

## Corporate Governance Statement

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This statement has been approved by the Board of Directors of Elanor Funds Management Limited ("Responsible Entity"), as responsible entity of the Elanor Retail Property Fund I and Elanor Retail Property Fund II (together the "Fund") and prepared as at 30 June 2021.

The Group comprises the Elanor Retail Property Fund I and Elanor Retail Property Fund II and their controlled entities. The units of Elanor Retail Property Fund I and Elanor Retail Property Fund II are combined and issued as stapled securities in the Fund.

The Fund's corporate governance policies and charters have been posted on the Fund's website: [www.elanorinvestors.com/ERF](http://www.elanorinvestors.com/ERF).

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

#### Board Charter

The Directors of the Responsible Entity of the Fund have adopted a Board Charter that sets out the respective roles and responsibilities of the Board and senior executives. The Board is accountable to security holders for the performance of the Fund. A copy of the Board Charter is available at [www.elanorinvestors.com/ERF](http://www.elanorinvestors.com/ERF). References to the Board in this Corporate Governance statement are references to the Board of the Responsible Entity.

The Board's responsibilities are defined in the Board Charter and there is a clear delineation between the functions reserved to the Board and those conferred upon the senior management of the Fund.

The Board's responsibilities involves monitoring the decisions and actions of the Fund's managers and the management team who are responsible for the day-to-day management of the Fund. The Board also monitors the governance and performance of the Fund through the committees established by it.

All matters, unless specifically reserved for the Board, necessary for the day-to-day management of the Fund are delegated by the Board to the Fund's managers.

Although the Board retains overall responsibility for the management of the Fund, under the Investment Management Agreement and the Property and Development Management Agreement, the Responsible Entity has engaged the Manager (Elanor Asset Services Pty Limited) to provide, or procure the provision of certain services and resources to the Responsible Entity to enable it to carry out its obligations in respect of the Fund. Key terms of these management agreements are summarised in the Fund's Product Disclosure Statement dated 14 October 2016 ("PDS"), available on the Fund's website.

#### Director's Information

The Fund is externally managed. However in considering any selection, appointment or re-appointment to the Board, the Board considers the necessary and desirable competencies of any Directors or proposed Directors.

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The Board ensures that the Group undertakes appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a Director. The Board will ensure that the Group provides security holders all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

### **Agreements with Directors and Key Management Personnel**

The Fund is externally managed. However, the Fund ensures that all Directors and senior executives providing services to the Fund have a letter of appointment setting out the remuneration, right to the provision for a deed of access and indemnity, term of appointment, expectations regarding meetings and committees.

### **Company Secretary**

The Fund is externally managed. However, the Company Secretary of the Responsible Entity is accountable directly to the Board on all matters of governance and will inform the Board of all relevant matters not otherwise brought to the attention of the Board.

### **Diversity Policy**

Not applicable, as the Fund is externally managed.

### **Director, Board and Committee Evaluation**

The Fund is externally managed. However, in accordance with the Board Charter of the Responsible Entity, the performance of the Board will be evaluated each year in a manner determined by the chair of the Board. A copy of the Board Charter is available at [www.elanorinvestors.com/ERF](http://www.elanorinvestors.com/ERF).

### **Key Management Personnel Performance Evaluation**

The Fund is externally managed. However, the Board is responsible for reviewing the performance of ERPF I and ERPF II under the Investment Management Agreement and Property and Development Management Agreement respectively.

## **Principle 2 – Structure the board to be effective and add value**

### **Remuneration and Nomination Committee**

Not applicable, as the Fund is externally managed.

### **Board Skills and Competencies**

The Fund is externally managed. However, the Board is made up of Directors with a diverse range of skills and understanding gained from their decades of experience in the financial services, asset management, investment banking and property sectors. This expertise is supported by appropriate accounting, banking & finance and risk management skills, appropriate to achieve the Fund's objective.

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### Director Independence

The Fund is externally managed. The Board of the Responsible Entity recognises that independent directors are important in assuring investors that the Board is properly fulfilling its role and is diligent in holding management accountable for its performance.

As at 30 June 2021, the Board of the Responsible Entity comprises four directors, three of whom are independent. For the period up to 25 January 2021, the Board comprised five directors (three of whom were independent). Mr Kin Song Lim resigned as a non-executive director with effect 25 January 2021. The Chair of the Board is an independent director and does not occupy a joint position as Chief Executive Officer. Importantly, the Chair has the casting vote. Paul Bedbrook and Nigel Ampherlaw were appointed in June 2014 and Tony Fehon was appointed in August 2019.

The Independent Directors are:

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Paul Bedbrook	Independent Chair
Tony Fehon	Independent Director
Nigel Ampherlaw	Independent Director

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As at 30 June 2021, Glenn Willis was the sole executive director on the Board having been formally appointed as Managing Director and Chief Executive Officer in June 2014.

All directors other than Mr Glenn Willis are non-executive directors of the Board.

The Board considers this to be the optimal Board composition given the current size and business of the Responsible Entity.

Details of the tenure, current position and previous offices held by each Director, which are relevant to the assessment of their independence, are disclosed in their respective profiles, along with their interests in securities, and set out in the Directors' Report included in the Annual Report.

### Induction and Training

Not applicable, as the Fund is externally managed.

All Directors receive an induction or orientation program which includes information on the Responsible Entity's values and knowledge and skills appropriate to their role.

Directors are required to keep themselves adequately informed in respect of relevant industry and regulatory issues and changes.

The Fund will provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.

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### Principle 3 – Instil a culture of acting lawfully, ethically and responsibly

#### Values

The Elanor Investors Group's values, which apply to the Responsible Entity of the Fund, are integral to its high performing culture and underpin its expectations of ethical conduct of its employees. These values are:

- Respect: the Group acts with courtesy and respect, considering and valuing the views of others
- Integrity: the Group is genuine and does the right thing
- Passion: the Group is passionate about quality, performance and legacy
- Collaboration: the Group fosters team work and values each other's contributions
- Care: the Group cares about its people and its society

#### Code of Conduct

Each Director and employee of the Elanor Investors Group involved in the management or provision of services to the Fund has agreed to comply with the Group's Code of Conduct.

The Code of Conduct aims to ensure that all Directors and employees of the Elanor Investors Group meet the highest ethical and professional standards in the conduct of their duties and obligations and in dealing with other employees and officers as well as the investors of the Fund. This is to ensure that trust and confidence is maintained to the highest standards with all stakeholders, including security holders, regulators, stakeholders, service providers, tenants and the public.

The Code of Conduct is available at [www.elanorinvestors.com/ERF](http://www.elanorinvestors.com/ERF).

#### Whistleblowing

Elanor Investors Group has a Whistleblowing Policy which endorses its commitment to a high standard of corporate compliance, ethical behaviour and a culture where all Team Members are encouraged to raise concerns or report unethical behaviour and misconduct without fear of possible adverse repercussions as a result.

A copy of the Whistleblowing Policy is available on the Elanor Investors Group corporate website at [www.elanorinvestors.com](http://www.elanorinvestors.com).

#### Anti-Bribery and Corruption

The Fund's approach to Anti-Bribery and Corruption is currently set out in the Code of Conduct. The Fund is in the process of developing a formal Anti-Bribery and Corruption Policy and will make it available at [www.elanorinvestors.com](http://www.elanorinvestors.com).

#### Confidentiality

Employees of Elanor Investors Group are required to safeguard confidential information of the Fund by not transferring, publishing, using or disclosing it other than when necessary in the ordinary course of

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business, or as specifically directed or authorised. All confidential or proprietary information that has been entrusted to the Group by a third party is to be treated as if it was the Group's confidential information.

### Conflicts of Interest

Elanor Investors Group employees have an obligation to seek to avoid financial, business or other relationships which might be opposed to the interests of the Fund or which may conflict with the performance of their duties.

### Securities Trading Policy

The Board has adopted a Securities Trading Policy. A copy of the Securities Trading Policy is available at [www.elanorinvestors.com/ERF](http://www.elanorinvestors.com/ERF).

### Environmental, Social and Governance (ESG) Strategy

Elanor Investors Group is a values driven and socially conscious organisation committed to doing the right thing and actively investing in the communities in which it operates. The values and culture of Elanor's leadership and people drive the choices that it makes to deliver shareholder returns in a way that is socially, environmentally and ethically responsible. Elanor has established an ESG Committee dedicated to developing and formalising a comprehensive framework for the oversight, risk management and reporting on Elanor's ESG strategy and performance.

## Principle 4 – Safeguard the integrity of corporate reports

### Audit and Risk Committee

The Board has established an Audit and Risk Committee (the Committee) consisting of a minimum of three (3) members with the majority of members required to be independent directors. All members must have appropriate accounting and financial expertise, and at least one member, being the chairperson, must be either a qualified accountant or other financial professional with experience of financial and accounting matters.

The Chair will be an independent non-executive director appointed by the Board who is not the Chair of the Board.

The following Directors are members of the Committee.

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Nigel Ampherlaw	Chair	Non-executive Independent Director
Paul Bedbrook	Member	Non-executive Independent Director
Glenn Willis	Member	Managing Director and Chief Executive Officer

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The qualifications and experience of each of the members of the Committee are set out in the Directors Report included in the Fund's Annual Report.

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The Committee does not consist only of non-executive directors. The Board, having regard to the Fund's stage of development as a listed entity and the collective experience and expertise of the members of the Committee, considers the current composition of the Committee is appropriate.

The Audit and Risk Committee will meet as necessary but, at a minimum two times per financial year (in each full financial year). Any Director may attend a meeting of the Committee at any time. The Committee met eight (8) times during the financial year ending 30 June 2021 and all members attended all meetings.

The Audit and Risk Committee has a formal charter which sets out the Committee's responsibilities and functions. A copy of the Audit and Risk Committee Charter is available at [www.elanorinvestors.com/ERF](http://www.elanorinvestors.com/ERF).

### Chief Executive Officer and Chief Financial Officer Declarations

To the extent that the financial statements of the Fund are approved by the Board each financial year, the Chief Executive Officer for the Responsible Entity and Chief Financial Officer of the Responsible Entity will provide the declarations required by Section 295A of the Corporations Act.

### External Auditors

As the Fund is externally managed, the Fund may hold an AGM as and when required. The external auditor may be requested by the Board to attend an AGM.

## Principle 5 – Make timely and balanced disclosure

### Continuous Disclosure Policy

The Responsible Entity is committed to fair and open disclosure and its policy has been adopted to ensure the Responsible Entity meets its disclosure obligations under the Corporations Act and the ASX Listing Rules in relation to the Fund.

The overriding principle of the Responsible Entity's Continuous Disclosure Policy is to ensure that the Fund complies with the ASX Listing Rules and provides equal access to information and to promote quality communication between the Fund and third parties, such as security holders, the investment community, the media and the ASX.

The Responsible Entity's company secretary will be responsible for ensuring the Fund complies with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act.

The Fund ensures that the Board receives copies of all material market announcements promptly after they have been made.

Investor presentation materials are released on the ASX Market Announcements Platform ahead of presentations to investors.

The communication policy and continuous disclosure policy are available at [www.elanorinvestors.com/ERF](http://www.elanorinvestors.com/ERF).

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### **Reporting of Disclosable Information**

The Company Secretary of the Responsible Entity plays an important role in the Fund's Continuous Disclosure Policy. The Company Secretary is the person principally responsible for operating, overseeing and maintaining this Policy. The Company Secretary is the liaison between the Fund's Board of Directors, Responsible Managers and the ASX.

The Company Secretary will work with the Chief Executive Officer of the Responsible Entity, and the members from time to time of any Continuous Disclosure Committee, to determine whether any reported information needs to be disclosed in accordance with the Continuous Disclosure Policy.

### **Principle 6 – Respect the rights of security holders**

#### **Corporate Governance**

The Fund's website at [www.elanorinvestors.com/ERF](http://www.elanorinvestors.com/ERF) has a Corporate Governance section from where all relevant corporate governance information can be accessed, including Board and Committee Charters and various corporate governance policies.

Details on the Board of Directors, management team and the Elanor Investors Group's operating divisions can be found in the "About" section of the Elanor Investors Group website.

The Fund has adopted a security holder Communications Policy aimed at ensuring that trading in its securities takes place in an efficient, competitive and informed market.

The website also contains a feed from the ASX for the Fund's security price information and a link to ASX announcements released by the Fund.

#### **Investors Reports**

The Fund prepares annual reports for investors for each financial year ending 30 June and a half year report for the period ending 31 December. These reports are posted on the website. Investors may elect to receive a hard-copy of the annual report or an email notification once they become available.

#### **General Meetings**

As the Fund is externally managed, the Fund will hold an AGM as and when required. The Fund ensures that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands, as required.

#### **Investor Communication**

The Fund maintains an investor relations and communications approach that facilitates effective two-way communication with investors.

A copy of the Security Holder Communication Policy is available at [www.elanorinvestors.com/ERF](http://www.elanorinvestors.com/ERF).

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### Principle 7 – Recognise and manage risk

The Board has established the Audit and Risk Committee to assist the Board in overseeing and reviewing the effectiveness of the Responsible Entity's risk management framework which applies to the Responsible Entity and the Fund.

The Audit and Risk Committee's specific responsibilities relating to risk management include:

- In consultation with management:
  - Preparing and regularly reviewing a risk profile which describes the material business risks facing the Fund.
  - Regularly reviewing and updating the risk profile and providing copies to the Board.
  - Reviewing the risk profile at least annually to satisfy itself that it continues to be sound and disclose that such a review has taken place in the Fund's annual report.
- Reviewing and reporting to the Board (at least annually) on the effectiveness of the Group's internal controls regarding:
  - Due diligence for acquisitions and other new projects.
  - Compliance with confidentiality obligations.
  - Information technology security.
- Reviewing and reporting to the Board (at least annually) on the effectiveness of internal systems and processes for identifying, managing and monitoring material business risks, including breaches of contract or internal controls, litigation and claims, fraud and theft and the Fund's insurance program.
- Obtaining regular reports from management on the occurrence and/or status of any material breaches of internal controls or other material risk exposures.
- Reviewing the scope of the internal and external auditors' review of internal control and risk management, reviewing reports on significant findings and recommendations, together with management's responses.
- Recommending to the Board any changes to the Fund's internal control and risk management framework from time to time as appropriate.

As a registered managed investment scheme, the Responsible Entity has a compliance plan that has been lodged with the Australian Securities and Investments Commission (ASIC) and a copy of the compliance plan can be obtained from ASIC. The compliance plan is reviewed and audited comprehensively every year to ensure that the way in which the Responsible Entity operates protects the rights and interests of the unitholders and that business risks are identified and properly managed.



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### **Risk Management Framework**

The Audit and Risk Committee will oversee and review the effectiveness of the Responsible Entity's risk management framework annually. Additionally, the Audit and Risk Committee must review the Audit and Risk Committee Charter annually and obtain the approval of the Board in respect of any amendments to the Audit and Risk Committee Charter. In reviewing the Responsible Entity's risk profile, no material exposure to environmental or social sustainability risks has been identified.

A review of the risk management framework has been undertaken in accordance with the process outlined above in respect of the financial year to 30 June 2021.

### **Internal Audit**

The Responsible Entity does not have an internal audit function. The Responsible Entity as a wholly owned subsidiary of the Elanor Investors Group and the Fund will be incorporated into the Elanor Investors Group audit plan where applicable. The Audit and Risk Committee will receive and review reports provided by the Elanor Investors Group on issues relevant to the Responsible Entity or the Fund and consider any major findings of audit reports and review management's response in terms of content and timeliness.

### **Safety and Sustainability**

The Board of Elanor Investors Group has established a workplace health and safety management team for the Elanor Investors Group as a whole. This management team monitors the effectiveness of workplace health and safety management systems and monitors the extent to which a safety culture exists within the Elanor Investors Group. The workplace health and safety management team formally reports to the Board of Elanor Investors Group.

### **Principle 8 – Remunerate fairly and responsibly**

The Fund pays fees to the Responsible Entity for carrying out its responsible entity duties for the Fund which include Management Fees and Performance Fees as defined in the Fund's Constitution.

The Responsible Entity is also entitled to reimbursement for all expenses reasonably and properly incurred in relation to the Fund or in performing its duties as Responsible Entity.

The details of the amounts paid for the year ended 30 June 2021 are set out in the Notes to the Financial Statements contained within the Fund's Annual Report each year.

### **Remuneration and Nomination Committee**

Not applicable, as the Fund is externally managed.