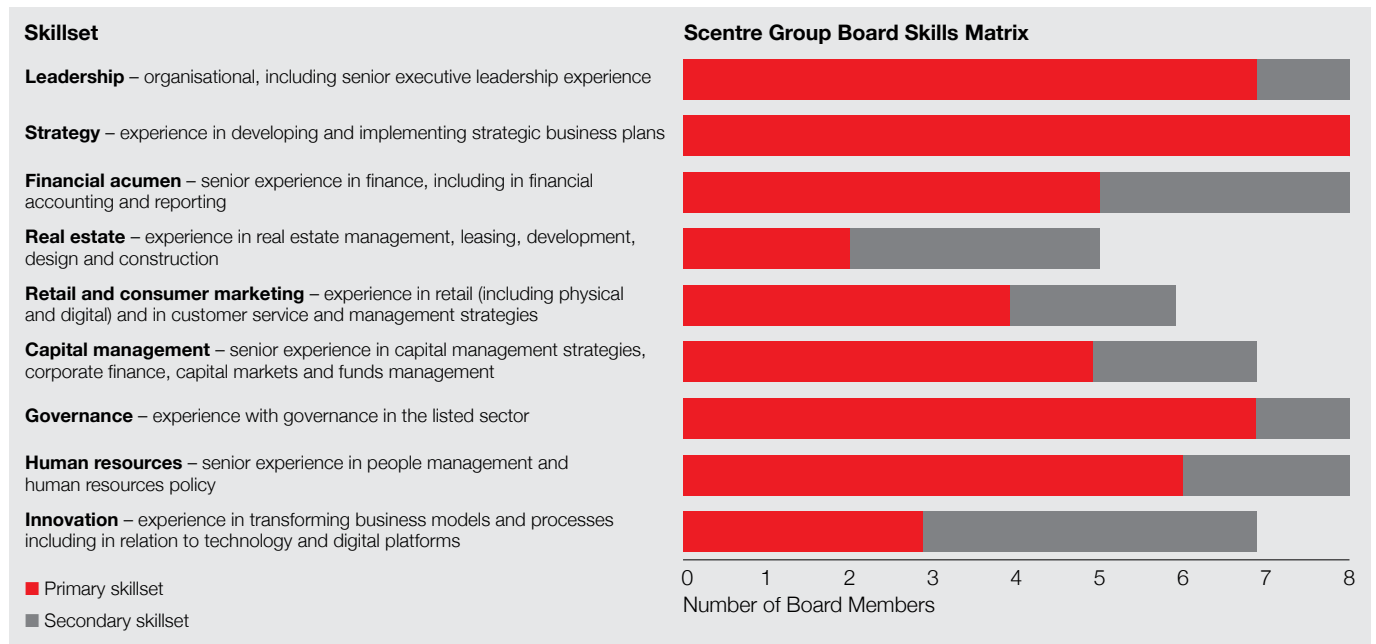
The Board currently comprises eight Directors, seven of whom are non-executive Directors. Details of the Directors' biographies, including their qualifications, are set out in the Directors' Report. In terms of gender representation, we currently have three women on our Board representing 38%, which exceeds the 30% Club's target of 30% female representation on a board.

The Board, with the Nomination Committee, actively work together in assessing the ongoing succession planning and renewal program for the Board. In terms of defining the Board's requirements for new Directors, consideration is given to the skills, experience and background of existing board members, the Group's strategy and any identified new skills required to supplement the Board's capabilities. Having regard to the strategic direction of the Group, the Nomination Committee also works with external advisors in assessing potential new directors and skills.

# Corporate Governance Statement (continued)

The Nomination Committee has actively been reviewing the need for additional property specific skills on the Board, particularly in light of Steven Lowy retiring at the AGM on 4 April 2019, and expects to make a recommendation to the Board in the near future.

The Board skills matrix set out below describes the combined skills, experience and expertise presently represented on the Board.



## 2.3 Directors' Independence

The Board regularly assesses the independence of each Director in accordance with the terms of the Board Charter, the interests they have disclosed and such other factors as the Board determines are appropriate to take into account.

In making this determination the Board assesses if Directors are:

- independent of management; and
- free of any interest, position or association that might influence or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board.

In general, a non-executive Director will not be regarded as an independent director if that Director:

- is a substantial securityholder of Scentre Group or an officer of, or otherwise associated directly with, a substantial securityholder of Scentre Group;
- is, or within the last three years had been, employed in an executive capacity by any member of Scentre Group;
- is, or within the last three years had been, a partner or a senior management executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of any member of the Group;
- is, or within the last three years had been, a partner, director or senior employee of a material professional adviser to any member of the Group;
- is, or within the last three years had been, a principal, senior employee or associate of a material supplier to, or material customer of, any member of the Group;
- has a material contractual relationship with any member of the Group other than as a Director of the Board;
- has any interest or business or other relationship which could materially interfere with the Director's ability to act in the best interests of the Group and independently of management;
- has close family ties with any person who falls within any of the categories described above; or
- has been a Director of Scentre Group for such a period that their independence may have been compromised.

## 2.4 Independent Directors

The following non-executive Directors are considered independent: Mr Brian Schwartz, Mr Andrew Harnos, Mr Michael Ihlein, Ms Carolyn Kay, Ms Aliza Knox and Ms Margaret Seale.

## 2.5 Chairperson and Independence

The Chairman, Mr Brian Schwartz, is an independent non-executive Director.

## 2.6 Induction and ongoing education

New Directors participate in an induction program. This includes briefings with the CEO, CFO and COO and other members of the senior executive team to provide new Directors with a deeper understanding of the main issues, strategic direction and material risks of each key business unit within the Group. As part of the program, Directors are given access to the external and internal auditors. Directors are also provided with all relevant corporate governance materials and policies.

We recognise that developing industry and corporate knowledge is an ongoing process. Regular briefing sessions to the Board and Board Committees are conducted on a number of topics including:

- The Group's core operations including trends in international and domestic retail;
- Legal and regulatory developments including health and safety laws, competition laws, corporate governance principles, tax and accounting changes; and
- Emerging and disruptive business models, technologies including cyber threats and security.

Directors are also given the opportunity for site visits to our centres to better understand our operations. During the year, the Board also visited New Zealand with senior executives to tour a number of our centres including the NZ\$790 million redevelopment of Westfield Newmarket in Auckland.

## PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

### 3.1 Codes of Conduct

#### *Directors' Code of Conduct*

The Directors' Code of Conduct outlines the responsibilities of our Directors in maintaining our commitment to high standards of ethical conduct.

As part of the Code of Conduct, Directors are required to undertake, amongst other things, to: always act fairly, honestly and with integrity in all matters relating to the Group; perform their duties to the best of their ability; never act in a manner which is likely to harm the reputation of the Group and always abide by applicable laws.

#### *Scentre Group Values*

We refer to our values as our "DNA" which is the cultural blueprint for our organisational behaviour. We are committed to high standards of ethical conduct and actively promote a diverse and inclusive culture where employees are encouraged to succeed to the best of their ability.

During the year we evolved our DNA to ensure that our values continue to reflect the standards to guide not only how we work together but how we engage with our stakeholders and the broader community.

Our DNA is expressed as:

- We put the customer first
- We act with integrity
- We strive for excellence
- We succeed together
- We are constantly curious
- We create a positive legacy

#### *Employee Handbook*

Our core principles are supplemented by the Employee Handbook which is provided to all employees at the time of joining the Group. The handbook outlines, among other matters, the high standards of personal conduct and ethical behaviour expected of all employees. Employees are required to affirm our Code of Conduct on an annual basis.

#### *Compliance Manuals*

Compliance manuals have been developed to provide guidance to employees on the laws applicable in the jurisdiction in which they work and the standards of conduct and the procedures to be adopted to comply with those laws. Management seminars are also conducted on an ongoing basis to help employees understand the legal requirements with which the Group must comply.

#### *Whistleblower Policy*

We have a whistleblower policy to ensure that any concerns regarding unethical, unlawful or improper conduct can be raised without fear of reprisal. Employees are encouraged to report any genuine matter or behaviour that they honestly believe contravenes our code of conduct, our policies or the law. We continue to monitor proposed changes to whistleblower laws to ensure that our policies and practices continue to operate effectively.

## PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

### 4.1 Audit and Risk Committee

The primary role of the Audit and Risk Committee is to oversee and monitor the integrity of consolidated financial reports and statements of the listed entities within the Group, and our systems of risk management, internal controls and legal compliance.

All members of the Committee are independent non-executive Directors, financially literate with significant relevant financial and/or accounting experience and a significant understanding of the Group's business. Members of the Committee have a sound understanding of the Group's structure, internal controls and typical transactions which enable them to assess the risks faced by the Group.

The objective of the Committee is to assist the Board in fulfilling its corporate governance responsibilities by:

(a) monitoring and reviewing:

- the accuracy, integrity and reliability of financial reports and statements of listed entities of the Group;
- the effectiveness of the Group's internal control environment including the systems of internal controls, risk management and legal compliance;
- the objectivity and effectiveness of the internal audit function; and
- the independence, objectivity and effectiveness of the external audit function;

(b) overseeing the processes for:

- identifying and managing significant risks faced by the Group;
- the Group's compliance with applicable laws and regulations; and
- implementing appropriate and adequate control, monitoring and reporting systems; and

(c) making recommendations to the Board in relation to the appointment of the external auditors and approving the remuneration and terms of their engagement.

The Committee is assisted in its role and responsibilities by the Executive Risk Management Committee, details of which are outlined below. The Committee is also assisted by the independent assurance function provided by the Business Review and Audit department (internal auditors) and our external auditors.

Assessment of material economic, environmental and social sustainability risks forms part of the Group's Enterprise Risk Management Framework.

The Committee, on an annual basis, reviews the appropriateness of the Enterprise Risk Management Policy and the Enterprise Risk Management Framework and our control systems. The Committee undertook such a review during the year.

The Audit and Risk Committee also monitors regulatory developments in relation to the audit regime, the role of audit and risk committees generally and how such developments may impact our corporate governance.

Our external auditor is Ernst & Young. The Committee meets with the external auditor at least twice each year without management being present to review the adequacy of existing external audit arrangements and the scope of the external audit. The lead audit partner is required to rotate after 5 years.

The internal audit function is overseen by the Audit and Risk Committee. The Director, Risk and Internal Audit attends all meetings of the Audit and Risk Committee and reports on a regular basis as to the adequacy and effectiveness of the internal audit function. The Committee meets with the Director, Risk and Internal Audit at least twice a year, without management being present.

#### *Non-Audit Services Protocol*

The Non-Audit Services Protocol is designed to ensure that the external auditor carries out the statutory audit function in a manner which is, at all times, demonstrably independent of the Group.

The Protocol sets out key requirements in the relationship between the external auditor and the Group and defines the scope and value of the non-audit services which could be provided by the external auditor, without impacting on the actual or perceived independence of the external auditor.

#### *Executive Risk Management Committee*

Risk oversight is a key function of our Executive Committee and while that Committee continues to have oversight of business risks, during the year we enhanced our risk management processes by establishing a dedicated Executive Risk Management Committee. The purpose of the Executive Risk Management Committee is to assist and support the Board and the Audit and Risk Committee in its oversight of the Group's systems of risk management and internal control.

Membership of the Committee comprises the CEO, CFO, COO, CSO, the Director, Risk and Internal Audit, the General Counsel and the Director, Security.



# Corporate Governance Statement (continued)

## 4.2 CEO and CFO declarations

The CEO and CFO are required to confirm in writing to the Board, at the time the financial statements of the Group are being considered for approval by the Board, that in all material respects:

- the financial statements present a true and fair view;
- that this assertion is founded on a sound system of financial risk management and internal compliance and control which implements the policies adopted by the Board; and
- that the Group's financial risk management and internal compliance and control systems are operating efficiently and effectively in all material respects in relation to financial reporting risks.

The Board receives regular reports from management and the Audit and Risk Committee on areas where there are considered to be significant business risks and on the management of those risks. The internal audit function also monitors these risks and reports to the Audit and Risk Committee.

## 4.3 External auditor attendance at AGM

The lead audit partner of Ernst & Young attends our AGM and is available to answer questions on the Group's financial statements and the conduct of the audit.

## PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

### 5.1 Continuous Disclosure and Communications Policy

We are committed to providing securityholders with comprehensive, timely and equal access to information about our activities to enable them to make informed investment decisions.

Our Continuous Disclosure and Communications Policy underlines our commitment to ensuring that securityholders and the market are provided with high quality, relevant and accurate information regarding its activities in a timely manner and that investors are able to trade in Scentre Group securities in a market which is efficient, competitive and informed as well as ensuring that market participants have an equal opportunity to review and assess information disclosed by the Group.

Our policy includes a vetting and authorisation process to ensure that all disclosures are factual, do not omit material matters and are expressed in a clear and objective manner. The policy also outlines how we identify and disseminate information to securityholders and the market generally.

## PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITYHOLDERS

### 6.1 Corporate website

We monitor and continue to utilise a broad range of communication approaches including direct communications with securityholders, publication of all relevant company information in the Investor section of the [scentregroup.com](http://scentregroup.com) website, as well as access to market briefings via webcasting and teleconferencing facilities.

Our corporate website forms a key part of our communication platform to securityholders and the broader investment community. A section of this website is dedicated to securityholders. Current and past media releases, investor presentations and interim and full year financial reports are available for review on the website. These announcements, presentations and reports continue to be posted on the corporate website immediately after they have been released to the market.

The website also contains an overview of the Group, our structure and history and biographical details of our Directors.

### 6.2 Investor relations program

We have developed an investor engagement program for engaging with securityholders, debt investors, and broader investment community. The aim of this program is for investors and other stakeholders to understand our business, financial performance and prospects as well as our governance structure.

## 6.3 Annual General Meeting

Our AGM represents a key opportunity for securityholders to meet the Board and ask questions of the Directors. Securityholders who are not able to attend the AGM in person may appoint proxies to represent them at the meeting. Key members of the senior executive team, including the CEO, COO and CFO, are present and available to answer questions.

The AGM is webcast live from our corporate website. Copies of the addresses delivered by the Chairman and CEO to the AGMs are released to the ASX and posted to the website. A summary of the meeting and the outcome of voting on items of business before the meeting are released to the ASX and posted to the corporate website as soon as they are available following completion of the AGM. These announcements are archived and searchable on the corporate website.

## 6.4 Electronic communications

Securityholders may elect to receive all or some of the Group's communications, including the annual report, electronically.

Our registry provides securityholders with the option to update their details electronically via their website.

## PRINCIPLE 7: RECOGNISE AND MANAGE RISK

We adopt a rigorous approach to understanding and managing our business risks at both the Board level and through our Audit and Risk Committee. There is a discussion of our approach to risk under Principle 4 and in the Directors' Report on page 6.

## PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

### 8.1 Human Resources Committee

The objective of the Committee is to assist the Board in establishing appropriate human resources strategies including remuneration policies and practices which:

- enable the Group to attract and retain executives who will create sustainable value for securityholders and other stakeholders;
- fairly and responsibly reward executives, having regard to the performance of the Group and the executive and the external compensation environment; and
- appropriately align the interests of executives with securityholders.

The Committee is responsible for oversight of, and where appropriate makes recommendations to the Board on:

- remuneration policies and practices affecting the Group;
- remuneration packages for the executive KMP. The Committee also reviews the CEO's recommendations on the remuneration packages for the senior executive team;
- the Group's equity linked performance plans;
- succession planning policies in relation to the senior executive team;
- policies that promote and support equal opportunity and diversity within the Group;
- termination entitlements of executive KMP and other members of the senior executive team; and
- fees for non-executive Directors.

Our remuneration philosophy and framework and further details on the role of the Committee are set out in the Remuneration Report.

# Investor Relations

Scentre Group is listed on the Australian Securities Exchange (ASX) under the code "SCG" and as an ADR under code "SCTRY".

Please visit our website at [www.scentregroup.com/investors](http://www.scentregroup.com/investors) for a variety of investor information.

## Scentre Group securities

A Scentre Group stapled security comprises:

- 1 Scentre Group Limited share
- 1 Scentre Group Trust 1 unit
- 1 Scentre Group Trust 2 unit
- 1 Scentre Group Trust 3 unit

and trade together as one security.

## Scentre Group Website

- About Scentre Group
- News
- Centres
- Investor Information

## Electronic Information

By becoming an electronic investor and registering your email address, you can receive via email, news, notifications and announcements, dividend/distribution statements, taxation statements and annual reports.

## Secure Access to Your Securityholding Online

You can go to [www.scentregroup.com/investors](http://www.scentregroup.com/investors) to access your securityholding information by clicking on 'My SCG Securities' as well as extensive information on the Group including the latest press releases, results announcements, presentations and more.

To view your securityholding, you will need your Holder Number (SRN/HIN) and will be asked to verify your registered postcode (inside Australia) or your country of residence (outside Australia).

**Phone** – you can confirm your holding balance, request forms and access distribution and trading information by phoning:

1300 730 458 or call +61 3 9946 4471 (outside Australia) then, pressing 1. You will be asked to enter your Holder Number (SRN/HIN).

## Scentre Group Distribution Details

Your interim distribution will be paid at the end of August and your final distribution paid at the end of February. Details of the 2018 year distributions are provided in the table to the right. To ensure timely receipt of your distribution, please consider the following:

### Direct Credit

You can receive your distribution payment efficiently and safely by having it direct credited to your bank account. If you wish to register for direct credit, please complete the form and return it to the registry. This form can be downloaded from [www.scentregroup.com/investors/security-holder-forms](http://www.scentregroup.com/investors/security-holder-forms) or by phoning our Registry on 1300 730 458 (Please have your Holder Number (SRN/HIN) available to quote). Alternatively, you can update your details directly online at [www.scentregroup.com/investors](http://www.scentregroup.com/investors) and by clicking on "My SCG Securities".

## Ordinary Securities (Cents per Security)

* Dividends/distributions for the year ended 31 December 2018	22.16
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### Dividend/distribution for the six months ended 30 June 2018 paid on 31 August 2018 11.08

Dividend in respect of a Scentre Group Limited share	Nil
Distribution in respect of a Scentre Group Trust 1 unit	3.34
Distribution in respect of a Scentre Group Trust 2 unit	7.74
Distribution in respect of a Scentre Group Trust 3 unit	Nil

### Dividend/distribution for the six months ended 31 December 2018 to be paid on 28 February 2019 11.08

Dividend in respect of a Scentre Group Limited share	2.96
Distribution in respect of a Scentre Group Trust 1 unit	3.40
Distribution in respect of a Scentre Group Trust 2 unit	4.60
Distribution in respect of a Scentre Group Trust 3 unit	0.12

Note: The Group does not operate a distribution reinvestment plan.

## Tax File Number (TFN)

You are not required by law to provide your Tax File Number (TFN), Australian Business Number (ABN) or Exemption.

However, if you do not provide your TFN, ABN or Exemption, withholding tax at the highest marginal rate, currently 49% for Australian resident members, may be deducted from distributions paid to you. If you have not supplied this information and wish to do so, please advise our Registry or your sponsoring broker.

Alternatively, you can update your details directly online at [www.scentregroup.com/investors](http://www.scentregroup.com/investors) and by clicking on "My SCG Securities".

## Annual Tax Statement and 2019 Tax Guide

The Annual Tax Statement and Tax Guide are dispatched to securityholders in July each year.



# Investor Relations (continued)

## Unpresented Cheques & Unclaimed Funds

Scentre Group is required to remit to the NSW Office of State Revenue amounts greater than \$100 held in an account that has been inactive for at least 6 years. If you believe you have unpresented cheques please contact the Registry which will be able to check the records and assist you in recovering any funds. Record checks can be made for the prior 7 years. For any enquiries beyond 7 years, you will need to contact the NSW Office of State Revenue ([www.osr.nsw.gov.au](http://www.osr.nsw.gov.au)) to check for unclaimed money.

## Australian Capital Gains Tax Considerations

A Scentre Group stapled security comprises four separate assets for capital gains tax purposes. For capital gains tax purposes you need to apportion the cost of each stapled security and the proceeds on sale of each stapled security over the separate assets that make up the stapled security. This apportionment should be done on a reasonable basis. One possible method of apportionment is on the basis of the relative Net Tangible Assets (NTAs) of the individual entities.

These are set out by entity in the table below.

Relative Net Tangible Assets (NTA) of entities in Scentre Group	30 Jun 18	31 Dec 18
Scentre Group Limited	3.44%	3.74%
Scentre Group Trust 1	38.52%	38.93%
Scentre Group Trust 2	57.96%	57.24%
Scentre Group Trust 3	0.08%	0.09%

## American Depositary Receipts (ADR)

Scentre Group has an established ADR program providing a tradeable security in the United States.

Details of the ADR program are available on our website at [www.scentregroup.com/investors/american-depositary-receipts/](http://www.scentregroup.com/investors/american-depositary-receipts/)

## Contact Details

All changes of name, address, tax file number, payment instructions and document requests should be directed to the Registry or alternatively, you can update your details directly online at [www.scentregroup.com/investors](http://www.scentregroup.com/investors) and by clicking on "My SCG Securities".

## Principal Share Registry

Computershare Investor Services Pty Limited  
Level 4, 60 Carrington Street  
Sydney NSW 2000  
GPO Box 2975  
Melbourne VIC 3001  
Telephone: +61 3 9946 4471  
Enquiries: 1300 730 458  
Facsimile: +61 3 9473 2500  
E-mail: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)  
Website: [www.computershare.com](http://www.computershare.com)

All other queries should be directed to Scentre Group Investor Relations:

Level 30, 85 Castlereagh Street  
Sydney NSW 2000, Australia  
GPO Box 4004  
Sydney NSW 2001  
Telephone: +61 2 9358 7877  
Email: [investor@scentregroup.com](mailto:investor@scentregroup.com)  
Website: [www.scentregroup.com/investors](http://www.scentregroup.com/investors)

## Investor Feedback

If you have any complaints or feedback, please direct these in writing to Scentre Group Investor Relations at GPO Box 4004, Sydney NSW 2001.

## Scentre Group Calendar

### February

- 20 Feb 2019: Full-year results released
- 28 Feb 2019: Payment Distribution for 6 months ending December

### March

- Annual Financial Reports for Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 released

### April

- 4 Apr 2019: Scentre Group Limited: Annual General Meeting

### May

- 1st Quarter Update

### July

- Annual Tax Statements released

### August

- Half-year results released
- Payment of Distribution for the 6 months ending June

### November

- 3rd Quarter Update

# Members' Information

FOR THE YEAR ENDED 31 DECEMBER 2018

Twenty Largest Holders of Stapled Securities in Scentre Group*		Number of Securities
1	HSBC Custody Nominees (Australia) Limited	2,084,146,180
2	J P Morgan Nominees Australia Pty Limited	1,024,954,429
3	BNP Paribas Nominees Pty Ltd <AGENCY LENDING DRP A/C>	514,964,205
4	Citicorp Nominees Pty Limited	470,982,666
5	National Nominees Limited	274,531,193
6	Citicorp Nominees Pty Limited <COLONIAL FIRST STATE INV A/C>	60,824,095
7	Cordera Holdings Pty Limited	60,570,206
8	BNP Paribas Noms Pty Ltd <DRP>	59,619,596
9	Franley Holdings Pty Ltd	50,693,432
10	Franley Securities Pty Ltd	50,693,432
11	AMP Life Limited	35,344,690
12	HSBC Custody Nominees (Australia) Limited <NT-COMNWLTH SUPER CORP A/C>	25,784,075
13	FP Pty Limited <THE FRANK LOWY LIVING A/C>	17,577,810
14	Australian Foundation Investment Company Limited	12,950,000
15	HSBC Custody Nominees (Australia) Limited-GSCO ECA	11,208,801
16	Franley Holdings Pty Ltd	9,876,775
17	Franley Securities Pty Ltd	9,876,775
18	CS Third Nominees Pty Limited <HSBC CUST NOM AU LTD 13 A/C>	8,557,728
19	Argo Investments Limited	7,526,662
20	Navigator Australia Ltd <SMA ANTARES INV DV BUILD A/C>	7,512,311
		<b>4,798,195,061</b>

\* Ordinary shares in Scentre Group Limited are stapled to units in Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3.

## Voting Rights

Scentre Group Limited – At a meeting of members, on a show of hands, every person present who is a member or representative of a member has one vote, and on a poll every member present in person or by proxy or attorney and every person who is a representative of a member has one vote for each share they hold or represent.

Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 – At a meeting of members, on a show of hands, every person present who is a member or representative of a member has one vote, and on a poll every member present in person or by proxy or attorney and every person who is a representative of a member has one vote for each dollar value of the total interest they have in the respective trusts.

## Distribution Schedule

Category	Number of stapled securities*	Number of securityholders	% of securities in each category
1 – 1,000	11,857,721	28,010	0.22
1,001 – 5,000	88,733,383	36,060	1.67
5,001 – 10,000	67,057,960	9,446	1.26
10,001 – 100,000	145,055,409	6,773	2.73
100,001 Over	5,004,292,733	319	94.12
<b>Total</b>	<b>5,316,997,206</b>	<b>80,608</b>	<b>100.00</b>

As at 13 February 2019, 6,650 securityholders hold less than a marketable parcel (being 127 securities at the closing price of \$3.96) of quoted securities in Scentre Group.

\* There are 10,299,217 performance rights on issue to a total of 105 Scentre Group employees. These rights may be satisfied by either the transfer of Scentre Group securities to employees or settled by way of cash payout which amount is calculated by reference to the market price of Scentre Group securities at the time of vesting. Under the stapling arrangement, in the case of the issue of securities, each of the Company, Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 is required to issue securities on the vesting of a performance right.

\*\* During FY18, 4,706,817 securities (at an average price of \$3.89) were acquired on-market by the Scentre Group Performance Rights Plan Trust to satisfy executive entitlements on the vesting of rights under the Group's equity-linked plans.

## Buy-back

On 5 April 2018, the Group announced an on-market buy-back programme of up to \$700 million of securities.

The Group has bought back and cancelled 7,299,472 securities (0.14%).

## Substantial securityholders

The names of Scentre Group substantial securityholders and the number of ordinary stapled securities in which each has a relevant interest, as disclosed in the substantial shareholding notices given to the Group, are as follows:

The Vanguard Group	493,780,757
BlackRock Group	450,144,001
State Street	344,111,816
National Nominees as custodian for Unisuper Limited	294,417,792

**Scentre Group**

Scentre Group Limited  
ABN 66 001 671 496

**Scentre Group Trust 1**

ARSN 090 849 746  
(responsible entity Scentre Management Limited  
ABN 41 001 670 579, AFS Licence No 230329)

**Scentre Group Trust 2**

ARSN 146 934 536  
(responsible entity RE1 Limited  
ABN 80 145 743 862, AFS Licence No 380202)

**Scentre Group Trust 3**

ARSN 146 934 652  
(responsible entity RE2 Limited  
ABN 41 145 744 065, AFS Licence No 380203)

**Registered Office**

Level 30  
85 Castlereagh Street  
Sydney NSW 2000  
Telephone: +61 2 9358 7000  
Facsimile: +61 2 9028 8500

**New Zealand Office**

Level 2, Office Tower  
277 Broadway  
Newmarket, Auckland 1023  
Telephone: +64 9 978 5050  
Facsimile: +64 9 978 5070

**Secretaries**

Maureen T McGrath  
Paul F Giugni

**Auditor**

Ernst & Young  
200 George Street  
Sydney NSW 2000

**Investor Information**

Scentre Group  
Level 30  
85 Castlereagh Street  
Sydney NSW 2000  
Telephone: +61 2 9358 7877  
Facsimile: +61 2 9358 7881  
E-mail: [investor@scentregroup.com](mailto:investor@scentregroup.com)  
Website: [www.scentregroup.com/investors](http://www.scentregroup.com/investors)

**Principal Share Registry**

Computershare Investor Services Pty Limited  
Level 4, 60 Carrington Street  
Sydney NSW 2000  
GPO Box 2975  
Melbourne VIC 3001  
Telephone: +61 3 9946 4471  
Enquiries: 1300 730 458  
Facsimile: +61 3 9473 2500  
E-mail: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)  
Website: [www.computershare.com](http://www.computershare.com)

**ADR Registry**

BNY Mellon Shareowner Services  
PO Box 505000  
Louisville, KY 40233-5000  
USA  
US Domestic Calls (toll free): 1 888 BNY ADRS or 1888 269 2377  
International Calls: +1 201 680 6825  
Email: [shrrelations@bnymellon.com](mailto:shrrelations@bnymellon.com)  
Website: [www.mybnymdr.com](http://www.mybnymdr.com)  
Code: SCTRY

**Listing**

Australian Securities Exchange – SCG

**Website**

[www.scentregroup.com](http://www.scentregroup.com)

The papers used in the production of this year's Scentre Group reports are produced using environmentally responsible papers produced from well managed forests.

SCENTRE GROUP

Owner and Operator of *Westfield* in Australia and New Zealand