



Nomination and Remuneration Committee Charter

GDI Property Group (“Group”)

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Nomination and Remuneration Committee Charter

1 Purpose and authority

1.1 Purpose

- (a) GDI Property Group (“**Group**”) consists of:
 - (i) GDI Property Trust (“**Scheme**”) for which GDI Funds Management Limited (“**RE**”) is the responsible entity; and
 - (ii) GDI Property Group Limited (“**Company**”).
- (b) In this Charter, a reference to:
 - (i) the “**Board**” is a reference to the boards of the Company and RE:
 - (A) consisting of the same board members; and
 - (B) acting jointly as the board of the Group; and
 - (ii) the “**Committee**” is a reference to the Nomination and Remuneration Committee:
 - (A) consisting of the same Committee members; and
 - (B) jointly appointed by the Board (i.e. boards of the Company and RE acting jointly).
- (c) The purpose of this Nomination and Remuneration Committee Charter is to:
 - (i) specify the authority delegated to the Committee by the Board; and
 - (ii) to set out the role, responsibilities, membership and operation of the Committee.

1.2 Authority

The Committee is a committee of the Board established in accordance with the constitutions of the Company and RE and authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this charter and granted to it under any separate resolutions of the Board from time to time.

2 Role of the Committee

2.1 Nomination

The Committee assists and advises the Board on:

- (a) director selection and appointment practices;

- (b) director performance evaluation processes and criteria;
- (c) Board composition; and
- (d) succession planning for the Board and senior executives,

to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Group as a whole.

2.2 Remuneration

The Committee also assists and advises the Board on remuneration policies and practices for the Board, the Managing Director (“**MD**”), the chief financial officer, senior executives and other persons whose activities, individually or collectively, affect the financial soundness of the Group. The policies and practices are designed to:

- (a) enable the Group to attract, retain and motivate directors, executives and employees who will create value for security-holders within an appropriate risk management framework, by providing remuneration packages that are equitable and externally competitive;
- (b) be fair and appropriate having regard to the performance of the Group and the relevant director, executive or employee; and
- (c) comply with relevant legal requirements.

3 Nomination responsibilities

The Committee is responsible for:

- (a) identifying and making recommendations regarding the necessary and desirable competencies of directors;
- (b) making recommendations regarding the size of the Board so that the size encourages efficient decision making;
- (c) developing and reviewing the process for the selection, appointment and re-election of directors;
- (d) identifying and making recommendations to the Board for the appointment of new Board candidates, having regard to their skills, experience and expertise;
- (e) co-ordinating with the Board to ensure that the Group meets its commitment to becoming a diverse and inclusive workplace;
- (f) identifying ways to promote a culture supportive of diversity including recruitment from a diverse pool of candidates;
- (g) reviewing nomination practices against measurable objectives for achieving gender diversity;
- (h) developing and reviewing induction procedures for new appointees to the Board to enable them to effectively discharge their duties, including increasing their knowledge about the Group and the industry within which the Group operates;

- (i) developing, implementing and reviewing continuing education measures to enhance director competencies and to update and enhance directors' knowledge and skills including on key developments affecting the Group and the industry and environment in which it operates;
- (j) overseeing the development and implementation of a process for the evaluation of the performance the Board, Board committees, and directors individually, using both measurable and qualitative indicators;
- (k) reviewing the time required to be committed by non-executive directors to properly fulfil their duties to the Group and whether non-executive directors are meeting these requirements;
- (l) reviewing Board and senior executive succession plans and processes, including for the CEO and other senior executive positions and being conscious of each director's tenure, to maintain an appropriate balance of skills, experience, expertise and diversity; and
- (m) reviewing the performance of the chairperson and reporting the results of the evaluation to the Board.

4 Remuneration responsibilities

4.1 General

- (a) The Committee is responsible for developing, reviewing and making recommendations to the Board on:
 - (i) the ongoing appropriateness and relevance of the remuneration framework for the chairperson and the non-executive directors;
 - (ii) the Group's policy on remuneration for the MD and senior executives, any changes to the policy and the implementation of the policy (including any security-holder approvals required);
 - (iii) the total remuneration packages for the MD and senior executives (including base pay, incentive payments, equity based awards, superannuation and other retirement rights, employment contracts), any changes to remuneration packages and recommending proposed awards after performance evaluation procedures;
 - (iv) the Group's recruitment, retention and termination policies for the MD and senior executives and any changes to those policies;
 - (v) incentive schemes, if appropriate, for the MD and senior executives; and
 - (vi) equity based plans, if appropriate, for the MD, senior executives and other employees.
- (b) The Committee is also responsible for monitoring and providing input to the Board regarding:
 - (i) legislative, regulatory or market developments likely to have a significant impact on the Group and legislative compliance in employment issues;
 - (ii) the remuneration trends across the Group, including

- (A) the trends in base pay for senior management relative to that of all Group employees; and
- (B) remuneration by gender; and
- (iii) major changes to employee benefits structures in the Group.

4.2 Incentive schemes and equity based remuneration

For any incentive schemes or equity based plans which are adopted, the Committee is responsible for:

- (a) reviewing their terms (including any performance hurdles);
- (b) overseeing their administration (including compliance with applicable laws that restrict participants from hedging the economic risk of their security holdings);
- (c) considering whether security-holder approval is required or desirable for the schemes or plans and for any changes to them; and
- (d) ensuring that payments and awards of equity are made in accordance with their terms and any security-holder approval.

4.3 Structure of remuneration

In fulfilling these responsibilities, the Committee will ensure that:

- (a) a clear distinction is maintained between the structure of non-executive directors' remuneration and that of executive directors and senior executives;
- (b) a proportion of executive directors' and senior executives' remuneration is structured in a manner designed to link rewards to corporate and individual performance (reflecting short and long-term performance objectives appropriate to the Group's circumstances and goals);
- (c) any engagement of a remuneration consultant is approved by the Board or the Committee and the remuneration consultant must report its recommendation directly to either or both of the members of the Board (other than an executive director) or members of this Committee;
- (d) the Committee and the Board are satisfied with the arrangements put in place to ensure that any remuneration recommendation made by the remuneration consultant is made free from undue influence from any member of the key management personnel to whom the recommendation relates; and
- (e) the Committee will provide the Board with information sufficient to ensure that the Board makes an informed decision in relation to the Committee's recommendations.

5 Reporting and disclosure

The Committee will liaise with the Audit, Risk and Compliance Committee in relation to the Group's remuneration related reporting in the financial statements and remuneration report required by the Corporations Act.

The Committee will approve an annual remuneration report containing information on the Group's remuneration policy, practices, attendance at and frequency of Committee meetings and make recommendations to the Board for the inclusion of the remuneration report in the Group's annual report.

The Committee will make recommendations to the Board regarding the process for evaluating performance of the Board, its committees and the directors

The Committee will ensure that all applicable governance, accounting and legal requirements regarding disclosure of remuneration, in all forms, are complied with.

The Committee chairperson will attend the Group's annual general meetings prepared to respond to any security-holder questions on the Committee's activities.

6 Delegation

The Committee may delegate any of its powers and responsibilities as the Committee thinks appropriate for the administration of director, senior executive and employee share, option or other plans, to senior management.

7 Membership

7.1 Composition and size

The Committee will consist of at least three members, a majority of whom are independent, non-executive directors.

Each member must be free from any interest, business or other relationship which, in the opinion of the Board, could, or could reasonably be perceived to, materially interfere with the exercise of his or her independent judgment as a member of the Committee.

Each member is expected to possess adequate remuneration, regulatory and industry knowledge to carry out his or her responsibilities as a member of the Committee.

The term of service of Committee members will be reviewed by the chairperson at least annually, with a view to rotating members periodically, but without losing the continuity of experience and knowledge gained by the members of the Committee.

7.2 Chairperson

The chairperson of the Committee must be an independent non-executive director. The chairperson of the Committee is appointed by the Board. If, for a particular Committee meeting, the Committee chairperson is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a chairperson for the meeting.

7.3 Secretary

RE's company secretary is the secretary of the Committee.

8 Committee meetings and process

8.1 Meetings

Meetings and proceedings of the Committee are governed by the provisions in the constitutions of the Company and RE regulating meetings and proceedings of the Board and committees of the Board in so far as they are applicable and not inconsistent with this charter.

Committee members may attend meetings in person or by electronic means.

8.2 Frequency and calling of meetings

The Committee will meet as frequently as required to perform its functions, but not less than quarterly. The chairperson must call a meeting of the Committee if requested by any member of the Committee, the external auditor, the internal auditor or the chairperson of the Board.

8.3 Quorum

Two directors constitute a quorum for meetings of the Committee.

8.4 Attendance by management and advisers

The Committee chairperson may invite the MD, chief financial officer, other senior executives, directors who are not members of the Committee and external advisers to attend meetings of the Committee.

8.5 Conflicts

No member of the Committee will participate in the determination of their own remuneration or the specific remuneration policies that are applicable to them.

8.6 Notice, agenda and documents

Unless otherwise agreed or considered necessary by the chairperson, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting documentation, will be circulated by the secretary to each Committee member and any other individual invited to attend, not less than [seven] working days before the meeting.

8.7 Minutes

The secretary will keep minute books to record the proceedings and resolutions of Committee meetings.

The chairperson of the Committee, or delegate, will report to the Board after each Committee meeting. Minutes of Committee meetings will be included in the papers for the next Board meeting after each Committee meeting.

The Committee must refer any matter of significant importance to the Board for its consideration and attention.

8.8 Access to information and advisers

The Committee has direct and unlimited access to all resources necessary to discharge its duties and responsibilities, including engaging counsel, accountants or other experts as it considers appropriate. This may include requesting management or engaging external remuneration consultants to provide information to the Committee.

The Committee also has the authority to conduct or direct any investigation required to fulfill its responsibilities.

9 Committee's performance evaluation

The Committee will review its performance at least annually, or earlier if circumstances dictate, and whenever there are major changes to the management structure of the Group.

The performance evaluation will have regard to the extent to which it has met its responsibilities in terms of this charter.

Committee members must be available to meet with external bodies if requested to do so in accordance with relevant laws, regulations or prudential standards.

10 Review and publication of the charter

The Committee will review its charter [from time to time / annually] to keep it up to date and consistent with the Committee's authority, objectives and responsibilities and report to the Board any changes it considers should be made. The charter may be amended by resolution of the Board.

This charter will be available on the Group's website and the key features will be published in the annual report.

Approved by the Board on 1 November 2013