

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Mirvac Group (MGR) formed by the stapling of securities of Mirvac Limited and Mirvac Property Trust

ABN/ARBN

Mirvac Limited: 92 003 280 699  
Mirvac Property Trust: 29 769 181 534

Financial year ended

30 June 2016

Our Corporate Governance Statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

✓ this URL on our website: [www.mirvac.com/About/Corporate-Governance](http://www.mirvac.com/About/Corporate-Governance)

The Corporate Governance Statement is accurate and up to date as at 16 August 2016 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 16 August 2016

Name of Director or Secretary  
authorising lodgement: Sean Ward

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement  ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ✓ at this location:  Principle 1, section (a) of the Corporate Governance Statement <b>AND</b> Board Charter at: <a href="http://www.mirvac.com/About/Corporate-Governance">www.mirvac.com/About/Corporate-Governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement <b>AND</b> ✓ at this location:  in our Notice of AGM at: <a href="http://groupir.mirvac.com/page/ASX_Announcements">groupir.mirvac.com/page/ASX_Announcements</a> (the 2016 Notice of AGM will be available from mid October 2016)	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement <b>AND</b> ✓ at this location:  in our Remuneration Report, which is contained in the Directors' report in the 2016 Annual Report at: <a href="http://groupir.mirvac.com">groupir.mirvac.com</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and	... the fact that we have a diversity policy that complies with paragraph (a): ✓ in our Corporate Governance Statement  ... and a copy of our diversity policy or a summary of it: ✓ at this location: <a href="http://www.mirvac.com/About/Corporate-Governance">www.mirvac.com/About/Corporate-Governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:  ✓ in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (c)(1) or (2):  ✓ in our Corporate Governance Statement <b>AND</b>  ✓ at this location:  <a href="http://www.mirvac.com/Careers/Careers-at-Mirvac">www.mirvac.com/Careers/Careers-at-Mirvac</a></p>	
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):  ✓ in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):  ✓ in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):  ✓ in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):  ✓ in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...	
<b>PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <b>OR</b></p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p>✓ in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p>✓ at this location: <a href="http://www.mirvac.com/About/Corporate-Governance">www.mirvac.com/About/Corporate-Governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ in our Corporate Governance Statement <b>AND</b></p> <p>✓ at this location:</p> <p>in our Directors' report, which is contained in the 2016 Annual Report at: <a href="http://groupir.mirvac.com">groupir.mirvac.com</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p>✓ in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p>✓ in our Corporate Governance Statement</p> <p>... where applicable, the information referred to in paragraph (b):</p> <p>✓ in our Corporate Governance Statement</p> <p>... the length of service of each director:</p> <p>✓ in our Corporate Governance Statement <b>AND</b></p> <p>✓ at this location: <a href="http://www.mirvac.com/About/Our-Team/Board-Members">www.mirvac.com/About/Our-Team/Board-Members</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: ✓ in our Corporate Governance Statement <b>AND</b> ✓ at this location: <a href="http://www.mirvac.com/About/Corporate-Governance">www.mirvac.com/About/Corporate-Governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <b>OR</b>	... the fact that we have an audit committee that complies with paragraphs (1) and (2): ✓ in our Corporate Governance Statement  ... and a copy of the charter of the committee: ✓ at this location (Audit, Risk & Compliance Committee): <a href="http://www.mirvac.com/About/Corporate-Governance">www.mirvac.com/About/Corporate-Governance</a>  ... and the information referred to in paragraphs (4) and (5): ✓ in our Corporate Governance Statement <b>AND</b> ✓ at this location:  in our Directors' report, which is contained in the 2016 Annual Report at: <a href="http://groupir.mirvac.com">groupir.mirvac.com</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b><u>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</u></b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: ✓ in our Corporate Governance Statement <b>AND</b> ✓ at this location: <a href="http://www.mirvac.com/About/Corporate-Governance">www.mirvac.com/About/Corporate-Governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b><u>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</u></b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: ✓ at these locations: <a href="http://www.mirvac.com/">www.mirvac.com/</a> <a href="http://www.mirvac.com/About/Corporate-Governance">www.mirvac.com/About/Corporate-Governance</a> <a href="http://groupir.mirvac.com">groupir.mirvac.com</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ✓ in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings: <b>OR</b> (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ✓ in our Corporate Governance Statement  ... and a copy of the charter of the committee: ✓ at this location (Audit, Risk & Compliance Committee): <a href="http://www.mirvac.com/About/Corporate-Governance">www.mirvac.com/About/Corporate-Governance</a>  ... and the information referred to in paragraphs (4) and (5): ✓ in our Corporate Governance Statement <b>AND</b> ✓ at this location:  in our Directors' report, which is contained in the 2016 Annual Report at: <a href="http://groupir.mirvac.com">groupir.mirvac.com</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ✓ in our Corporate Governance Statement  ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ✓ in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is	... how our internal audit function is structured and what role it performs: ✓ in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
structured and what role it performs: <u>OR</u> (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.		
7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ✓ in our Corporate Governance Statement <b>AND</b> ✓ at this location:  in our Sustainability Reports at: <a href="http://www.mirvac.com/sustainability/sustainability-reports">www.mirvac.com/sustainability/sustainability-reports</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>		
8.1 The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings: <u>OR</u> (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ✓ in our Corporate Governance Statement  ... and a copy of the charter of the committee: ✓ at this location (Human Resources Committee): <a href="http://www.mirvac.com/About/Corporate-Governance">www.mirvac.com/About/Corporate-Governance</a>  ... and the information referred to in paragraphs (4) and (5): ✓ in our Corporate Governance Statement <b>AND</b> ✓ at this location:  in our Directors' report, which is contained in the 2016 Annual Report at: <a href="http://groupir.mirvac.com">groupir.mirvac.com</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ✓ in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:  <input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

# MIRVAC GROUP

## 2016 CORPORATE GOVERNANCE STATEMENT



### INTRODUCTION

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

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

During the year ended 30 June 2016 ("FY16"), Mirvac's corporate governance framework was consistent with the third edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council in 2014 ("Recommendations"). The Appendix 4G lodged with the ASX indicates whether specific Recommendations are dealt with in this Corporate governance statement or on our website, or a combination of both. In accordance with the Recommendations, this Corporate governance statement and copies of the Group policies referred to in it<sup>1</sup> are published on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance).

This Corporate governance statement was approved by the Board of Mirvac ("Board") and is current as at 16 August 2016 in accordance with ASX Listing Rule 4.10.3.

References to the "Annual Report" are to Mirvac's 2016 Annual Report lodged with the ASX on 16 August 2016.

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

#### a) Responsibilities of the Board and management

##### i) Primary role of the Board

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

##### ii) Board Charter

In order to promote high standards of corporate governance and to clarify the role and responsibilities of the Board, the Board has formalised its roles and responsibilities in a Board Charter. Under the Board Charter, the key responsibilities of the Board include:

- setting the strategic direction of the Group;
- approving operational and financial performance targets and monitoring their achievement;
- appointing and reviewing the performance, remuneration and succession planning of the Chief Executive Officer and Managing Director ("CEO/MD");
- appointing the Chair of the Board;
- monitoring the performance of senior management;
- approving major capital expenditure, acquisitions and divestments;
- monitoring significant business risks and the adequacy, appropriateness and operation of risk management controls and frameworks;
- overseeing the integrity of the Group's accounting and corporate reporting systems, including appointing or removing the Group's external auditors;
- overseeing the Group's relationship and communications with securityholders;
- approving and monitoring the effectiveness of the Group's system of corporate governance; and
- determining the Group's dividend and distribution policies and the amount, nature and timing of such dividends and distributions.

Non-Executive Directors spend approximately 25 to 30 days each year on Board activities and business, including attendance at Board meetings, Board committee meetings, strategy and budget meetings with management, visits to sites (including interstate) and meetings with Mirvac stakeholders. During FY16, the Board visited each of the Mirvac offices and a selection of sites in Sydney, Brisbane and Perth.

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

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

1. Other than the Fraud, Bribery and Corruption Policy and the Political Donations Policy. A summary of these policies is contained in the Code of Conduct which is available on our website (see Principle 3 below).

Subject to the approval of the Chair, the Board Charter provides that Directors have the right to seek independent professional advice as they consider necessary to fulfil their responsibilities and permit independent judgement in decision making, at the expense of Mirvac.

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

### **iii) Board committees**

The Board has established the following standing Board committees:

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

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

The Board may establish special purpose committees as required. Membership and terms of reference of these committees are determined for each particular purpose by the Board. No special purpose committee meetings were held during FY16.

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

### **iv) Delegation to the CEO/MD and other senior executives**

The Board Charter delegates responsibility for the day-to-day management and administration of the Group to the CEO/MD, assisted by other members of the Executive Leadership Team ("ELT") and management committees including the Investment Committee. The CEO/MD and other senior executives of the Group operate in accordance with Board-approved policies and the Board Delegations of Authority to Management.

### **v) ELT**

The ELT was constituted to assist the CEO/MD in the day-to-day management and administration of Mirvac. The ELT Charter sets out the ELT's role, responsibilities and delegated authority from the Board via the CEO/MD. The terms of the ELT Charter specify the membership of the ELT, which currently comprises the CEO/MD, CFO, Chief Investment Officer ("CIO"), Head of Culture & Reputation, Head of Office & Industrial, Head of Retail and Head of Residential.

### **vi) Investment Committee ("IC")**

The IC was constituted to assist the CEO/MD in the capital allocation process of Mirvac. The IC Charter sets out the IC's role, responsibilities and delegated authority from the Board via the CEO/MD. The terms of the IC Charter specify the membership of the IC, which currently comprises the CFO, CIO and certain other members of the ELT and senior management. The approved registers of resolutions made by the IC (as well as the ELT) are provided to the Board.

### **vii) Appointment of new Directors**

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

The notices of meeting and explanatory notes for the 2016 Annual General Meeting of Mirvac Limited and General Meeting of Mirvac Property Trust (together, the "AGM") will contain all of the information set out in Recommendation 1.2 of the Recommendations in relation to each Director standing for re-election, including their biographical details, details of other material directorships, the Director's independence and a statement by the Board as to whether it supports their re-election.

### **b) Written agreements with Directors and senior executives**

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

All senior executives including the CEO/MD have their position descriptions, roles and responsibilities set out in writing, either in their employment contract or as part of the performance management system.

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

# MIRVAC GROUP

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### c) Company Secretary

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

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

### d) Board and Director performance evaluation

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

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

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

The results of the Board performance review process for FY16 (which was conducted primarily by an external consultant) were shared with the entire Board and key members of management in early August 2016. The review identified that the Board is functioning efficiently, effectively and constructively, and some continuous improvement changes were recommended

to further enhance the Board's effectiveness in key areas of strategy, risk, succession planning and ongoing Director education.

### e) Evaluation of performance of senior executives

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

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

Further information on performance evaluation and remuneration (including assessment criteria) is set out in the Remuneration report starting on page 45 of the Annual Report.

### f) Diversity

Mirvac has adopted, and is fully compliant with, Recommendation 1.5 of the Recommendations. Mirvac's Diversity & Inclusion Policy can be found on the website at: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance). Mirvac continues to demonstrate its ongoing commitment to diversity by developing targeted initiatives that support Mirvac's Diversity & Inclusion Policy. Mirvac's Diversity and Inclusion vision is to "build a diverse team and inclusive culture that values the diversity of perspectives and enables our people to: safely contribute; realise their potential; respond to our stakeholders' needs; and provide Mirvac with a competitive advantage".

This vision will be delivered through four key focus areas:

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

Mirvac's commitment to diversity extends beyond the programs and initiatives in place, and it strives to create a culture in which both visible and tacit differences are recognised and valued. Mirvac believes its competitive advantage lies in creating and maintaining a culture where all employees are able to contribute and fulfil their potential. Mirvac's goal is to have a workforce representative of the communities in which it operates.

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

The Board has appointed the Chair, John Mulcahy, as the diversity program sponsor. The CEO/MD, Susan Lloyd-Hurwitz, chairs the Mirvac Diversity and Inclusion Council. The Council consists of representatives from across the various parts of the business and regularly meets to coordinate diversity and inclusion activities.

Mirvac aspires to ensure diversity outcomes are integrated at every level of its business. Gender balance still remains a strong focus area of the Diversity & Inclusion Policy; however, there is also a focus on a number of other enablers such as flexibility that will help to drive a diverse and inclusive culture. Mirvac had two male employees participate in the Equilibrium Man Challenge, a Workplace Gender Equality Agency ("WGEA") initiative, from 2015 to 2016. This challenge was an observational documentary series that followed the journey of these men as they negotiated and moved to more flexible working arrangements to help achieve balance in their lives. The Equilibrium Man Challenge successfully shifted the dialogue at Mirvac from flexibility is for "working mothers" to flexibility is for "everyone". Mirvac has approximately 15 per cent of employees on formal flexible arrangements and over 45 per cent of employees have an informal flexible arrangement where they have ad-hoc agreement with their manager to change traditional hours or place of work to balance personal commitments.

In preparation for the move to a more flexible working environment in the Sydney headquarters in July 2016, one level of office space was remodelled as a pilot space and designed to be very flexible and to bring different people from different departments together. To support the behavioural change underway as we transform the way we work, a Flexibility Charter has been implemented and behavioural training in how to work in a flexible environment has been provided to people leaders and teams to help them prepare for the transition.

Mirvac's Construction team has launched a program called Building Balance to increase workplace flexibility and improve the balance between work and personal commitments. The "My Simple Thing" initiative has been implemented as a result of this program and asks Construction employees to think about a simple change that will improve their work life quality. This will mean different things for different people. Site based teams are empowered to develop an action plan where teams support each other's personal goals, while ensuring project milestones are achieved.

Flexibility is also one of the key drivers of the Property Male Champions of Change ("PMCC") where Mirvac's Chair, John Mulcahy, is a member. The PMCC are exploring how to mainstream flexibility across the property and construction sectors. A number of focus groups have been held with John Mulcahy to gather views on the advancement and development of women in the industry and what flexibility means to people at Mirvac. Mirvac will continue to work with the PMCC to drive this flexibility initiative.

In 2016, Mirvac introduced a Domestic and Family Violence Leave Policy and other support initiatives for employees who are directly affected by domestic and family violence. Mirvac is also proud to be partnering with YWCA NSW which will bring to life a "profit-for-purpose" café at our new 200 George Street headquarters, with 100 per cent of the profits to be used to fund support services for domestic violence and homelessness for disadvantaged women and their families across the state.

In 2016, Mirvac once again received the "Employer of Choice for Gender Equality" citation from the WGEA for the second consecutive year. This citation, which was only awarded to 90 organisations, highlights Mirvac's commitment to encouraging, recognising and promoting active commitment to achieving gender equality. Mirvac is also proud to have won the inaugural Diversity Award at the Property Council of Australia's Innovation & Excellence Awards.

# MIRVAC GROUP

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The details of the updated measurable objectives and targets are outlined below.

### Proportion of female employees

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

	Measurable objective		Actuals		
	2018 target (%)	2020 target (%)	FY14 (%)	FY15 (%)	FY16 (%)
Female representation on Mirvac Board	40 – 60	50	33	50	50
Female representation in senior executive positions	36 – 40	50	34	38	31
Female representation in the workplace	40 – 45	50	39	41	40

Female representation in senior executive positions is defined as a senior management position up to one reporting level below the ELT (or CEO-2). Mirvac's female representation in senior executive positions has declined following organisational structure changes to further align the business by sector, and is not due to departures of female senior executives.

Mirvac has lodged its 2015/16 WGEA report containing the Gender Equality Indicators, and a copy is available on our website at: [www.mirvac.com/Careers/Careers-at-Mirvac](http://www.mirvac.com/Careers/Careers-at-Mirvac).

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

## PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

### a) Structure of the Board

Together, the Board members have a broad range of financial and other skills, experience and expertise required to effectively oversee Mirvac's business. The Board currently comprises seven Non-Executive Directors and one Executive Director (being the CEO/MD). The Chair of the Board, John Mulcahy, is an independent Non-Executive Director. The skills, experience and expertise of each Director are set out on pages 40 and 41 of the Annual Report. The Board determines its size and composition subject to the limits imposed by Mirvac's Constitutions, which provide that there be a minimum of three and a maximum of 10 Directors (or a number less than 10 determined by the Directors).

The Board Charter provides that the Board will comprise:

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

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

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

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

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

Director	Appointed	Last elected or re-elected at an AGM	Independence status
John Mulcahy (Chair) <sup>1</sup>	November 2009	Will stand for re-election at 2016 AGM	Independent
Susan Lloyd-Hurwitz (CEO/MD)	November 2012	N/A	Executive (non-independent)
Christine Bartlett	December 2014	12 November 2015	Independent
Peter Hawkins	January 2006	20 November 2014	Independent
James M. Millar AM	November 2009	Will stand for re-election at 2016 AGM	Independent
Samantha Mostyn	March 2015	12 November 2015	Independent
John Peters	November 2011	12 November 2015	Independent
Elana Rubin	November 2010	Will stand for re-election at 2016 AGM	Independent

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

### b) Board independence

The Board only considers Directors to be independent where they are independent of management and free of any other business relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered judgement. The Board has adopted guidelines to assist in considering the independence of Directors which have been formulated by reference to the factors contained in the Recommendations. In general, the Board has determined that a Director is considered to be independent if they are Non-Executive (and have not been employed in an executive capacity within the Mirvac Group in the past three years) and they:

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

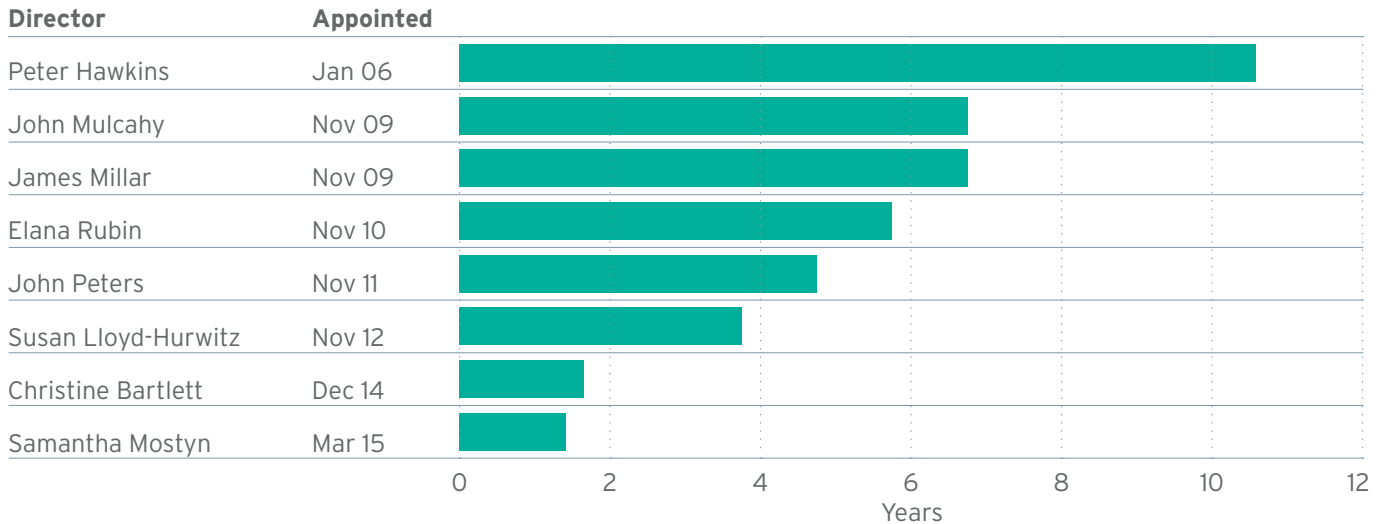
However, a qualitative assessment of whether any particular relationship could affect a Director's independence will override these quantitative considerations. The materiality of the interest, position, association or relationship will also be assessed to determine whether it might interfere with, or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

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

The Board is comfortable that no Director has served for a period such that their independence may have been compromised.

As set out in the table on page 07, it is the Board's view that all of its independent Non-Executive Directors exercised judgement and discharged their responsibilities in an unrestricted and independent manner throughout FY16. The Board also recognises that the interests of Mirvac and its securityholders are well served by having a mix of Directors, some with a longer tenure with a deep understanding of Mirvac's business and some with a shorter tenure who bring fresh ideas and perspective to the Board.

**Director tenure**



**c) Chair's responsibilities and independence**

The Board Charter provides that the Chair of the Board:

- is appointed by the Directors; and
- must be an independent Non-Executive Director.

The Chair of the Board is John Mulcahy, an independent Non-Executive Director. He was appointed as an independent Non-Executive Director on 19 November 2009 and appointed Chair on 14 November 2013. The Board considers that having an independent Chair contributes to a culture of openness and constructive challenge that allows for a diversity of views to be expressed by Directors, and in applying appropriate scrutiny and challenge to management.

**d) Nomination Committee**

The Nomination Committee was formed by resolution of the Board in accordance with the Board Charter. The Nomination Committee is governed by the Nomination Committee Charter, which is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance).

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

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

The accountabilities and responsibilities of the Nomination Committee are set out in the Nomination Committee Charter.

The responsibilities include:

- reviewing and making recommendations to the Board on Mirvac's remuneration framework and fee levels for Non-Executive Directors on the Board and subsidiary boards;
- reviewing and making recommendations to the Board on the size and composition of the Board and subsidiary boards with Non-Executive Director members, which includes assessing the skills required to competently discharge the Board's (and subsidiary board's) duties, including specific qualities or skills that the Committee believes are necessary for one or more of the Non-Executive Directors of the Board (or subsidiary board) to possess and the mix of skills, experience and diversity that the Board desires to achieve, and conducting searches for new Board members;
- recommending the appointment and re-election of Directors to the Board and subsidiary boards, including recommending the appointment of the Chair of the Board, subsidiary boards and standing Board committees;
- ensuring succession plans are in place for Board members including the Chair and CEO/MD;
- assessing and reviewing annually the performance of the Board as a whole, its committees and individual Directors; and
- reviewing the induction and continuing education program for Directors.



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Details of meeting attendance of members of the Nomination Committee for FY16 are contained in the following table:

Director	Number of Committee meetings attended in FY16 while a member	Number of Committee meetings held in FY16 while a member
John Mulcahy (Chair)	3	3
Peter Hawkins	3	3
James M. Millar AM	2	3
Elana Rubin	3	3

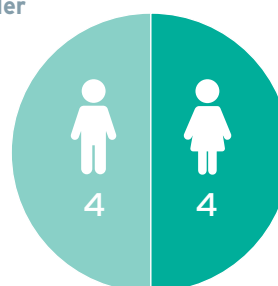
### e) Director skills matrix, selection process and Board renewal

The Board seeks to have a mix of skills, experience and diversity across its members, including the skills required to competently discharge the Board's (and subsidiary board's) duties. The mix of skills, experience and diversity the Board is looking to achieve in its membership includes:

- financial expertise;
- industry experience;
- technical expertise related to Mirvac's current and future business;
- Directors who have a proper understanding of, and competence to deal with, current and emerging issues of the business; and
- Director independence.

The Board also has a target range of 40 to 60 per cent female membership by 2018, and 50 per cent by 2020, to reflect the communities and customers Mirvac serves. Mirvac currently has 50 per cent female representation on the Board which is within its 2018 target range, and will strive to remain within the target range.

#### Board gender



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

Skills and experience	Number of Directors/Board representation (out of 8)
<b>Executive leadership</b> Senior executive experience including international experience.	8
<b>Board experience</b> Experience as a board member or member of a governance body.	7
<b>Financial acumen</b> Senior executive or equivalent experience in financial accounting and reporting, corporate finance, risk and internal controls.	8
<b>Health, safety, environment and sustainability</b> Experience related to health, safety, environmental, social responsibility, or sustainability initiatives.	8
<b>Governance</b> Experience with sophisticated governance structures.	8
<b>Strategy</b> Experience in developing, implementing and challenging a plan of action designed to achieve the long term goals of an organisation, including information technology and digital experience.	8
<b>Real estate management, development or funds management</b> Experience in real estate management, property development, construction or funds management.	6
<b>Capital management</b> Experience in capital management strategies, including capital partnerships, debt financing and capital raisings.	6

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

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

A key component of the Board renewal and selection process is ensuring succession plans are in place for Directors including the Chair and CEO/MD. The Nomination Committee ensures that succession plans are in place, taking into account the strategic priorities and direction of the Mirvac Group and what skills, experience and expertise are likely to be needed on the Board in the future.

### f) Induction

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

### g) Continuing education

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

- office and site visits to understand Mirvac's operations throughout Australia;
- briefings on any key changes to the industry and environment in which Mirvac operates, including regular health, safety and environment updates and updates on current issues and trends;
- ongoing briefings on developments in accounting standards and corporate governance changes; and
- attendance at external education and other professional development opportunities including Director-related courses and industry conferences.

## PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

### a) Responsibilities of the Board and management

#### i) Conduct and ethics - Code of Conduct

Mirvac has a Code of Conduct ("Code") which espouses its core values and reflects the Recommendations in terms of the matters it addresses. The Code applies to the Board, executives, employees and contractors (known as "Workplace Participants"). A copy of the Code is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance).

Mirvac is committed to maintaining a high standard of ethical business behaviour at all times and requires Workplace Participants to treat others with fairness, honesty and respect. The Code:

- articulates the high standards of honest, ethical and legal behaviour expected of Mirvac Workplace Participants;
- encourages the observance of those standards so as to protect and promote the interests of securityholders and other stakeholders in Mirvac;
- guides Workplace Participants as to the practices thought necessary to maintain confidence in Mirvac's integrity; and
- sets out the responsibility and accountability of Directors, the ELT and managers in particular, to report and where appropriate to investigate reports of unethical and/or illegal practices.

Mirvac has an established Open Line Policy which provides a mechanism for employees to report concerns regarding potentially unethical, unlawful or improper practices or behaviours. The Open Line Policy provides protection for individuals reporting such matters in good faith. Access to Mirvac's Open Line is also available to any third party including suppliers, customers and securityholders who wish to report any concerns. A copy of the Open Line Policy, together with the web form and Open Line contact number, is available on Mirvac's website:

[www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance).

The website also includes Mirvac's public commitment to the non-tolerance of any unlawful, unethical payments or inducements.

Mirvac also has a specific Fraud, Bribery and Corruption Policy which outlines its commitment to prevent fraud, bribery and corruption and provides guidance to Workplace Participants to manage these risks.

#### ii) Conflicts of interest

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

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

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

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

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

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

### iii) Dealings in Mirvac securities

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

The Security Trading Policy sets out the specific approval process to be followed prior to any dealing in Mirvac securities by Restricted Officers. Any dealing in Mirvac securities by Directors is notified to the ASX within five business days of the transaction.

In 2012, the Board established minimum Mirvac Securityholding Guidelines for Non-Executive Directors which recommend Non-Executive Directors build up to a minimum securityholding level of 25,000 Mirvac securities within two years of appointment. Any purchases of Mirvac securities will be subject to the Security Trading Policy. All Directors (other than Samantha Mostyn who was appointed in March 2015) have achieved the minimum securityholding level of 25,000 Mirvac securities as set out on pages 63 and 64 in the Directors' report contained in the Annual Report.

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

### iv) Political donations

The *Election Funding, Expenditure and Disclosures Act 1981* (amended in 2009) prohibits property developers from making political donations. Mirvac has in place a Political Donations Policy, which prohibits the Group and any Mirvac employee from making (or soliciting another person to make) any political donation on behalf of the Group. Directors and certain designated employees are also prohibited from making political donations in their personal capacity. During FY16, Mirvac (including its Directors and the designated employees) made no political donations.

## PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

### a) ARCC

#### i) ARCC Charter

The ARCC was formed by resolution of the Board in accordance with the Board Charter. The ARCC is governed by the ARCC Charter, which is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance).

#### ii) Role of the ARCC

The objective of the ARCC is to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Group's financial reporting, systems of internal control and management of risk, internal and external audit functions, and compliance obligations including the processes for monitoring compliance with relevant laws and regulations and the Mirvac Group Code of Conduct. It is the ARCC's role to ensure that Mirvac's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable laws. The ARCC is also responsible for making recommendations to the Board regarding the selection and appointment of the external auditor and the rotation of external audit engagement partners, as outlined in the Committee Charter and set out below.

#### iii) ARCC composition

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

Each member of the ARCC has the technical expertise to enable the Committee to effectively discharge its mandate. The Chair of the ARCC, James M. Millar, is the former Chief Executive Officer of Ernst & Young. Further details of each members' qualifications can be found at pages 40 and 41 of the Annual Report.

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The CEO/MD, CFO, and Group General Manager Risk and Audit as well as representatives of the external and internal auditors are able to attend ARCC meetings. The ARCC regularly meets with the external auditors without management present. Details of meeting attendance of members of the ARCC for FY16 are contained in the following table:

Director	Number of ARCC meetings attended in FY16 while a member	Number of ARCC meetings held in FY16 while a member
James M. Millar AM (Chair)	5	6
Christine Bartlett	6	6
Peter Hawkins	6	6
John Mulcahy	6	6
Elana Rubin	6	6

### iv) ARCC responsibilities

The ARCC Charter sets out the responsibilities of the ARCC which include:

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

### b) External auditor relationship

#### i) Role of the ARCC

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

#### ii) Auditor independence

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

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

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

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

No non-audit services will be awarded to the external auditor if the ARCC (or the CEO/MD or CFO) believes such work would give rise to a "self review threat" (as defined in APES 110 Code of Ethics for Professional Accountants) or would create an actual or perceived conflict of interest for the external auditor or any member of the audit team, or would otherwise compromise the auditor's independence requirements under the *Corporations Act 2001*.

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

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

### iii) Certificate of independence

PwC has provided the ARCC with a half yearly and annual certification of its continued independence, in accordance with the requirements of the *Corporations Act 2001*, and in particular confirmed that it did not carry out any services or assignments during FY16 that were not compatible with auditor independence.

### iv) Auditor attendance at AGM

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

### c) Assurances from the CEO/MD and CFO

The CEO/MD and the CFO have provided the following assurance to the Board in connection with Mirvac's financial statements and reports for FY16, namely that in their opinion:

- the financial records of the Mirvac Group for FY16 have been properly maintained in accordance with section 286 of the *Corporations Act 2001*, such that those records correctly record and explain the Group's transactions and its financial position and performance and enable true and fair financial statements to be prepared and audited;
- Mirvac Group's financial statements, and the notes to those statements, for FY16 comply with accounting standards (as defined in the *Corporations Act 2001*) and are in accordance with the *Corporations Act 2001*;
- Mirvac Group's financial statements, and the notes to those statements, for FY16 give a true and fair view of the financial position and performance of the Mirvac Group;
- there are reasonable grounds to believe that Mirvac will be able to pay its debts as and when they become due and payable;
- each of the statements referred to above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- Mirvac's system of risk management and internal compliance and control is operating effectively in all material respects in relation to financial reporting risks.

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

Mirvac's practice has been to provide similar assurances to the Board for the Group's interim financial statements and reports.

## PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

### a) Commitment to disclosure

Mirvac is committed to ensuring:

- compliance with the ASX Listing Rules disclosure requirements;
- awareness and accountability at a senior executive level for that compliance;
- facilitation of an efficient and informed market in Mirvac securities by keeping the market apprised through ASX announcements of all information that a reasonable person would expect to have a material effect on the price or value of Mirvac's securities; and
- compliance with the requirements of the *Corporations Act 2001*, the ASX Listing Rules and the Recommendations.

### b) Continuous Disclosure and External Communications Policy

Mirvac has a Continuous Disclosure and External Communications Policy.

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

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

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

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### PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITYHOLDERS

#### a) Continuous Disclosure and External Communications Policy

As noted in Principle 5 above, Mirvac has a Continuous Disclosure and External Communications Policy which is available on Mirvac's website:

[www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance).

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

Mirvac maintains an investor relations program in order to facilitate effective two-way communication with investors and market analysts. The aim of this program is to allow investors and market analysts to understand Mirvac's business, governance, financial performance and prospects. In addition, Mirvac values the opportunity to hear investors and analysts' views and concerns and, where appropriate, distil and communicate those views to the Board.

#### b) Mirvac website

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

- Mirvac's Constitutions, Board Charter and Board committee charters; and
- copies of the corporate governance policies referred to in this Corporate governance statement<sup>2</sup>.

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

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

#### c) Participation in the AGM

Mirvac encourages all securityholders to attend the AGM which is usually held in November each year. The AGM provides securityholders with an insight into the operations of Mirvac during the year.

Mirvac is committed to rotating the location of its AGM to allow securityholders in locations where Mirvac has operations to participate in person. In the past five years, Mirvac has held its AGM in Brisbane, Sydney, Melbourne and Perth, with the 2016 AGM to be held on 17 November 2016 in Sydney.

Notices of meeting for the AGM are accompanied by explanatory notes to enable securityholders to assess and make an informed decision on the resolutions being put forward at the meetings. Full copies of notices of meetings and explanatory notes are posted on Mirvac's website. The AGM is webcast in real time each year for those securityholders who are unable to attend in person, with access details posted to Mirvac's website in advance of the AGM.

At the AGM, securityholders are entitled to ask questions about the management of Mirvac and questions of the external auditor about the conduct of the audit and the preparation and content of the auditor's report.

Securityholders who are unable to attend the AGM may vote by appointing a proxy using the form included with the notices of meeting or via an online facility. In 2014, Mirvac introduced a direct voting facility for its AGM to allow securityholders to vote before the AGM without having to attend or appoint a proxy. Further, securityholders are also invited to submit questions in advance of the AGM so that Mirvac can ensure those issues are addressed.

#### d) Electronic communications with securityholders

Securityholders may elect to receive all (or some) communications from the registry electronically, including notices of meeting and annual reports, in line with Recommendation 6.4 of the Recommendations. In order to improve the speed, convenience and environmental friendliness of its reporting communications, Mirvac encouraged all securityholders to receive communications electronically in FY16. This led to a significant reduction in the number of printed annual reports to be produced for the FY16 reporting period, and will ensure a significant reduction in annual report production costs going forward.

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

2. Other than the Fraud, Bribery and Corruption Policy and the Political Donations Policy. A summary of these policies is contained in the Code of Conduct which is available on our website (see Principle 3 above).

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### PRINCIPLE 7: RECOGNISE AND MANAGE RISK

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

#### a) Risk management responsibility

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

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

#### b) Risk management framework

The ARCC advises the Board on risk management and is responsible for reviewing the effectiveness of the Group's approach to risk management. Risk management activities and the Group risk profile are reviewed on a regular basis by the ARCC. In addition, the Group's risk management framework is reviewed at least annually at a Board Risk Management Workshop to ensure it remains sound and relevant to the changing business environment.

The Board has adopted a Risk Management Policy and associated procedures for identifying, assessing and managing Mirvac's strategic, operational, financial and reputational risks. The approach defined within this Policy is consistent with the Australian and New Zealand standard on risk management (ISO 31000:2009).

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

#### c) Role of Internal Audit

The Group's risk management systems work alongside its internal control systems to establish a sufficient control environment to manage business risks. Mirvac has an Internal Audit function led by the Group General Manager Risk and Audit who functionally reports to the Chair of the ARCC and has open access to the ARCC at all times. The role of Internal Audit is to evaluate and improve the effectiveness of the Group's internal controls and provide independent assurance to the ARCC and the Board that

processes are in place to identify and manage material risks. Internal Audit's focus is on Mirvac's key risks and business drivers which may impact the achievement of business objectives.

#### d) Economic, environmental and social sustainability risks

Mirvac is aware of its impact on the economy, the environment and the community in which it operates, and the risks associated with not dealing with these aspects appropriately.

Mirvac annually reports on these aspects through its annual report and sustainability report which are available on Mirvac's website: [www.mirvac.com](http://www.mirvac.com).

### PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

#### a) HRC

##### i) HRC Charter

The HRC was formed by resolution of the Board in accordance with the Board Charter. The HRC is governed by the HRC Charter which is available on Mirvac's website: [www.mirvac.com/about/corporate-governance](http://www.mirvac.com/about/corporate-governance).

##### ii) Role of the HRC

As set out in the HRC Charter, the role of this Committee is to assist the Board in ensuring Mirvac:

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

##### iii) HRC composition

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

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Details of meeting attendance of the Non-Executive Director members of the HRC for FY16 are contained in the following table:

Director	Number of HRC meetings attended in FY16 while a member	Number of HRC meetings held in FY16 while a member
Peter Hawkins (Chair)	6	6
Samantha Mostyn	6	6
John Mulcahy	6	6
John Peters	6	6

#### iv) HRC responsibilities

The accountabilities and responsibilities of the HRC are set out in the HRC Charter and include:

- reviewing remuneration programs and performance targets for the CEO/MD and any other Executive Director and approving these for the other senior executives;
- reviewing and approving the Group's recruitment, retention and termination policies;
- approving the strategy and principles for people management including remuneration programs, performance management processes and career and skills development initiatives;
- reviewing and making recommendations on succession planning for the CEO/MD and other members of the ELT; and
- reviewing the Group's Diversity & Inclusion Policy, objectives and strategies and progress towards achieving greater diversity, including reviewing the proportion of women in the workforce at all levels of the Group.

#### v) Remuneration policies

Information on the Group's remuneration policies and practices is set out in the Remuneration report starting on page 45 of the Annual Report.

#### b) Non-Executive Director remuneration

The remuneration of Non-Executive Directors is fixed and is paid according to the role in which they serve on the Board and Board committees. Non-Executive Directors do not participate in other remuneration components such as performance-related short term or long term incentives, options or variable remuneration and do not receive retirement benefits other than superannuation. Information relating to the remuneration of Non-Executive Directors is disclosed in the Remuneration report starting on page 45 of the Annual Report.

#### c) Equity based remuneration schemes

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

#### CONCLUSION

The Board is satisfied with its level of compliance with the Recommendations. However, the Board recognises that processes and procedures require continual monitoring and improvement. Mirvac's corporate governance framework is continually reviewed and updated as changes occur in the regulatory environment, to ensure that it remains effective and compliant.