

APN | Convenience Retail REIT

CORPORATE GOVERNANCE STATEMENT

AUGUST 2021



OUR COMMITMENT AND FUND OVERVIEW

APN Convenience Retail REIT (**Fund**) is a triple stapled entity comprising the following three managed investment schemes (**MIS**):

- Convenience Retail REIT No. 1;
- Convenience Retail REIT No. 2; and
- Convenience Retail REIT No. 3.

Securityholders in the Fund hold a unit of each of the above entities that are stapled together, such that an individual unit in one of the above entities may not be transferred or dealt with without the others. The Fund is listed on the Australian Securities Exchange (**ASX**) under code AQR.

APN Funds Management Limited is the Responsible Entity (**APN FM or Responsible Entity**) of each of the three MIS's. APN FM has appointed Convenience Retail Management Pty Ltd (**Manager**) as the Manager of the Fund. APN FM oversees the management and strategic direction of the Fund in its role as Responsible Entity.

The board of APN FM (**Board**) comprises four Independent Directors (including the Chairman).

The Responsible Entity is committed to achieving and demonstrating the highest standards of governance. The Fund's Corporate Governance Statement (**Statement**) has been prepared in accordance with the principles and recommendations set by the ASX Corporate Governance Council (Corporate Governance Principles and Recommendations 4th Edition) (**Recommendations**), and any departure from these Recommendations are stated below.

The Responsible Entity's governance framework, as summarised in the Statement, has been designed to ensure that the Fund meets its ongoing statutory obligations, discharges its responsibilities to all stakeholders and acts with compliance and integrity.

This Statement outlines the main corporate governance practices in place throughout the financial year from 1 July 2020 to 30 June 2021 (**Reporting Period**) and incorporates the requirements of market regulators, adopted codes and charters, documented policies and procedures and guidance from industry best practice. These policies and practices remain under regular review as the corporate governance environment and good practices evolve.

As APN FM and the Manager do not employ staff directly, the necessary management and resources for the operation of the Fund for the Reporting Period were provided by APN Property Group Limited (**APN Group**). For this reason, staff are governed by APN Group policies. To assist stakeholders in accessing key documents outlining our approach to corporate governance, the policies, charters and codes referred to in this Statement are available on the Fund's website at <https://apngroup.com.au/fund/apn-convenience-retail-reit/about-us/corporate-governance/>. This information is updated throughout the year, as policies and procedures are reviewed.

Acquisition of APN Property Group

On 27 July 2021, the acquisition of APN Property Group Limited (the ultimate and immediate parent entity of APN Funds Management Limited) by Dexus (ASX: DXS) announced on 11 May 2021 was approved by APN Group securityholders. As a result, effective 13 August 2021, Dexus will become APN FM's ultimate parent entity. This Statement reflects the corporate governance practices in place for the Reporting Period prior to the acquisition by Dexus.

This Statement was adopted by the Board on 12 August 2021.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Roles and Responsibilities of the Board and Management

The Board is responsible for the overall management and governance of the Fund. The Board is governed by APN FM and the Fund's Constitutions, the Compliance Plan, the Corporations Act 2001 (Cth), ASX Listing Rules, its Australian Financial Services Licence and all applicable laws.

The Board has expressly reserved its powers in relation to certain matters and has delegated its powers in relation to other matters to management which enables the Board to maintain a focus on strategic guidance while exercising effective oversight. The Board has delegated the day-to-day management of the Fund to the Managing Director/Chief Executive Officer and Senior Executives, including the Fund Manager, all of whom are required to work within authority limits and delegations set out in the Delegated Authority Policy (an internal policy approved by the Board) or otherwise by way of decisions and determinations of the Board. These delegations are reviewed on a regular basis.

Minutes of the Board meeting are tabled at a subsequent Board meeting. Attendance records at Board meetings are provided in the Director's Report of the Fund's Annual Report.

The Board has adopted a Charter that details the functions and responsibilities of the Board. The Board Charter is available at <https://apngroup.com.au/fund/apn-convenience-retail-reit/about-us/corporate-governance/>.

During FY21, the Board continued to work closely with management to develop and implement strategies to respond to the COVID-19 pandemic.

Non-Executive and Independent Directors are entitled to take independent advice at the cost of the Company in relation to their role as members of the Board.

The Company Secretary is accountable directly to the Board, through the Chair, for all governance matters relating to the proper functioning of the Board. The Company Secretary attends all meetings of the Board. All Directors have direct access to the Company Secretary for all governance matters.

Director's Appointment

A Director is appointed by a written letter that contains the terms on which the Director is to be appointed, including but not limited to remuneration, time commitment envisaged, compliance with APN Group policies such as the Code of Conduct and Securities Trading Policy and the basis upon which they will be indemnified by the Company. Prior to appointment, the APN Group undertakes appropriate checks in relation to the candidate's experience, education, character, criminal record and bankruptcy history. Written consent to act is received by each Director.

All Senior Executives responsible for the Fund's management and operations are appointed by APN Group under a written agreement which sets out the terms of their appointment including their position, duties and responsibilities, remuneration and entitlements, circumstances in which their service may be terminated and where applicable, the basis upon which they will be indemnified by APN Group. Senior Executives are also subject to appropriate checks prior to being appointed.

As the Fund is externally managed, the election and re-election of directors is not applicable to the Responsible Entity.

Review of Board and Senior Executives Performance

The performance and effectiveness of the Board is reviewed regularly by the Board, with the assistance of the Nomination and Remuneration Committee. Each Director completes a Board Effectiveness questionnaire to evaluate the Chairman, the Board as a whole, the Board's processes and governance framework and the Committees effectiveness in supporting the Board. In addition, each Director holds a one on one meeting with the Chairman in order to raise any matters of concern. At all times the Company Secretary is available to bring any anonymous feedback to the attention of the Board. Based on any feedback, the Board discusses the findings and analyses the Board and Committees performance, including

suggestions for changes or improvements. The Board’s performance and effectiveness was reviewed during the Reporting Period.

The performance of Senior Executives is reviewed annually by APN Group against their position descriptions and key performance indicators. The performance of Senior Executives was reviewed within the Reporting Period.

Diversity and Inclusion

The APN Group has adopted a Diversity and Inclusion Policy. The APN Group recognises the benefits to be gained from a diverse and inclusive workforce where the differing skills, perspectives and experiences of individuals from different backgrounds can lead to more innovative and efficient business practices. The APN Group is committed to facilitating an environment in which the principles of diversity and inclusion are embedded in the culture and systems of the organisation and where every individual has the opportunity to excel.

The APN Group adopted the following measurable objectives for the Reporting Period:

FY21 Diversity Objectives	FY21 Outcomes*
APN FM Board	
The composition of the Board, having regard to gender diversity, is 30% of directors for each gender. Target period to meet objectives is FY2025.	Consistent with previous years, 25% of the APN FM Board is female.
The selection process for Board appointments, having regard for the need to maintain an appropriate mix of skills, experience, expertise and diversity, will consider at least one female candidate wherever reasonably possible.	No new positions required to be filled in the period.
APN Group Senior Management**	
The composition of Senior Management, having regard to gender diversity, comprises both male and female.	29% of Senior Management are female.
The selection process for Senior Management appointments, having regard for the need to maintain an appropriate mix of skills, experience, expertise and diversity, will consider at least one female candidate wherever reasonably possible.	No new positions required to be filled in the period.
APN Group Workplace	
The composition of the workplace, having regard to gender diversity, is 30% for each gender.	The composition of the workplace is 45% female and 55% male.
The process for recruitment of new employees, having regard for the skills and expertise required for the role, will consider at least one female candidate wherever reasonably possible.	There were 12 new appointments made during the Reporting period of which 4 (33%) were female. All new appointments considered at least one female candidate.
Flexible work arrangements to balance family and other commitments with the role will continue to be considered for all employees, where the requirements of the role permit.	Flexible work arrangements have been agreed with a number of employees to address family balance, maternity needs, health and wellbeing. In addition, due to COVID-19, additional work from home/flexible arrangements have been put in

FY21 Diversity Objectives	FY21 Outcomes*
	place for majority of employees during and post directed lockdowns.
The Diversity and Inclusion Policy is accessible to all employees at all times.	The policy is available on APN 's website and intranet and as such is available to all staff at all times.
All employees responsible for employment and promotion of employees will be reminded of the Diversity and Inclusion Policy and these objectives at least annually.	Employees responsible for employment and promotion were reminded of the Diversity and Inclusion Policy and these objectives during the Reporting Period.
Mentoring support to be available to all employees.	Mentoring support was available to all employees during the Reporting Period.

*FY21 Outcomes are as at 30 June 2021.

**Senior Management is characterised in terms of reporting hierarchy to the CEO and is defined as a manager having a direct reporting line to the CEO (i.e. CEO-1). It also includes the CEO role itself.

As at the end of the Reporting Period, the proportion of gender diversity of the APN Group was:

	Men	Women	Movement from FY20
Board of APN Property Group Limited	80%	20%	No change
Board of APN Funds Management Limited	75%	25%	No change
Senior Management* of APN Property Group Limited	71%	29%	No change
All employees of APN Property Group Limited	55%	45%	↓ (from 51%)

*Senior Management is characterised in terms of reporting hierarchy to the CEO and is defined as a manager having a direct reporting line to the CEO (i.e. CEO-1). It also includes the CEO role itself.

The APN Group Diversity and Inclusion Policy is available at <https://apngroup.com.au/fund/apn-convenience-retail-reit/about-us/corporate-governance/>.

PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

Nomination and Remuneration Committee

The Board has established a Nomination and Remuneration Committee. The composition of the Nomination and Remuneration Committee during the Reporting Period was:

Name	Position
Michael Johnstone	Independent Director and Chair of Nomination and Remuneration Committee
Geoff Brunsdon AM	Independent Chairman and Nomination and Remuneration Committee Member
Jennifer Horrigan	Independent Director and Nomination and Remuneration Committee Member

The Board has adopted a Charter that details the functions and responsibilities of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee Charter is available at <https://apngroup.com.au/fund/apn-convenience-retail-reit/about-us/corporate-governance/>.

All matters determined by the Nomination and Remuneration Committee are put to the Board as a whole, as recommendations for the Board's decision. Minutes of the Nomination and Remuneration Committee meeting are tabled at a subsequent Board meeting. Attendance records at Nomination and Remuneration Committee meetings are provided in the Director's Report of the Fund's Annual Report.

Board Skills Matrix

With the input of APN Group, the Board has adopted a skills matrix to ensure that there is an appropriate mix of skills and experience on its Board and Committees to enable the Board to deliver the Responsible Entity's objectives, and to effectively discharge its corporate governance and oversight responsibilities.

Directors are invited to join the Board based on their skills and experience in relation to the Responsible Entity's and Fund's activities. The Board is fully apprised with the operations of the Fund, the APN Group and the environment in which it operates.

The following table sets out the key skills and experience that the Board considers to be most relevant and which are represented collectively on the Board:

Key Skills and Experience
Leadership, people and inclusion
Strategic Planning
Funds Management
Property/Development
Capital Structure
Financial Acumen
Governance, Legal, Risk, Health and Safety
Customer Experience and Marketing
Information Technology and Innovation
Sustainability and Corporate Responsibility
Crisis Management

Directors Independence and Length of Service

The composition of the Board as at the end of the Reporting Period was:

Name	Position	Length of service (yrs)
Geoff Brunsdon AM	Independent Chairman	11 years 10 months
Jennifer Horrigan	Independent Director	9 years 4 months
Michael Johnstone	Independent Director	11 years 9 months
Howard Brenchley	Independent Director	23 years 5 months
Joseph De Rango	Alternate Director for Howard Brenchley	11 years 10 months

The Board is comprised of Independent Directors. The independence of Directors is assessed in accordance with the guidelines outlined in the Recommendations. The Board considers Geoff Brunsdon, Jennifer Horrigan, Michael Johnstone and Howard Brenchley to be Independent Directors, as they do not have a material interest, position, association or relationship that could reasonably be perceived to materially interfere with the independent exercise of their judgement. The Board considered the independence of each director at the time of adopting this statement.

All Directors must disclose any interests or conflicts in accordance with the Corporations Act 2001 (Cth), and APN Group policies prior to the consideration of matters at the meetings of the Board.

The Fund's Annual Report details offices held by Directors with other listed organisations within the past 3 years (Director's Report) and related party dealings (Notes to the Financial Statements) as required by law.

With the input of APN Group, the Board has carefully considered its size and composition, together with the specialist knowledge of the funds management, property and property securities sector of its directors, and has formed the view that based on its current composition, it has the necessary skills and experience to ensure that the Fund performs strongly, and there is sufficient accountability in the structure of the Board to ensure the outcomes and objectives sought by the Recommendations are achieved.

Induction Program for Directors

Induction for newly appointed Directors is provided on appointment, which includes a detailed pack outlining APN FM and APN Fund's information and key policies, including the Code of Conduct and Securities Trading Policy.

Newly appointed Directors are offered meetings with Senior Management to gain an understanding of the business, its operations, history, culture and key risks. Directors are expected to be adequately informed in respect of relevant industry and regulatory issues and changes.

Training sessions, including governance refreshers and presentations by experts are scheduled around Board meeting dates as required or by the request of the Board. Directors may raise other training requirements or professional development opportunities at any time to ensure that their skills and knowledge are updated and enhanced.

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

Code of Conduct and Key APN Group Policies

The APN Group has adopted the following:

Purpose and Values – The APN Group has a clear statement of purpose and a set of values that are fundamentally important in achieving APN's business objectives.

Code of Conduct - The APN Group has adopted a Code of Conduct that applies to all directors and employees (including temporary staff and contractors) of APN Group and its subsidiaries. The purpose of the Code of Conduct is to clarify the standards of ethical behaviour required of the Company directors and employees and to ensure that the high standards of corporate and individual behaviour are observed by all in the context of their employment with the Company. By adoption of the Code of Conduct, the Company seeks to ensure that all stakeholders dealing with the Company, whether it be employees, shareholders, investors, customers or competitors, can be guided by the stated values and policies of the Company.

The Code of Conduct also sets out the Board's view on conflicts of interest and related party transactions involving directors and employees and other legal and compliance obligations of the Company, including corporate opportunities, confidentiality and privacy, fair dealing, protection of and proper use of Company information and assets, financial integrity and record keeping, anti-bribery and corruption, health and safety, equal employment, discrimination and harassment, training and compliance, reporting improper conduct and whistleblower protection, compliance with laws, rules and regulations and encouraging the reporting of unlawful or unethical conduct.

APN Securities Trading Policy - The APN Group has adopted a Securities Trading Policy that summarises the law relating to insider trading and other relevant provisions and sets out the procedures of the Company and its subsidiaries for permission and disclosure of trading by directors and employees in APN Group securities.

The Securities Trading Policy applies to all directors and employees of the Company and its subsidiaries and is designed to prevent breaches of the insider trading provisions by directors and employees of the Company and its subsidiaries. The policy includes an overriding prohibition against trading while in the possession of inside information and the restrictions of trading during closed (black out) periods. It is the responsibility of all directors and employees to comply with the insider trading provisions of the Corporations Act and to bring information in relation to any actual or potential insider trading to the attention of the relevant officer of the Company or its subsidiaries, as appropriate.

APN Whistleblower Policy - The APN Group has adopted a Whistleblower Policy that summarises the law relating to the handling of whistleblower disclosures and sets out the procedures of the APN Group for handling such disclosures including protections afforded to eligible whistleblowers.

APN Anti-Bribery and Corruption Policy - APN Group has adopted an Anti-Bribery and Corruption Policy that sets out the Board's view that acceptance of bribes and other improper payments in connection with its business in any jurisdiction, for or on behalf of APN is strictly prohibited. The Policy applies to all directors and employees of the APN Group regardless of location in Australia or overseas and regardless of whether activities as stated take place in Australia or overseas.

The Board will be informed of any material breach of the Code of Conduct and the above policies. The Code of Conduct and key APN Group policies are available at <https://apngroup.com.au/fund/apn-convenience-retail-reit/about-us/corporate-governance/>.

PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

Audit, Risk and Compliance Committee

The Board has established an Audit, Risk and Compliance Committee. The composition of the Audit, Risk and Compliance Committee during the Reporting Period was:

Name	Position
Jennifer Horrigan	Independent Director and Chair of Audit, Risk and Compliance Committee
Geoff Brunsdon AM	Independent Chairman and Audit, Risk and Compliance Committee Member
Michael Johnstone	Independent Director and Audit, Risk and Compliance Committee Member

The Relevant Qualifications and experience of the members of the committee are provided in the Director's Report and the Fund's Annual Report.

The Board has adopted a Charter that details the functions and responsibilities of the Audit, Risk and Compliance Committee. The Audit, Risk and Compliance Committee Charter is available at <https://apngroup.com.au/fund/apn-convenience-retail-reit/about-us/corporate-governance/>.

All matters determined by the Audit, Risk and Compliance Committee are put to the Board as a whole, as recommendations for the Board's decision. Minutes of the Audit, Risk and Compliance Committee meeting are tabled at a subsequent Board meeting. Attendance records at Audit, Risk and Compliance Committee meetings are provided in the Director's Report of the Fund's Annual Report.

CEO and CFO Declaration

Prior to approval of the entity's financial statements, the Board receives from its Chief Executive Officer and Chief Financial Officer 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 controls which is operating effectively.

Integrity of Periodic Corporate Reports

In the event the Fund prepares any periodic corporate reports that are not audited, it will ensure that any material that is released to the market goes through a thorough verification process which includes verification of data from the relevant business units, sign off from at least two authorised persons (as outlined in the APN Group Communications and Continuous Disclosure Policy) and where appropriate, review by external legal advisers. This is to ensure all information is materially accurate, balanced and provides investors with all appropriate information.

Auditors Attendance at AGMs

The Fund is not required by the Corporations Act 2001 (Cth) to hold an Annual General Meeting (**AGM**). In the event the Fund holds a Members Meeting, the Fund's external auditor, Deloitte Touche Tohmatsu (Deloitte) would be invited to attend as per the requirements of the Corporations Act 2001 (Cth).

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Communications and Continuous Disclosure Policy

The APN Group has adopted a Communications and Continuous Disclosure Policy to ensure that securityholders and the market have equal and timely access to material information regarding developments in relation to the Responsible Entity and the Fund in accordance with applicable disclosure requirements in the Corporations Act 2001 (Cth), Chapter 3 of the ASX Listing Rules and ASX Listing Rules Guidance Note 8. Such information will relate to matters including the Fund's financial position, performance, prospects, ownership and governance.

The Communications and Continuous Disclosure Policy is available at <https://apngroup.com.au/fund/apn-convenience-retail-reit/about-us/corporate-governance/>.

Board and ASX Announcements

The Board receives a copy of all material and non-material market announcements following the release of announcements on the ASX platform through an electronic email platform.

Substantive Investor or Analyst Presentations

All new and substantive investor or analyst presentations are released on the ASX platform prior to any presentation taking place.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Website, Communications Policy and Securityholder Communication

The Responsible Entity is committed to providing all stakeholders with accessible, accurate and timely information on all significant developments and activities affecting the Fund. The APN Group has adopted a Communications and Continuous Disclosure Policy in order to ensure that there is effective two-way communication between the Responsible Entity and its stakeholders.

The Fund website (<https://apngroup.com.au/fund/apn-convenience-retail-reit/>) is the primary location for all Fund and governance related information as outlined in the Recommendations. The Responsible Entity ensures that its website is continually updated and contains recent announcements, webcasts, presentations, disclosure documents, market information and answers to frequently asked questions. Securityholders also have the option to receive communications from, and send communications to, the Responsible Entity and its security registry electronically.

The Fund is not required by the Corporations Act 2001 (Cth) to hold an Annual General Meeting (**AGM**), however, in the event a Members Meeting (**Meeting**) is held, the date, time and venue of the meeting will be notified to the Australian Securities Exchange (**ASX**) and a copy placed on the Fund's website. The Notice of Meeting (**NoM**) will be accompanied by explanatory notes on the items of business and together they will seek to clearly and accurately explain the nature of the business of the Meeting. All securityholders have the opportunity to attend and vote (or appoint a proxy to vote) on any resolutions proposed. All substantive resolutions will be decided by a poll. The proxy form included with the NoM will explain clearly how it is to be completed and submitted. All securityholders at the Meeting have the opportunity to ask questions of the Board.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Audit, Risk and Compliance Committee

Please refer to Principle 4 for the composition and key responsibilities of the Audit, Risk and Compliance Committee.

Risk Management Framework

The Responsible Entity recognises that risk management is a core component of APN Group's governance framework. APN Group has a documented Risk Management Framework (**Framework**) which sets out the APN Group's policy, strategy, process and approach to risk management and incorporates the guidelines described in the Australian/New Zealand Standard on Risk Management (AS ISO 31000:2018). The Risk Management Statement available at <https://apngroup.com.au/about-us/governance/> provides a summary of the Framework.

The Managing Director/Chief Executive Officer is responsible for overseeing the implementation and on-going monitoring of the Framework including ensuring risk measures and methodologies are consistently applied, are effective and are supported by Senior Management. The Framework documents how APN Group identifies, assesses, manages, mitigates, monitors, records and reports key risks. Material risks are prioritised by the business and mitigating strategies are implemented to address such risks. Compliance procedures have been implemented to ensure the regular reporting and monitoring of risks across the business.

The Board and Audit, Risk and Compliance Committee receive regular updates on any material risks. The Audit, Risk and Compliance Committee receives a quarterly report on critical and high risks.

The Fund does not have material exposure to environmental or social risk. However, unforeseen risks, such as pandemics or environmental contamination may pose a risk to the Fund.

Impact of COVID-19

Events relating to COVID-19 have resulted in significant market falls and volatility. There continues to be uncertainty as to the further impact of COVID-19, including in relation to lockdowns and the movement of people throughout the community, work stoppages, quarantine, and inter-state and international travel restrictions. The effect of such factors on the Fund's tenants, the Australian economy and share markets remains uncertain. Throughout 2020 and 2021, the Fund has collected the majority of contracted revenue, which demonstrates the resilience of the tenant base and the underlying industries they operate in, and this has underpinned the financial performance throughout this period. However, the operating conditions remain uncertain and until there is widespread immunity from COVID-19, there is an ongoing risk that the financial performance of the Fund may be negatively impacted.

Environmental Risk

Certain asset classes to which the Fund is exposed, in particular service station assets, may have a higher rate of environmental contamination than other commercial property asset classes. There is a risk that a property may be contaminated now or in the future. Government environmental authorities may require the Fund to remediate such contamination in the event that the polluter or tenant is not able to remediate, and the Fund may be required to undertake any such remediation at its own cost. Such an event would adversely impact the Fund's financial performance.

In addition, environmental laws impose penalties for environmental damage and contamination which may be material.

If a person is exposed to a hazardous substance at a property, they may make a personal injury claim against the Fund. Such a claim could be for an amount that is greater than the value of the contaminated property.

The Fund has protections in place that provide recourse to the tenant in the event of a financial claim. An environmental issue may also result in interruptions to the operations of a property. Any lost income caused by such an interruption to operations may not be recoverable.

The Fund and the operations of property tenants are subject to government environmental legislation. While environmental issues are continually monitored, there is no assurance that the Fund's operations or those

of a tenant of a property will not be affected by an environmental incident or subject to environmental liabilities, which could impact the reputation, rental income or value of the Fund.

Annually, the Board reviews the Framework to assess that it continues to operate effectively and as designed and whether any changes are required. The Board reviewed the Framework in the Reporting Period.

The Responsible Entity does not have a dedicated internal audit function, however, the APN Group governance framework incorporates a risk-based approach to conducting compliance reviews on key operations and processes. Compliance reviews are reported to the Audit, Risk and Compliance Committee and where applicable, to the Board of APN FM and are accompanied with recommendations for any changes to the Fund's processes, systems and controls in accordance with legal and regulatory requirements.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Nomination and Remuneration Committee

Please refer to Principle 2 for the composition and key responsibilities of the Nomination and Remuneration Committee.

Remuneration Policies and Practices

With input from APN Group, the Nomination and Remuneration Committee assists the Board with oversight of the remuneration policies and practices. The APN Group's remuneration policies and practices are aimed to attract, motivate and retain high calibre Non-Executive Directors, Executive Directors and Senior Executives.

The remuneration policies and practices include competitive market rates (independent professional advice may be sought) and fixed and variable rewards that are aligned to meeting the APN Group's strategic objectives.

Equity Based Remuneration Schemes

The Responsible Entity's Non-Executive/Independent Directors do not receive any equity-based remuneration.

Remuneration of Manager

The fees payable to the Manager are available under Section 13.6 (pg 154-155) of the PDS located at <https://apngroup.com.au/fund/apn-convenience-retail-reit/wp-content/uploads/2016/12/Convenience-Retail-REIT-CRR-PDS.pdf>.