



SCENTRE GROUP



2019 Corporate Governance Statement

18 February 2020

*Creating extraordinary places,
connecting and enriching communities.*

Last updated February 2020



2019 Corporate Governance Statement

The Scentre Group Board is pleased to present the Group's 2019 Corporate Governance Statement.

Scentre Group¹ is committed to ensuring that its policies and practices reflect a high standard of corporate governance. Ethical business practices and high standards of personal conduct are fundamental to the way we work as a responsible, sustainable business.

During 2019, the Group's corporate governance framework remained consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (published in 2014) (3rd edition Principles and Recommendations). While this statement reports against the 3rd edition Principles and Recommendations, the Group's practices are consistent with the 4th edition Principles and Recommendations published in February 2019.

This statement was approved by the Scentre Group Board and is current as at 18 February 2020.

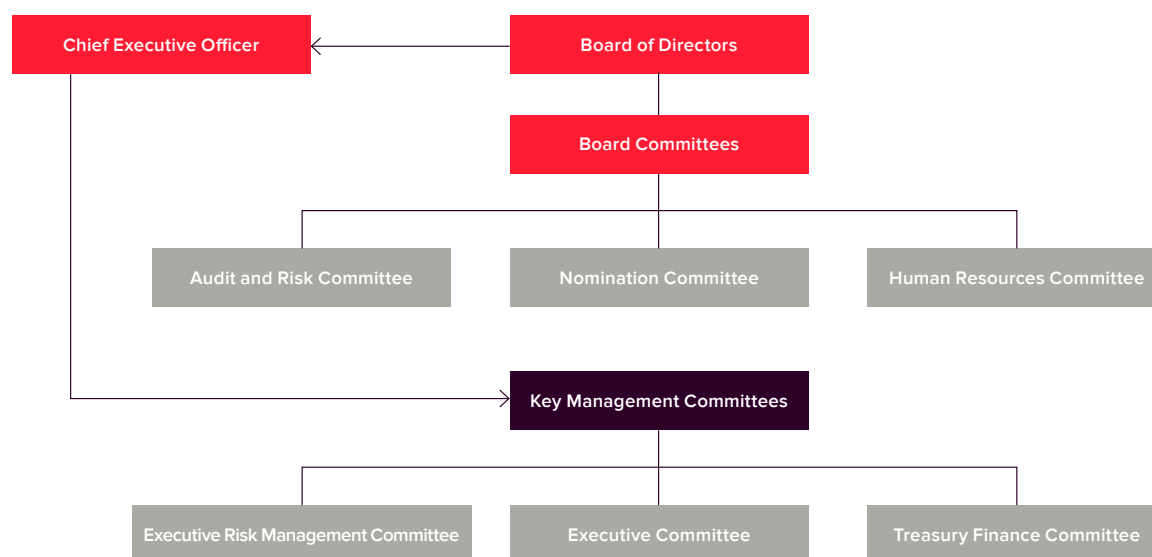
The table below indicates where each Principle is dealt with in this statement.

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

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¹Scentre 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.

Our Governance Framework



Our Board comprises seven non-executive Directors and one executive Director (being the Managing Director / Chief Executive Officer (CEO)). The period of office² held by, and the independence status of, each Director is set out below. The number of, and attendance at, Board and

Committee meetings during the year is set out in the Directors' Report which forms part of our 2019 Annual Financial Report available in the investor section on our website www.scentregroup.com/investors/annual-reports

Name	Position held	Last elected or re-elected at an AGM	Independent
Brian Schwartz	Non-executive Chairman	4 April 2019	Yes
Peter Allen	Managing Director and CEO	N/A	No
Andrew Harmos	Non-executive Director	5 April 2017	Yes
Michael Ihlein	Non-executive Director	4 April 2019	Yes
Carolyn Kay	Non-executive Director	5 April 2018	Yes
Aliza Knox	Non-executive Director	5 April 2017	Yes
Steven Leigh	Non-executive Director	4 April 2019	Yes
Margaret Seale	Non-executive Director	5 April 2018	Yes

² 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) and Mr Allen (25 May 2011) 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. Mr Leigh was appointed to each board on 4 April 2019. Mr Steven Lowy retired from each board on 4 April 2019.



Principle 1: Lay solid foundations for management and oversight

Primary governance documents



Board Charter
Audit and Risk Committee Charter

Human Resources Committee Charter
Nomination Committee Charter

Code of Conduct
Diversity and Inclusion Policy

1.1 Responsibilities of Board and management

The role of the Board is to demonstrate leadership and provide strategic oversight and guidance for the Group in addition to overseeing the effective management of the Group and delivery of the Group's purpose.

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.

This framework ensures accountability and a balance of authority by clearly defining the respective roles and responsibilities of the Board and management. In turn, this enables the Board to maintain its focus on strategic guidance while exercising effective oversight of the Group. As noted below, the Board has established three standing Committees, to assist it in discharging its responsibilities.

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

Strategy, purpose and culture

- demonstrating leadership, defining the Group's purpose and setting the strategic direction and objectives of the Group;
- overseeing management in its implementation of the strategic direction and objectives of the Group, its instilling of the Group's values and performance generally;

- approving the Group's purpose, statement of values and code of conduct, and monitoring and guiding the Group's culture, values, reputation and codes of conduct;

Financial controls, risk management and compliance

- monitoring the Group's financial results and performance and overseeing, monitoring and reviewing management's processes aimed at ensuring the integrity of financial and other corporate reporting (including the external audit);
- setting the risk appetite for the Group and approving the risk appetite statement;
- monitoring significant business risks (financial and non-financial) and monitoring the adequacy, effectiveness and operation of risk management and compliance policies, controls and frameworks;
- satisfying itself that an appropriate framework exists for relevant information to be reported to the Board;
- approving and monitoring key budgets for the Group;
- approving and monitoring delegations of authority to the CEO;

Capital management, funding and liquidity

- reviewing and approving capital management initiatives;
- approving major business initiatives, capital expenditure, acquisitions and divestments;
- determining the distribution policy for the Group and other listed entities within the Group and approving the amount, nature and timing of distributions to be paid;



People and remuneration

- approving the Group's remuneration framework and policies and ensuring that they are aligned to the Group's purpose, values, strategic objectives and risk appetite;
- appointing and removing, and approving the terms of appointment of, the CEO and other executive Key Management Personnel (executive KMP), and reviewing their performance;
- considering succession planning for the CEO and other executive KMP;

Board

- determining the size, composition, structure of, and skills required by, the Board and approving appointments to the Board;
- determining the process of evaluation and performance of the Board, its Committees and individual directors;

Governance

- monitoring the implementation and effectiveness of the Group's corporate governance practices including significant policies that affect the Group as a whole;
- overseeing the Group's processes for making timely and balanced disclosure of material information regarding the Group.

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
- the Nomination Committee.

All Directors have a standing invitation to attend meetings of the Board Committees.

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 CEO and the senior executive team.

The CEO is assisted by the Chief Financial Officer (CFO) 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, brand and retail partnerships, developments, capital markets and potential new business opportunities. The CEO is responsible for ensuring that senior management provide the Board with accurate, timely and clear information on the Group's operations to enable the Board to perform its responsibilities.

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 ASX 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 judgement 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.

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. 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 advising the Board and Board Committees on governance matters. All Directors have access to the Company Secretary.

1.5 Diversity and Inclusion

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".

During the year, we continued to further embed our diversity and inclusion initiatives so that diversity and inclusion is simply part of how we do business.

Our approach to diversity and inclusion includes our Board-endorsed Diversity and Inclusion Policy, an executive team endorsed Diversity and Inclusion strategy and an active Diversity and Inclusion Council driven by employee led working groups to assist in making recommendations, developing and implementing diversity and inclusion initiatives within the areas of their particular focus.



Gender equity

In January 2020, the Group was for the first time included as one of the 325 companies globally, and one of nine in Australia, in the 2020 Bloomberg Gender-Equality Index (GEI).

The GEI showcases leadership on gender equality across multiple dimensions and tracks financial performance of public companies committed to supporting gender equality through policy development, representation, and transparency. The index measures gender equality across five pillars: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture sexual harassment policies and pro-women brand.

This demonstrates the Group's multi-disciplined approach to addressing gender equity, encompassing pay equity, recruitment practices and culture, which aims to drive strong employee engagement and retention, and through this improve our productivity and business performance. Increasing gender diversity at the senior executive level (General Manager and above) remains a KPI for our CEO, Peter Allen, with a target of 30% by 2021. Peter also continues with his role as a Workplace Gender Equality Agency (WGEA) Pay Equity Ambassador and a Property Male Champion of Change.

During the year:

- We formalised our pay equity reviews to twice per year to ensure equitable pay for like roles by gender.
- We continued our advocacy for parental leave equality. Our revised Parental Leave Policy now provides more options for our employees to "share the care" including reducing the qualifying service period from 12 to 6 months and doubling the number of paid leave for secondary carers from two to four weeks.
- We continued to increase the proportion of women at all levels of management. As at 31 December 2019, women represented 44% of all people managers (2018: 41%) and 28% at senior executive level (General Manager and above) (2018: 26.5%).
- We maintained recognition as an Employer of Choice for Gender Equality by the WGEA.
- 52% of new hires were women and 57% of promotions were women.

Across our workforce at 31 December 2019, the representation of men and women was 44% and 56% of all employees respectively.

Cultural capability

In line with our aspiration to create a workforce reflective of the communities in which we operate, the marketing plans for all of our living centres include activations and events that reflect the cultural diversity of the local community.

During the year, we rolled out language badges to our centre-based customer service staff so that customers can interact in their first language if needed. We also formalised our relationship with the Special Broadcasting Service (SBS) to partner with us to develop education for all staff on cultural competency.

Reconciliation Action Plan (RAP)

Our vision for reconciliation is to engage with our customers and communities to demonstrate respect for Aboriginal and Torres Strait Islander peoples and embed positive and sustainable change.

During the year we launched our second RAP, which sets out our updated commitments, targets and the program of initiatives the Group will undertake over the next two years, with the endorsement of Reconciliation Australia.

Key areas of focus include:

- Expanding our support of Aboriginal and Torres Strait Islander-owned businesses through formalising partnerships and increasing awareness and use of our corporate membership with Supply Nation.
- Investigating opportunities to engage with Local Area Land Councils to build mutually beneficial relationships.
- Embedding employment pathway opportunities throughout our business through recruitment, retention, internships and professional development.
- Increasing Aboriginal and Torres Strait Islander representation within our teams.
- Establishing an internal Aboriginal and Torres Strait Islander peoples network within Scentre Group.



LGBTI+

Our overarching goal is always to ensure our people from the LGBTI+ community feel comfortable and safe to be themselves at work. During 2019:

- We launched our Gender Transition Guidelines to support employees and managers in instances of transitioning employees.
- We embedded our LGBTI+ inclusion work in our centres and business practices through our recruitment and people management processes.
- We were one of 38 organisations to achieve Bronze status with our Australian Workplace Equality Index (AWEI) submission (427 employees responded to the survey).
- We launched an online training module to provide employees with an understanding of what it means to work for an LGBTI+ inclusive organisation and the support and resources available. Since the launch, over 800 employees have completed the training module.
- Our CEO, Peter Allen, was invited to attend the Pride in Diversity CEO lunch in recognition of the Group's progress in this area.
- We extended the reach of LGBTI+ inclusion to our NSW urban communities by activating Mardi Gras in centres and our Support Office.

Mental health and wellness

As a business, we recognise that poor mental health can have a significant impact on individuals, their families, their communities and their contribution to work. Our approach to mental health and wellness has three pillars: awareness, work practices and support, and leadership.

During the year:

- Our Mental Health and Well-Being working group "Scentred" developed a holistic plan of awareness to improve work practices and employee support mechanisms.
- A Mental Health and Well-Being Survey was sent to all employees with over 1200 responses.
- General awareness training was implemented in partnership with Assure (our Employee Assistance Program provider) with participation of 640 employees across 53 sessions.

- We formalised "RUOK Day" as the prime day of significance with activations across all work locations promoting ways to support colleagues.

Domestic and family violence

To help equip our people to better understand this challenging issue, during the year we developed a short, online training module, which we also shared with the Property Council of Australia to assist other organisations in developing content for their people. Since the launch, over 800 employees have completed the training module.

All Abilities

Our All Abilities working group aims to ensure the inclusion within our business and our living centres of people living with a disability. The Group is supported by the Australian Network on Disability.

During the year:

- We undertook a recruitment audit to identify bias in our recruitment practices that might inhibit people with disabilities applying for roles with us.
- To better serve our customers, Disability Awareness training was launched for all Cleaning and Security partners.
- Calm rooms and adult change rooms are now a standard in all specifications for developments following their introduction as part of the redevelopment of Westfield Newmarket.
- Westfield Sensitive Santa sessions were created in consultation with Autism Spectrum Australia to create a relaxed and sensory-friendly Santa experience tailored to children with sensitive processing challenges, anxiety or disabilities.

Training

We seek to foster a culture of continuous improvement. During the year we continued the delivery of our Inclusive Management Program for all people managers which includes addressing bias in decision making. Regular training is also provided on our Code of Conduct, what is expected of our people and how we treat one another, including on bullying, discrimination and sexual harassment



1.6 Board self-assessment and performance

The Board undertakes an annual assessment and review of its performance. The 2019 review was conducted by our Chairman, Brian Schwartz, who presented the results of the review to the Board.

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, Board and CEO 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 2019, 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 was assessed for 2019 are set out in the Remuneration Report.

Written employment agreements are in place for executive KMP, further details of which are set out in the Remuneration Report which forms part of our 2019 Annual Financial Report available from our website scentregroup.com/investors/annual-reports



Principle 2: Structure the board to add value

Primary governance documents



Board Charter

Nomination Committee Charter

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 can 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, its Committees and individual Directors.

The responsibilities of the Nomination Committee include:

- regularly reviewing, assessing and making recommendations to the Board regarding the size and composition and the balance of existing and desired skills, knowledge, independence, diversity and experience of the Board and its Committees;
- regularly reviewing and assessing the independence of each non-executive Director;
- developing, implementing and reviewing succession plans for the Board, the Board Chair and Chairs of the Board committees (including in conjunction with the Human Resources Committee, the CEO);
- establishing procedures to identify, select and make recommendations to the Board in relation to new Board appointments including the terms of appointment;

- overseeing induction programs for new Directors and reviewing periodically the need for ongoing training and education of Directors to maintain the skills and knowledge required to perform their role effectively;
- implementing a process for annual review of the performance of the Board, its committees and individual Directors, and addressing issues that might arise from the review.

No member of the Committee or other Director 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 ASX 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 the 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 strategic direction of the Group and the consequent need to consider skills which may be required in the future.

Recommendations made by the Nomination Committee are considered by the Board, which retains an unfettered discretion as to whether or not to endorse 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 independent 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% of Board members.

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

During the year, Steven Leigh was appointed to the Board. Steven brings strong real estate investment and development skills to the Board.

The Nomination Committee continues to actively review the ongoing Board skills for the Group and expects to make a recommendation to the Board for an additional appointment in the near future. On 17 February 2020, the Group announced that Aliza Knox will retire as a Director at the conclusion of our AGM on 8 April 2020.

Skillset

Leadership – organisational, including senior executive leadership experience

Strategy – experience in developing and implementing strategic business plans

Financial acumen – senior experience in finance, including in financial accounting and reporting

Risk management – understanding of risk management frameworks and controls, and the identification, assessment and management of risk across large organisations

Real estate – experience in real estate management, leasing, development, design and construction

Retail and customer engagement – experience in retail (including physical and digital) and in customer engagement, service and management strategies

Capital management – senior experience in capital management strategies, corporate finance, capital markets and funds management

Governance – experience with governance in the listed sector

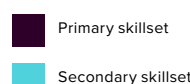
People, conduct and culture – senior experience in people management and human resources policy

Innovation – experience in transforming business models and processes including in relation to technology and digital platforms

Scentre Group Board Skills Matrix



Number of Board Members





2.3 Directors' Independence

The Board has adopted guidelines based on the Principles and Recommendations to assist it in determining the independence of Directors.

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 assessing independence, the Board will have regard to the interests, positions and relationships potentially affecting the independent status of a Director as described in Box 2.3 of the Principles and Recommendations. In general, a non-executive Director will not be regarded as an independent director if that Director:

- 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;
- is a substantial securityholder of Scentre Group or an officer of, or otherwise associated directly with, a substantial securityholder of Scentre 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

All non-executive Directors are considered independent.

2.5 Chairperson and Independence

Our Chairman, 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 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 invited to meet with 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
- New and emerging risks, business models and technologies.

Directors are also given the opportunity for site visits to our centres to better understand our operations. In mid-2019 Board members visited China with senior executives to gain a deeper understanding of the commercial environment in China, including learning about new retail and technology trends, touring retail shopping centres and meeting with centre owners and retailers.

Principle 3: Act ethically and responsibly

Primary governance documents



Our DNA

Board Charter

Code of Conduct

Diversity and Inclusion Policy

Anti-Fraud, Bribery and Corruption Policy

Whistleblower Protection Policy

Board Conflicts of Interest Policy

Supplier Code of Conduct

3.1 Our Conduct

Our DNA

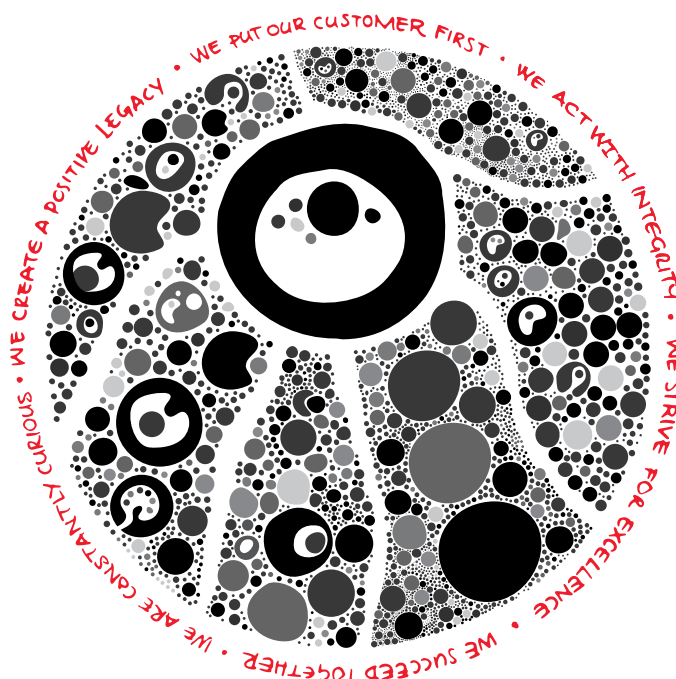
In striving to achieve our purpose we are guided by our values – our DNA – which underpin the way we build relationships within our teams, with our business partners, our communities and other stakeholders.

Ethical business practices and high standards of personal behaviours are fundamental to the way we work as a responsible, sustainable business.

We consider our policies, practices and behaviours on an ongoing basis in light of the expectations of our business partners, our communities and other stakeholders, as well as social and regulatory developments. During the year, we updated our Code of Conduct, our Anti-Fraud, Bribery and Corruption Policy and our Whistleblower Protection Policy.

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





Code of Conduct

The code sets the standards we require for everyone who works for the Group, including Directors.

The code covers a range of areas including: Our Purpose and DNA; What is expected of our people; How we treat one another; Conflicts of interest; Business practices; Dealing with others; Communicating externally and Asking for guidance and speaking up. Employees are required to affirm our Code of Conduct on an annual basis.

Material breaches of our Code of Conduct are reported to the Board.

Anti-Fraud, Bribery and Corruption Policy

Our Anti-Fraud, Bribery and Corruption Policy is part of our risk management framework. It is a tool which assists in identifying key principles that must be adhered to in relation to fraud, bribery, corruption, facilitation payments, gifts and entertainment and political donations.

Material matters reported under this policy are reported to the Board through the Audit and Risk Committee.

Whistleblower Protection Policy

Our Whistleblower Protection Policy encourages the reporting of instances of unethical, unlawful or improper conduct and provides a mechanism by which such instances can be reported. It is a tool which assists in identifying behaviour which is inconsistent with our values, culture or policies.

Our Board is also committed to the process by which any concerns raised under our Whistleblower Protection Policy are reviewed in an impartial, fair and objective manner. Anyone who makes a report may do so without fear of reprisal, intimidation or disadvantage.

We believe that encouraging reporting under this policy, and protecting and supporting whistleblowers, supports and advances the long-term interests of the Group and our stakeholders including our people, our investors and the broader community.

Material matters reported under this policy are reported to the Board through the Audit and Risk Committee.

During the year we also launched our Supplier Code of Conduct through which we seek to encourage and, where appropriate, mandate requirements to help us and our suppliers in conducting business in a safe, accountable and equitable manner.

3.2 Our Directors

The Board Conflicts of Interest Policy sets out the obligations of Directors in dealing with conflicts of interest. Under the policy Directors are required to disclose, among other matters, any material personal interest in a matter that relates to the affairs of the Group; any conflict or potential conflict of interest; any interest and any business or other relationship including other directorships or which could or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Group or which otherwise could be relevant to the Director being held out by the Group as an independent director.

The policy sets out the mechanisms by which conflicts are managed. As a general rule, the protocol is for the Director not to receive any papers at any time concerning a matter in which they have a material personal interest, any actual or perceived conflict of interest or which may alter their status as independent directors, nor be present during any discussion of the matter.

In addition, our 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.



Principle 4: Safeguard integrity in corporate reporting

Primary governance documents



Board Charter

Charter of Non-Audit Services

Audit and Risk Committee Charter


4.1 Audit and Risk Committee

The primary role of the Audit and Risk Committee is to oversee and monitor the integrity of the financial reporting 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 EY. The lead audit partner is required to rotate after 5 years. The Committee has unrestricted access to the external auditor. The Committee formally meets with the external auditor at least twice a year without management being present to discuss any matters that the auditor may wish to raise directly with the committee.

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.

Charter of Non-Audit Services

The Charter of Non-Audit Services 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 Charter 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

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, the Director, Risk and Internal Audit, the General Counsel and the Director of Security.

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 EY 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

Primary governance documents



Board Charter

Continuous Disclosure and Communications Policy

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 the Group's 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.

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

Primary governance documents



Continuous Disclosure and Communications Policy

Security Trading Policy

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 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. This information is posted on the website immediately after it has been released to the market.

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

6.2 Investor relations

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. Our engagement program includes Board engagement with our securityholders and proxy advisors.

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 and CFO, are present and available to answer questions.

The AGM is webcast live on 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

Primary governance documents



Board Charter

Audit and Risk Committee Charter

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 in our 2019 Annual Financial Report.

Principle 8: Remunerate fairly and responsibly

Primary governance documents



Board Charter

Human Resources Committee Charter

Hedging of Executive Performance Rights Policy

8.1 Human Resources Committee

The role 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, motivate and retain the best talent;
- reward executives fairly and responsibly; and
- align the interests of employees with the interests of securityholders.

In doing this, the Committee has regard to the Group's strategic direction, purpose, values and culture as well as the Group's standing in the community.

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

- the Group's statement of values and codes of conduct;
- the Group's diversity and inclusion policies and practices;
- the Group's remuneration policies and practices generally and specifically the policy for the remuneration of executive KMP and other members of the senior executive team;
- the Group's equity linked performance plans;
- succession planning policies in relation to 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 which forms part of our 2019 Annual Financial Report available from our website scentregroup.com/investors/annual-reports

SCENTRE GROUP

Scentre Group Limited
ABN 66 001 671 496

Scentre Management Limited
ABN 41 001 670 579
AFS Licence No: 230329 as responsible
entity of Scentre Group Trust 1
ABN 55 191 750 378 ARSN 090 849 746

RE1 Limited
ABN 80 145 743 862
AFS Licence No: 380202 as responsible
entity of Scentre Group Trust 2
ABN 66 744 282 872 ARSN 146 934 536

RE2 Limited
ABN 41 145 744 065
AFS Licence No: 380203 as responsible
entity of Scentre Group Trust 3
ABN 11 517 229 138 ARSN 146 934 652