



FY23 CORPORATE GOVERNANCE STATEMENT

GARDA Property Group

Approved by Board: 27 July 2023

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GARDA Property Group

Corporate Governance Statement

30 June 2023

GARDA Holdings Limited
 ABN 92 636 329 774
 Level 21, 12 Creek Street
 Brisbane QLD 4000

and

GARDA Diversified Property Fund
 ARSN 104 391 273

INTRODUCTION

1. Group overview

GARDA Property Group (**GARDA** or **Group**) comprises:

- GARDA Holdings Limited (**Company**)
- GARDA Diversified Property Fund (**Fund**), and
- their controlled entities.

GARDA Capital Limited (**GARDA Capital**), a wholly owned subsidiary of the Company, is the responsible entity of the Fund. GARDA operates as an internalised fund manager.

Shares in the Company and units in the Fund are stapled together and trade jointly on the Australian Securities Exchange (**ASX**) under the code **GDF**.

For information on GARDA's business and operations, please refer to the Group's Annual Report and Sustainability Report for the financial year ended 30 June 2023 (the **Reporting Period** or **FY23**) which form part of GARDA's reporting suite.

The Board of the Company (the **Board**) is pleased to present the Group's Corporate Governance Statement for the Reporting Period.

This Statement was approved by the Board on 27 July 2023.

2. Governance approach

The Board and management of GARDA are committed to promoting and fostering a strong governance culture for the benefit of all stakeholders. The Group's governance framework aims to ensure accountability, transparency and effective risk management, and reinforce a culture of acting ethically, responsibly and in the best interests of Securityholders.

During the Reporting Period, GARDA's governance framework was largely consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) (the **Principles**). GARDA followed all of the recommendations in the Principles during the Reporting Period, unless otherwise disclosed.

Copies of all relevant GARDA policies, charters and reports mentioned in this Statement may be found in the 'Corporate Governance' section of GARDA's website at:

<https://gardaproperty.com.au/corporate-governance-australian-reit/>

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 The listed entity should have and disclose a board charter setting out:

- 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.

GARDA's Board Charter is published on its website. The Charter sets out the roles and responsibilities of the Board and its Committees as well as those matters that are delegated to management.

1.2 A listed entity should:

- a) undertake appropriate checks before appointing a director or senior executive or putting someone forward 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.

Before formally appointing a Director to the Board or a senior executive, stringent background checks are undertaken, through the external compliance function.

The election or re-election of Directors is made at the annual general meeting and all material information pertaining to the relevant Director is provided in the notices of meetings for Securityholders to consider.

1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

All Directors and senior executives of GARDA have agreements setting out the material terms of their appointment, on industry-standard terms and conditions. Key terms of those agreements are summarised in the Remuneration Report contained in the FY23 Annual Report which is published on its website.

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.

Pursuant to the Board Charter, GARDA's Company Secretary is accountable directly to the Board (through the Chair) on all matters to do with the proper functioning of the Board.

1.5 A listed entity should:

- a) have and disclose a diversity policy;
- b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of the board, senior executives and workforce generally; and
- c) disclose in relation to each reporting period:
 - (1) the measurable objectives set for that period to achieve gender diversity;
 - (2) the entity's progress towards achieving those objectives; and
 - (3) either:
 - (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or
 - (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined and published under that Act.

If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.

GARDA is not a member of the S&P/ASX 300 Index nor is it a 'relevant employer' under the Workplace Gender Equality Act.

It is the Board's intention to develop a diversity policy and set measurable diversity objectives when GARDA's scale will support it. In the interim, details of the diversity within GARDA's Board and workforce are provided in its Sustainability Report, which is published on its website annually.

1.6 A listed entity should:

- a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

In accordance with GARDA's Board Charter, the performance of the Board is evaluated annually against both measurable and qualitative indicators. Each Committee also reviews its performance on an annual basis.

Performance evaluations of the Board and its Committees have been commenced in respect of FY23.

1.7 A listed entity should:

- a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
- b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

Performance evaluation of all employees, including all senior executives, occurs throughout the year while formal appraisals are undertaken once every year, following financial year end.

Performance evaluations inform decisions relating to promotions, salaries and incentives. They also provide the forum for performance management discussions and feedback by the employee to the Group.

PRINCIPLE 2:

STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

2.1 The board of a listed entity should:

- a) have a nomination 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.
- 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.

The GARDA Board has a Nomination and Remuneration Committee, the Charter for which may be found on GARDA's website.

Following a resignation in March 2023, the Nomination and Remuneration Committee currently has two members on an interim basis, one of whom (the Committee Chair) is an independent director. The Board is in the process of reviewing its composition, and that of its Committees. The members of the Committee, their qualifications and their attendance records are disclosed in the FY23 Annual Report, which is also published on GARDA's website.

2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

GARDA maintains a Board skills matrix which is used to identify any actual or potential gaps between GARDA's governance needs and the skills, experiences and other attributes of existing directors.

The skills matrix, which is not externally published, is formally reviewed and updated on an annual basis.

2.3 A listed entity should disclose:

- a) the names of the directors considered by the board to be independent directors;
- b) if a director has an interest, position 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 or relationship in question and an explanation of why the board is of that opinion; and
- c) the length of service of each director.

The profile of each Director, including whether they are independent and also their length of service, is provided in the FY23 Annual Report which is published on the GARDA website.

GARDA's independent director does not possess any of the factors listed in Box 2.3 of the Principles which might raise issues about his independence.

2.4 A majority of the board of a listed entity should be independent directors.

GARDA's Board Charter requires a majority of non-executive directors. It also stipulates that all Directors - whether independent or not - should bring an independent judgement to bear on all Board decisions.

Following a resignation in March 2023, GARDA's Board of four Directors has an equal number of executive and non-executive directors, only one of whom is independent. The Board is in the process of reviewing its composition, and that of its Committees. Future changes or additions to the Board will include considerations of the independence of the actual or potential directors concerned.

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.

GARDA's Board Charter states that the Chairperson should be an independent and non-executive director appointed by the Board and should not be the same person as the Managing Director.

GARDA's Chair is an executive and is also the Managing Director. The Board acknowledges this departure from the Principles and from the GARDA Board Charter but is satisfied that the current arrangements are in the best interests of the Group.

2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

All new directors appointed to the GARDA Board receive an induction training program which includes information on GARDA's values, Code of Conduct, Trading Policy and compliance program.

Ongoing training for the Directors includes site visits to familiarise them with the Fund's properties, provision of professional education programs to enhance skills and knowledge, and presentations on key legal, accounting and commercial developments impacting the GARDA business.

PRINCIPLE 3: INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

3.1 A listed entity should articulate and disclose its values.

GARDA regularly restates its corporate objective/purpose in its securityholder disclosures: *through our expertise in real estate, we deliver enduring value for our partners.*

While our values receive less disclosure, they are fundamental to the way in which we conduct our business: *We embrace and live family values in everything we do.*

These values extend to all counterparties: Securityholders, tenants, employees, service providers and regulators.

3.2 A listed entity should:

- a) have and disclose a code of conduct for its directors, senior executives and employees; and
- b) ensure that the board or a committee of the board is informed of any material breaches of that code.

GARDA's Code of Conduct is published on its website. Every Director and employee involved in the management or operation of GARDA has agreed to comply with the Code of Conduct.

The Audit, Risk and Sustainability committee is informed of any material breaches of the Code of Conduct.

3.3 A listed entity should:

- a) have and disclose a whistleblower policy; and
- b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

GARDA's Whistleblower Policy is published on its website. Everyone associated with GARDA is expected to adhere to the Policy.

The Board is notified of any material incidents reported, with strict regard for the legislative requirements and protections.

3.4 A listed entity should:

- a) have and disclose an anti-bribery and corruption policy; and
- b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

GARDA does not have a standalone anti-bribery and corruption policy. The Code of Conduct published on GARDA's website contains provisions dealing with anti-bribery, gifts, and political dealings and the Board is satisfied that this continues to be adequate. The Audit, Risk and Sustainability Committee are informed of any material breaches.

PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

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; or
- 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.

The GARDA Board has an Audit, Risk and Sustainability Committee, the Charter for which may be found on GARDA's website.

Following a resignation in March 2023, the Audit, Risk and Sustainability Committee currently has two members on an interim basis, all of whom are non-executive directors and one of whom (the Committee Chair, who is not the Chair of the Board) is an independent director. The Board is in the process of reviewing its composition, and that of its Committees. The members of the Committee, their qualifications and their attendance records are disclosed in the FY23 Annual Report, which is also published on the GARDA website.

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.

Before GARDA's Financial Statements are approved by the Board, the required declarations are provided by the Managing Director and the COO to the Board.

- 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

GARDA carefully reviews, and seeks to verify, all periodic corporate reports which are released to the market but which have not been audited or reviewed by an external auditor. Periodic corporate reports must be authorised for release by the appropriate officer.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

- 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

GARDA's Disclosure and Communications Policy is published on its website. The Policy addresses the continuous disclosure requirements of the ASX as well as best practice communications for Securityholders and stakeholders generally.

- 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

Copies of all material market announcements are provided to the Directors following their release to the market. A summary of all material market announcements made during the period is provided with the Board papers.

- 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

GARDA ensures that all presentations containing new, previously unpublished and/or material information are lodged with the ASX, ahead of the presentation.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

6.1 A listed entity should provide information about itself and its governance to investors via its website.

GARDA publishes, and regularly updates, a full suite of disclosure documents, charters, policies and other material documents, all of which may be found on its website.

6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

Through its Investor Relations team, GARDA provides continuous and comprehensive communications to investors through the ASX. These communications invariably include the contact details of the GARDA executives who either authorised their release or who may be contacted for further information.

GARDA announcements, reports and presentations are relevantly:

- released to ASX as required by the Listing Rules;
- posted to GARDA's website; and
- distributed to media and investor contacts.

The Board receives regular and relevant feedback from investor presentations, to inform itself of institutional and retail Securityholder comments or concerns.

6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

GARDA holds an Annual General Meeting (**AGM**) for Securityholders. Each meeting covers formal business, but also provides Securityholders with the opportunity to be updated on the activities of GARDA and to ask questions of the Board and management. The auditor also attends to answer questions on GARDA's audited Financial Statements.

Notices of meeting and explanatory memoranda for resolutions are provided to Securityholders in accordance with the Constitutions and the Corporations Act, and are accessible on GARDA website, as well as being lodged with ASX.

Securityholders who are not able to attend an AGM are encouraged to vote by proxy.

6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

The Constitutions of the Company and the Fund were amended at the 2022 AGM to require voting to be conducted by poll, rather than a show of hands. Securityholders who are not able to attend a meeting are encouraged to vote by proxy.

6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

GARDA provides its Securityholders with the option (which may be changed at the Securityholder's election) of receiving and sending communications electronically (through the Registry).

GARDA's contact details are readily available to investors and are provided on all releases and communications.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

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; or
- 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 GARDA Board has an Audit, Risk and Sustainability Committee, the Charter for which may be found on GARDA's website.

Following a resignation in March 2023, the Audit, Risk and Sustainability Committee currently has two members on an interim basis, one of whom (the Committee Chair) is an independent director. The Board is in the process of reviewing its composition, and that of its Committees. The members of the Committee, their qualifications and their attendance records are disclosed in the FY23 Annual Report.

GARDA's Risk Management Policy is published on its website and expresses GARDA's commitment to a sound system of risk oversight and control. It is based on the Principles, and the international standard on risk management and applies to the Board, the executives and all staff.

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 that the entity is operating with due regard to the risk appetite set by the board; and
- b) disclose, in relation to each reporting period, whether such a review has taken place.

The Board, through the Audit, Risk and Sustainability Committee, reviews GARDA's risk management framework and constituent documents at least annually. These documents include the Risk Management Policy, risk appetite statement and risk registers.

This review has been completed with respect to FY23.

7.3 A listed entity should disclose:

- a) if it has an internal audit function, how the function is structured and what role it performs; or
- 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.

GARDA does not have an internal audit function.

GARDA's risk management and internal control processes are under constant evaluation and improvement by virtue of the multiple regulatory regimes under which GARDA operates. These regimes require constant, detailed review and application of policies, procedures, registers and behaviours.

In the rare event that a process fails, the Audit, Risk and Sustainability Committee and the Board are informed and the requisite changes to stop a repeat occurrence are made.

7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

In FY22, GARDA commenced formal reporting of its sustainability exposures, risks and practices. A Sustainability Policy was published on its website and the Charter of the Audit, Risk and Sustainability Committee amended appropriately.

GARDA's inaugural Sustainability Report dated 1 August 2022, capturing its economic, environmental and sustainability exposures, forms part of GARDA's reporting suite and is available on GARDA's website.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

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, or
- 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 GARDA Board has a Nomination and Remuneration Committee, the Charter for which may be found on GARDA's website.

Following a resignation in March 2023, the Nomination and Remuneration Committee currently has two members on an interim basis, one of whom (the Committee Chair) is an independent director. The Board is in the process of reviewing its composition, and that of its Committees. The members of the Committee, their qualifications and their attendance records are disclosed in the FY23 Annual Report.

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.

The Charter of the Nomination and Remuneration Committee provides the framework for the remuneration of GARDA's Board, senior executives and other key employees.

The remuneration pool for non-executive directors and the remuneration of key management personnel are set out in the Remuneration Report contained in the FY23 Annual Report, which is published on GARDA's website.

8.3 A listed entity which has an equity-based remuneration scheme should:

- 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
- b) disclose that policy or a summary of it.

GARDA has two active equity-based remuneration plans, the 2019 ESP and 2021 EIP.

Full details of both the ESP and EIP were provided to Securityholders in the relevant notice of AGM.

Vesting of the ESP and EIP securities is subject to specified hurdles being met by the participants. GARDA's Trading Policy, published on its website, prevents margin lending, short-selling and hedging which limit the economic risk of employees who participate in either the ESP or the EIP.

In addition, under the ESP, nominated executives were granted unvested GARDA securities with an attaching, non-recourse loan from GARDA for an equivalent value.

Because the loans are non-recourse, the executive has no financial exposure if the value of their ESP securities is less than the value of the attaching loan; the executive would simply return the securities to GARDA and the loan would be extinguished.

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GLOSSARY

Key terms used in this Corporate Governance Statement:

ASX	Australian Securities Exchange.
Board	The directors of the Company (and for the Fund, GARDA Capital) acting as a board. The Board is identical for each member of the Group.
Company	GARDA Holdings Limited ACN 636 329 774.
Constitution	The Constitution of the Company or the Fund, as the context requires.
COO	Chief Operating Officer of GARDA, who is David Addis.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company or GARDA Capital, as the context requires.
EIP	Equity Incentive Plan approved by Securityholders at the 2021 AGM.
ESP	Employee Security Plan approved by Securityholders at the 2019 AGM.
Financial Statements	The audited financial statements of GARDA for the Reporting Period, dated 27 July 2023.
Fund	GARDA Diversified Property Fund ARSN 104 391 273, a managed investment scheme which listed on the ASX in July 2015 and part of the stapled security GARDA Property Group.
GARDA or Group	A stapled security of GARDA Property Group, ASX code: GDF, listed on the ASX and comprising: <ul style="list-style-type: none"> • one share in the Company; and • one unit in the Fund.
GARDA Capital	GARDA Capital Limited ACN 095 039 366, Australian financial services licence 246714, the responsible entity of the Fund.
Listing Rules	The official listing rules of the ASX from time to time.
Principles	ASX Corporate Governance Principles and Recommendations – 4 th Edition February 2019.
Recommendations	The recommendations listed in the Principles.
Registry	Link Market Services Limited, the external registry for GARDA.
Reporting Period	The reporting period for this Statement, being for the financial year ended 30 June 2023.
Securityholders	A registered holder of stapled securities in GARDA.
Statement	This Corporate Governance Statement approved by the Board on 27 July 2023.