



**AIMS Funds Management**  
A Member of AIMS Financial Group

# **CORPORATE GOVERNANCE STATEMENT**

October 2023

## INTRODUCTION

AIMS Property Securities Fund (“APW”) is a listed managed investment scheme whose units are traded on the Australian Securities Exchange (ASX) and the Singapore Exchange (SGX-ST). APW has no employees and its day-to-day functions and investments are externally managed by the Responsible Entity, AIMS Fund Management Limited. The parent company of AIMS Fund Management Limited is Great World Financial Group Pty Ltd (“the Group”).

The directors of the Responsible Entity (“the Board”) recognise the importance of good corporate governance. APW’s corporate governance framework, policies and practices are designed to ensure the effective management and operations of APW and will remain under regular review.

A description of APW’s practices in respect of the 8 Principles and Recommendations from the ASX Corporate Governance Council’s Revised Corporate Governance Principles and Recommendations (ASX Recommendations) are set out below. All these practices, unless otherwise stated, were in place for the entire year.

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

### 1.1 Functions of Board and senior executives

Primary responsibility for the management and oversight of the Responsible Entity rests with the Board, whose overall role is to build long term sustainable value for APW’s Unitholders, while respecting the interests of all stakeholders. In meeting its responsibilities, the Board undertakes the following functions:

- The Board is responsible for the overall corporate governance of the Responsible Entity, including formulating its strategic direction and monitoring the business objectives. The Board delegates day to day management of the Responsible Entity’s affairs to the Executive Chairman and senior executives.
- The structure, roles and functions of the Board are set out in a Board Charter, but in broad terms, the Board Charter clarifies the respective roles of the Board and senior management.
- To assist in the execution of its oversight and management responsibilities, the Board has established an Audit, Risk and Compliance Committee. This committee has its own written mandate, which is reviewed on a regular basis and it reports back to the Board on their activities through the presentation of reports and minutes of committee meetings.
- The Board holds regular quarterly meetings, plus strategy meetings and extraordinary meetings at such times as may be required during the year.
- An agenda for the meetings is determined to ensure that certain standing information is addressed and other items which are relevant to reporting deadlines and/or regular review are scheduled when appropriate.

Each Director has the right to access all relevant information in respect of the Responsible Entity and to make appropriate enquiries of senior management. Subject to prior consultation with the Executive Chairman, a Director may seek independent professional advice from a suitably qualified advisor.

Non-Executive Directors have been appointed under a formal letter which sets out the key terms and conditions of that appointment, including the term, time commitment, remuneration, requirement to disclose directors’ interests, the requirement to comply with

key corporate policies, when independent professional advice may be sought, the circumstances in which the office of director may become vacant, indemnity and insurance arrangements, rights of access to corporate information, and ongoing confidentiality obligations.

For the Executive Chairman or other senior executives, the formal letter should also include a description of their position, duties and responsibilities, the person or body to whom they report, the circumstances in which their service may be terminated and any entitlements on termination.

The Responsible Entity Secretary plays a critical role in supporting the effectiveness of the Board and its Committees, advising the Board and its Committees on governance matters, monitoring the Board and Committees policy and procedures are followed, co-ordinating the timely completion and dispatch of the Board and Committees papers, ensuring the business at Board and Committees meetings is accurately captured in the minutes, and helping to organise and facilitate the induction and professional development of directors.

The Responsible Entity Secretary is accountable directly to the Board, through the Executive Chairman, on all matters to do with the proper functioning of the Board.

The appointment and removal of the Responsible Entity Secretary is a matter for decision by the Board as a whole.

## **1.2 Diversity**

As the Responsible Entity and APW do not employ any employees the principle of diversity is not applicable to the Responsible Entity or APW.

## **1.3 Evaluation performance of senior executives**

The performance of senior executives is reviewed annually against certain criteria. Non-Executive Independent Directors may meet periodically without any executive management to ensure that there is full and frank discussion amongst Directors of issues affecting the Responsible Entity.

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

## **2.1 Board Composition**

The composition of the Board is structured to maintain a mix of directors from different backgrounds with complementary skills and experience. Details of each director at the date of this report are given in the Director's report, including the period in office, skills, experience, and expertise relevant to the position of the director.

The table below sets out the current skills and experience that the Board considers necessary or desirable and the extent to which they are represented on the Board.

Skills and experience	Number of Directors/Board representation (out of 3)
<b>Leadership – organisational, including senior executive leadership experience</b>	3
<b>Strategy – experience in developing and implementing strategic business plans</b>	3
<b>Financial acumen – senior experience in finance, including in financial accounting and reporting</b>	2
<b>Real estate – experience in real estate management, leasing, development, design and construction</b>	2
<b>Retail and consumer marketing – experience in retail (including physical and digital) and in customer service and management strategies</b>	3
<b>Capital management – senior experience in capital management strategies, corporate finance, capital markets and funds management</b>	3
<b>Governance – experience with governance in the listed sector</b>	3
<b>Human resources – senior experience in people management and human resources policy</b>	3
<b>Innovation – experience in transforming business models and processes including in relation to technology and digital platform</b>	3

The Board may comprise up to ten individual Directors with a minimum of three. Directors will be classified as Independent, Non-Executive or Executive. The Board assessed the independence of its Non-Executive Independent Directors according to the definition contained within the Principles and concluded that two of the members of the Board were independent.

An Independent Director is not a Director that:

- is, or has been, employed in an executive capacity by the Responsible Entity, or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of the entity;
- is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the Responsible Entity, or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
- is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- has close personal ties with any person who falls within the categories described above; or
- has been a director of the Responsible Entity for such a period that their independence from management and substantial holders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the board to determine whether it might interfere, or might reasonably be seen to interfere, with the Directors' capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of APW as a whole rather than in the interests of an individual unitholder or other party.

Directors are expected to be meticulous in their disclosure of any material personal or family contract or relationship. Directors must also strictly adhere to constraints on their participation and voting in relation to matters in which they may have an interest, in accordance with the Corporations Act and APW's policies.

The Board regularly assesses whether Directors are independent, and each Director is required to provide information relative to this assessment. The Board monitors the independence of each Director by requiring all Directors to make a Fit and Proper Declaration annually (usually the first board meeting of the calendar year). All Directors are responsible to disclose any event that may undermine independence throughout the year.

<b>Name</b>	<b>Position</b>	<b>Independent (Yes/No)</b>	<b>Date Appointed</b>
<b>George Wang</b>	Executive Chairman	No	14 July 2009
<b>Richard Nott</b>	Director	Yes	5 August 2010
<b>John Love</b>	Director	Yes	30 March 2011

Details of the background, particular qualifications, expertise and period of service of each Director are set out in the Directors' Report section of the Annual Report.

When a Board vacancy exists, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the existing Board selects a candidate with the appropriate experience and expertise. Appropriate checks of the potential candidates will be undertaken including but not limited to reference checks, national police checks and bankruptcy checks.

## **2.2 Executive Chairman**

The Chairman of the Board is Mr George Wang, who is not independent according to the criteria set out in the Principles. The position of Chairman for the purposes of Board meetings may however rotate on a regular basis. Given the independence of the Board, it is not considered necessary at this stage for the Chairman to be independent.

## **2.3 Roles of Executive Chairman and Fund Manager**

The roles of the Executive Chairman of the Board and Fund Manager are not held by the same individual.

## 2.4 Nomination Committee

Given the size and structure of AIMS, the Board does not have a Nomination Committee. Some of the roles and responsibilities (where practical) are undertaken by the Board or some of its members.

## 2.5 Performance evaluation process

The Board is responsible for reviewing the performance of Directors.

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

The Board actively promotes ethical and responsible decision making.

### 3.1 Values

The Board has approved the values of APW in line with the core values of AIMS Group which function as guiding principles and expectations for behaviour and the culture the Board and management are seeking to embed across APW to assist in the achievement of APW's purpose and strategic objectives.

The Responsible Entity is required to observe the highest level of professional conduct in carrying out its duties in relation to the Fund, in light of the core values of:

- Innovation
- Communication
- Customer Focus
- Trustworthiness
- Change

The Responsible Entity strives for open communication with everyone it engages with, including service providers and unitholders of APW. It will always act in the best interests of all unitholders by adopting a customer focus approach, and creating a service culture characterized by professionalism, promptness, honesty, and a genuine desire to cater for unitholders' needs. It also strives to be a reliable and dependable provider of financial services at all times, and it expects no less from its management, staff, service providers and other stakeholders.

### 3.2 Code of Conduct

The Board has adopted a Code of Conduct which can be viewed on the website of AIMS Funds Management Group: [www.aimsfunfs.com.au](http://www.aimsfunfs.com.au). The Code sets out the core values of the Responsible Entity and the expectations for how employees should conduct their business affairs including:

- acting in the best interests of unitholders over and above their own interests.
- acting honestly and with high standards of personal integrity.
- complying with the laws, regulations and internal policies, including in relation to the conflicts of interest.
- not knowingly participate in any illegal or unethical activity.

- preserving unitholder confidentiality and not misusing information at all times.
- protecting and promoting the integrity of the market.
- avoiding and/or disclosing any real or perceived conflicts of interest.

The Code of Conduct is discussed with each new employee as part of their induction training.

### **3.3 Whistleblower Policy**

The Board has adopted a Whistleblower Policy which can be viewed on the website of AIMS Funds Management Group. These procedures establish a system for reporting disclosures of misconduct or an improper state of affairs or circumstances (wrongdoing) by AIMS Funds Management Group or its employees. The system enables such disclosures to be made to the Whistleblower Protection Officer.

The Managing Director will be informed as to the action that must be taken to prevent the wrongdoing from continuing or occurring in the future where an investigation concludes that the wrongdoing has occurred.

### **3.4 Anti-Bribery & Corruption Policy**

The Board has adopted an anti-bribery and corruption policy which is contained in the Code of Conduct which can be viewed on the website of AIMS Funds Management Group.

## **PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING**

### **4.1 Audit Committee**

The Board has established an Audit, Risk and Compliance Committee, which provides assistance to the Board in fulfilling its corporate governance responsibilities in relation to the Responsible Entity's financial reporting, internal controls structure, risk management systems and external audit functions.

The Audit, Risk and Compliance Committee review the performance of the external auditors on an annual basis and meets with them during the year to review findings. The Committee has full access to all books, records, facilities and personnel of the Responsible Entity, as well as the authority to engage independent counsel and other advisers it determines necessary to carry out its duties.

### **4.2 Structure of the Audit Committee**

Due to the size and nature of the Board and the magnitude of APW's operations, there are only two members of the Audit, Risk and Compliance Committee are non-executive directors. For details of the relevant qualifications and experience of the members of the committee, please refer to Board of Directors section of the Annual Report.

The members of the Audit, Risk and Compliance Committee are Mr Richard Nott – Chairman and Mr John Love.

The Audit, Risk and Compliance Committee is required to meet a minimum of four times per year. Both members of the committee attended all Audit, Risk and Compliance Committee meetings for FY 2022-23. Attendance at the meetings of the Audit, Risk and Compliance Committee for FY 2022-23 is shown in the table below.

Audit, Risk and Compliance Committee member	Number of meetings held while the individual was a member of the Committee	Number of meetings attended by the individual
Richard Nott	4	4
John Love	4	4

The Responsible Entity manages the engagement and monitoring of independent external auditors for APW. The Board receives periodic reports from the external auditors in relation to financial reporting and the compliance plans for APW.

### 4.3 Approval of Financial Statements

As the Responsible Entity does not have a CFO, the Finance Manager assumes all the functions of CFO.

The CEO and the Finance Manager have declared in writing to the Board that, in their opinions, the financial records of APW and its Responsible 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 APW and its Responsible 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.

Non-audited corporate reports, such as Fund updates, receives extensive management review prior to release to the market. This Corporate Governance Statement is reviewed and endorsed by the Audit, Risk and Compliance Committee prior to Board approval.

## PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

### 5.1 Disclosure policies

APW has a Continuous Disclosure Policy to ensure continuous disclosure and access to information for investors. All employees (including directors and other officers) of the Group and its related bodies corporate must adhere to that Continuous Disclosure Policy.

The general principle that underpins the Continuous Disclosure Policy is that once the Fund becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of its securities, it must immediately advise the ASX of that information.

The Continuous Disclosure Policy addresses:

- the roles and responsibilities of directors, officers and employees in complying with the Fund's disclosure obligations;



- Safeguarding confidentiality of corporate information to avoid premature disclosure;
- Media contact and comment;
- External communications such as analyst briefings and responses to unitholder questions; and
- Measures for responding to or avoiding the emergence of a false market in the Fund's securities.

A copy of the Continuous Disclosure Policy is disclosed on the AIMS Funds Management Group website: [www.aimsfunds.com.au](http://www.aimsfunds.com.au)

The Board and the executive team are included in an email distribution list to receive a copy of all ASX market announcements made by the Responsible Entity to ensure they have visibility of the nature and quality of the information being disclosed to the market, and the frequency of such disclosures.

All material presentations by the Responsible Entity are released to the ASX and posted on the Fund's website: [www.aimsfunds.com.au](http://www.aimsfunds.com.au).

## **PRINCIPLE 6: RESPECT THE RIGHTS OF UNITHOLDERS**

Information about the Fund and its governance arrangements (including copies of board charters and policies) are available on the AIMS website: [www.aimsfunds.com.au](http://www.aimsfunds.com.au).

### **6.1 Communications Policy**

APW's policy for communication with shareholders is set out in its Communications Policy. The aim of the Board is to ensure that investors are informed of all major developments affecting an AIMS Company through:

- the Annual Report;
- disclosures made to the ASX and Singapore Stock Exchange in the form of market announcements and investor updates;
- notices and explanatory memoranda of Annual General Meetings and other Shareholder meetings;
- Shareholder and unitholder meetings;
- responses to enquiries from shareholders and unitholders; and
- occasional letters from the Chairman or the Managing Director to specifically inform Shareholders or Unitholders of key matters of interest.

The Corporate Governance Statement in the Annual Report of each AIMS Company contains an explanation of any departures from Principle 6.

AIMS communicates with Shareholders and Unitholders through releases on the Australian Securities Exchange, direct correspondence and on the AIMS website: [www.aimsfunds.com.au](http://www.aimsfunds.com.au)

## **6.2 Meetings of security holders**

APW may convene a unitholder meeting during the financial year at a time and place that is considered convenient for the majority of APW's unitholders will receive a notice of meeting and explanatory memorandum in relation to security holder meetings, copies of which will also be available on APW's website and released to ASX and SGX-ST

At any unitholder meeting, the Chairman will ensure that a reasonable opportunity exists for unitholders to ask questions in relation to the resolutions being voted on. Unitholders are encouraged to attend all unitholder meetings.

Resolutions at the meetings are decided by poll rather than by a show of hands, allowing all unitholders to vote based on the number of units held by them. This also gives them the opportunity to register their vote in the event they are not able to attend the meeting through a proxy.

APW provides all unitholders with the option to receive communications from, and send communications to, APW and its security registry electronically.

## **PRINCIPLE 7: RECOGNISE AND MANAGE RISK**

### **7.1 Risk management framework**

The Board has primary oversight of risk management policies and practices and has adopted an appropriate risk management framework and policy.

In accordance with its Charter, the Audit, Risk and Compliance Committee has more direct responsibility for overseeing the risk management framework and risk management practice. The Audit, Risk and Compliance Committee shall provide assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to the financial reporting, internal controls structure, risk identification and management systems and the internal and external audit functions of AIMS Funds Management (AIMS) group of companies. In doing so, it is the responsibility of the Audit, Risk & Compliance Committee to maintain free and open communication between the Audit, Risk & Compliance Committee, the external auditors and the management of the Company.

The Audit, Risk and Compliance Committee shall comprise no less than two (2) Independent Non-Executive Directors or members as selected by the Board. The Board shall appoint one of the Audit, Risk and Compliance Committee members as Chairman. The Company Secretary will act as Audit, Risk and Compliance Committee Secretary.

The Chairman of the Audit, Risk and Compliance Committee is to report to the Board on the activities of the Audit, Risk and Compliance Committee and to formally table the minutes of the intervening Audit, Risk and Compliance Committee meetings.

The role and responsibilities, composition, structure, membership requirements and procedures for the Audit, Risk and Compliance Committee are set out in the Audit, Risk and Compliance Committee Charter.

There are two members of the Audit, Risk and Compliance Committee, all of which are also non-executive directors of the Board.

The Audit, Risk and Compliance Committee is required to meet a minimum of four times per year. Attendance at the meetings of the Audit, Risk and Compliance Committee for FY 2022-23 is shown in the table below.

Committee member	Number of meetings held while the individual was a member of the Committee	Number of meetings attended by the individual
Richard Nott	4	4
John Love	4	4

## 7.2 Review of risk management framework

The Board reviews the effectiveness of the risk management and internal control systems on an ongoing basis through regular certifications and review undertaken by the finance and compliance functions together with a formal annual review.

The risk management framework is reviewed annually to ensure that it deals adequately with contemporary and emerging risks. If the Company is to operate outside the current risk appetite set by the Board, the matter will be brought to the attention of the Board.

## 7.3 Internal Audit Function

APW has an internal audit function.

From the Board's perspective, the broad objectives of the internal audit function include evaluation of the adequacy and effectiveness of the financial and risk management frameworks of the Fund. To fulfil this objective, the internal audit has unfettered access to all the Board's business lines and support functions.

From a risk management perspective, the role of the internal audit is to provide independent assurance to the Board that key risk mitigation strategies and control mechanisms are in place, are operating effectively, and are adequate for risk mitigation purposes.

Where weakness in risk mitigation strategies or control mechanisms are identified, the internal audit is expected to confirm rectification procedures are in place, actively monitored to completion, and reported to the appropriate levels of senior management and the Audit, Risk and Compliance Committee.

## 7.4 Material exposure to ESG risks

APW does not have any material exposure to economic, environmental and social sustainability risks.

A copy of the Group's Risk Management Policy is disclosed on the AIMS Funds Management Group website: [www.aimsfunds.com.au](http://www.aimsfunds.com.au).

## **PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY**

### **8.1 Remuneration committee**

Due to the size and structure of AIMS, the Board does not have a Remuneration Committee. The role and responsibilities of the Remuneration Committee are carried out by the Executive Chairman in conjunction with the Human Resources Manager.

AIMS also reviews and approves senior executive total remuneration packages and terms of employment annually, having regard to performance, relevant comparative information and, where relevant, independent expert advice.

### **8.2 Remuneration structure**

The Executive Chairman and senior executives receive salary packages which may include performance-based components designed to reward and motivate. Non-Executive Independent Directors receive fees agreed on an annual basis by the Board. There are no retirement schemes in place for Non-Executive Independent Directors.

The remuneration for the Board and senior executives is paid by the Responsible Entity and AIMS Group.

## **ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES:**

APW is managed under the supervision and direction of the Board of the Responsible Entity. The structure, responsibilities, roles and functions of the Board and management are set out in the Board Charter. The key responsibilities of the Board include:

- providing leadership and setting the strategic objectives of APW;
- appointing the chair and/or the independent director;
- appointing, and when necessary replacing, the CEO;
- approving the appointment, and when necessary replacement, of other senior executives;
- overseeing management's implementation of the entity's strategic objectives and its performance generally;
- approving operating budgets and major capital expenditure;
- overseeing the integrity of APW's accounting and corporate reporting systems, including the external audit;
- overseeing the entity's process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have a material effect on the price or value of APW's units;
- approving APW's remuneration framework; and
- monitoring the effectiveness of APW's governance practices.

The management is responsible for providing the resources to enable APW to appropriately and adequately conduct its operations and administer its affairs in relation to the funds management business. In particular, APW is responsible for implementing the strategy and performance objectives of APW and its daily operations.

The Board has also granted specific delegated authorities to the management, including in respect of project expenditure, operational expenditure, leasing, accounting and treasury.

Directors are advised of these functions and their duties and responsibilities in their letters of appointment and induction material.

The responsibilities and accountabilities of senior executives are defined in position descriptions signed by the senior executives on or about commencement of employment.

The Responsible Entity has outsourced certain aspects of the management of APW to external service providers, including registry and custodial services. The Responsible Entity has entered into service agreements with these service providers and is required to regularly monitor the performance of these service providers against the requirements set out in the relevant agreements.

The remuneration of the Responsible Entity of APW is regulated by the APW's Constitution. Under the APW Constitution, the Responsible Entity has a right to be reimbursed for expenses from the assets of APW in relation to the proper performance of its duties.

The Responsible Entity is not to receive any management fees or performance fees in relation to its role as responsible entity of APW.