

Auckland Real Estate Trust ARSN 114 494 503

Corporate Governance Statement

This corporate governance statement sets out Auckland Real Estate's (**Trust**) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**). The ASX Principles and Recommendations are not mandatory. However, this corporate governance statement discloses the extent to which the Trust has followed the ASX Principles and Recommendations.

This corporate governance statement is current as at 30 June 2021 and has been approved by the board of the Trusts' responsible entity, Quattro RE Limited ACN 115 913 810 (**Company**) (**Board**).

#	ASX Principles and Recommendations	Comply (Yes/No)	Recommendation/Action
1	Lay Solid Foundations for Management and Oversight		
1.1	A listed entity should 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.	No	The Company is the responsible entity of the Trust and, in discharging its duties, acts in accordance with the provisions of the Trust's constitution, the Corporations Act and other relevant laws and regulations. The Company does not have a board charter. Given the current size of the Trust, the Board does not believe that this is necessary.
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.	N/A	The Trust is 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.	N/A	The Trust is 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.	N/A	The Trust is an externally managed entity and this recommendation is therefore not applicable.
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 its 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;	N/A	The Trust is an externally managed entity and this recommendation is therefore not applicable.

	<p>2. the entity's progress towards achieving those objectives; and</p> <p>3. either:</p> <p>i. 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</p> <p>ii. 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>		
1.6	<p>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 has been undertaken in accordance with that process during or in respect of that period.</p>	N/A	The Trust is an externally managed entity and this recommendation is therefore not applicable.
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(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.</p>	N/A	The Trust is an externally managed entity and this recommendation is therefore not applicable.
2	Structure the Board to be Effective and Add Value		
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, <p>and disclose:</p> <ol style="list-style-type: none"> 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 <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</p>	N/A	The Trust is an externally managed entity and this recommendation is therefore not applicable.

	enable it to discharge its duties and responsibilities effectively.		
2.2	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.	N/A	The Trust is an externally managed entity and this recommendation is therefore not applicable.
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, 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 (c) the length of service of each director.	Yes N/A Yes	The Board has reviewed the position and associations of each of the four Directors and has determined that the following Directors are independent: 1. Greg Dyer; 2. Nicholas Hargreaves; and 3. Barry Mann. In making this determination the Board has had regard to the independence criteria in the ASX Principles and Recommendations, and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new Directors upon appointment and reviews their independence, and the independence of the other Directors, as appropriate. The Company has disclosed the details of each Director (including their length of service) in its FY19 Annual Report.
2.4	A majority of the board of a listed entity should be independent directors.	N/A	The Trust is 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.	N/A	The Trust is 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 for periodically reviewing whether there is a need for existing director to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	N/A	The Trust is an externally managed entity and this recommendation is therefore not applicable.
3	Instil a Culture of Acting Lawfully, Ethically and Responsibly		
3.1	A listed entity should articulate and disclose its values.	Yes	Although the Trust does not have a written Code of Conduct, the Company articulates and discloses its values to its employees through ongoing training and culture setting.
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	No No	Although the Trust does not have a written Code of Conduct, the Board is committed to the establishment and maintenance of appropriate ethical standards by the Company's directors, senior executives and employees through ongoing training in order to instil confidence in both clients and the community in the way the Company conducts

	of that code.		its business.
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.	No N/A	The Company does not have a whistleblower policy. Given the current size of the Trust, the Board does not believe that this is necessary.
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.	No N/A	Company does not have an anti-bribery and corruption policy. Given the current size of the Trust, the Board does not believe that this is necessary.
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.	No No No No No Yes	The Company does not have a separately constituted audit committee or compliance committee that carries out the functions that would ordinarily be undertaken by an audit committee. The Board is currently responsible for verifying and safeguarding the integrity of the entity's corporate reporting by reviewing all reports. The Board's collective expertise, involvement and understanding of the Trust will enable them to check that the reports are accurate. The Board is also responsible for the appointment of any external auditors of the Company and will from time to time review the scope, performance and fees of those external auditors.
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.	Yes	The Trust has received a declaration from its CEO that, in his opinion, the financial records have been properly maintained and comply with the proper standards.
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.	No	Although there is no formal process to verify the integrity of any periodic corporate reports, the Company's CEO reviews all periodic corporate reports the Trust releases to the

			market to verify its integrity and conducts thorough checks to ensure their accuracy.
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.	No	The Trust does not have a written policy for complying with its continuous disclosure obligations. Nevertheless, the Company is committed to providing timely, complete and accurate disclosure of information to allow a fair, and well-informed market in its securities and compliance with the continuous disclosure requirements imposed by law including the Corporations Act and the ASX Listing Rules.
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	All material market announcements are approved by the Board prior to announcement and each board member is provided a copy of the final announcement that will be made.
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.	Yes	The Company complies with this requirement
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.	No	The Trust's website provides relevant information about itself but does not provide relevant information about its governance.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	No	The Trust does not have a formal investor relations program in place.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	No	Although the Trust does not have a formal communications policy in place, the Trust provides unitholders the opportunity to ask questions and make comments at meetings.
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.	Yes	The Trust has not held a meeting during the reporting period. Nevertheless, should the Trust hold a meeting, the Trust will conduct all voting on substantive resolutions via a poll.
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.	Yes	The Trust provides unitholders with the option to receive communications from, and send communications to, the entity and its security registry via email.
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,	No No	The Company does not have a separately constituted audit committee or compliance committee that carries out the functions that would ordinarily be undertaken by an audit committee.

	<p>and disclose:</p> <ol style="list-style-type: none"> 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 <p>(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.</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>	<p>The Board is currently responsible for the oversight and management of all material business risks. The Board's collective experience will enable accurate identification of the principle risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings. The Board will continually review its practices and business activities to consider if it is necessary to establish a risk committee.</p>
7.2	<p>The board or a committee of the board should:</p> <ol style="list-style-type: none"> (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. 	<p>Yes</p> <p>No</p>	<p>The Board annually reviews and approves the risk framework of the Company.</p> <p>The Company did not undertake a formal performance appraisal of the Company's risk management framework during the reporting period.</p>
7.3	<p>A listed entity should disclose:</p> <ol style="list-style-type: none"> (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. 	<p>No</p> <p>Yes</p>	<p>The Company does not have an internal audit function and does not disclose the processes it uses to improve risk management. Nonetheless, the Board remains committed to effective management and control of these factors and is responsible for these functions.</p>
7.4	<p>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.</p>	<p>Yes</p>	<p>Material exposure to economic, environmental and social sustainability risks will be announced to the market, in accordance with the requirements of the ASX Listing Rules.</p>
8	Remunerate Fairly and Responsibly		
8.1	<p>The board of a listed entity should:</p> <ol style="list-style-type: none"> (a) have a remuneration committee which: <ol style="list-style-type: none"> 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, <p>and disclose</p> <ol style="list-style-type: none"> 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. 	<p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>Yes</p>	<p>The Trust does not a separately constituted remuneration committee. The Board is responsible for setting the level and composition of remuneration for directors and senior executives. The Board considers the expertise and roles of each personnel in setting their remuneration.</p>

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.	No	The Trust has not disclosed its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.
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.	Yes Yes	The Company has a Securities Trading Policy that prohibits directors, officers and employees from entering into certain transactions or arrangements which limits the economic risk of participating in unvested entitlements under any equity-based remuneration scheme. A copy of the Securities Trading Policy is available by request from the Company.
9	Additional Recommendations that Apply Only in Certain Cases		
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	N/A	The Trust is an externally managed entity and this recommendation is therefore not applicable.
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	N/A	The Trust is an externally managed entity and this recommendation is therefore not applicable.
9.3	A listed entity established outside Australia, and an externally managed 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.	N/A	The Trust is an externally managed entity that does not hold, and is not required to hold, an AGM and this recommendation is therefore not applicable.