

Changing the way the world experiences property



Corporate Governance
Statement 2020



Corporate Governance Statement 2020

Good governance matters.

This Corporate Governance Statement (**Statement**) describes REA Group's approach to corporate governance and highlights our current governance practices and principles.

This Statement acknowledges the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Corporate Governance Principles). Our Appendix 4G is a checklist which cross-references REA Group's compliance with the 4th edition of the ASX Corporate Governance Principles and is available on our Corporate Governance Site.

Our corporate governance practices are designed to ensure that:

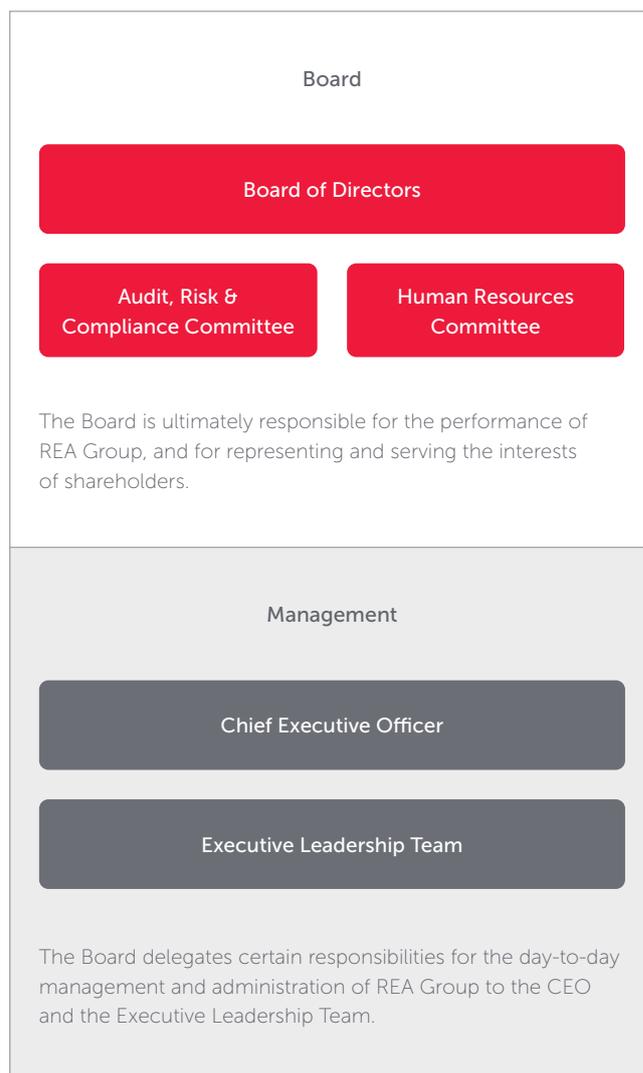
- (a) we act lawfully, ethically and responsibly;
- (b) we are transparent and accountable to our employees, shareholders, customers, consumers and the wider community; and
- (c) the REA Group Board of Directors (**Board**) receives appropriate and timely information to enable it to fulfil its roles and responsibilities.

We believe this is essential to protect and enhance the long-term performance and sustainability of our company and supports the interests of our shareholders, customers, consumers and the broader community.

1. Governance framework

An overview of our corporate governance framework is set out below.

Our governance framework



2. Our values

At REA Group, we have a common purpose – to change the way the world experiences property – and we share a common language about who we are and what’s important to us; our values.

These are our REA Group values, the values we live by.



Re-imagine it

We’re not afraid to try new things or fail fast. We love experimenting. Innovating. Working away at a great idea that will wow our consumers and customers. We’re all about challenging the status quo and taking risks.

And at times, while it may feel uncomfortable, we know this is where the magic happens.



Own it

We get it done – creating stuff we know our consumers and customers will love. We’re committed to achieving our goals no matter what challenges come our way. If there’s a hurdle, we jump it; if there’s a way through, we’ll find it!

We always seek to do the right thing, and if things don’t quite go to plan, we own it. We review what happened, learn from it and move on, smarter and better than before.



Inspire it

We’re thirsty for knowledge – and generous with it too. Which is great, because everyone at REA Group has something to teach, to inspire in others and learn. Likewise, we give and take feedback with an open heart and an open mind.

Our curiosity is endless, and every day we seek out opportunities to grow ourselves and others. We don’t do comfort zones.



Do it with heart

People are the heart of REA Group. Every connection with each other, with our customers and our community matters. We care and we’re not afraid to show it.



Keep it real

We don’t expect anyone to fit a certain mould – we accept everyone for who they are, quirks and all. We’re a down-to-earth bunch who listen, are open with each other, and tell it like it is, respectfully.

We’re not afraid to have a laugh. We take our work seriously, but never ourselves.



Do it as one team

Everything we achieve, we achieve as one team. No egos. No heroes. It’s our collective genius that gives us our edge and a willingness to stand by any decision that’s made for the greater good of REA.

Company. Team. Individual.

The Board and Executive Leadership Team are guided by our values in all their actions and decisions.

All REA Group employees are inducted into our values on joining, and these values are continually reinforced by:

- (a) the actions and conduct of our leaders who are expected to live and breathe our values;
- (b) our reward and recognition program, the ‘Real Deal’, which is awarded to individuals and teams who demonstrate our values; and
- (c) evaluating every employee’s demonstration of our values as part of their annual and half-yearly performance reviews.

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3. The Board

The REA Group Board currently comprises eight directors, including seven non-executive directors and one executive director (the Chief Executive Officer, Mr Owen Wilson).

Details on each director, including their length of service, experience and roles on the Board and Committees, can be found on page 26 and 27 of our 2020 Annual Report.

Mr Hamish McLennan is the current Chairman of the Board and is responsible for providing leadership to the Board, ensuring the

effective organisation and conduct of the Board, and facilitating Board discussions to ensure core issues facing REA Group are addressed.

4. Roles and responsibilities of the Board

The roles and responsibilities of the Board, and those matters expressly reserved for the Board's determination, are set out in our Board Charter which is available on our Corporate Governance Site.

The key focus areas for the Board in fulfilling its roles and responsibilities for the 2020 reporting period included:

Strategy	<ul style="list-style-type: none"> > Approving REA Group's corporate strategy and performance objectives, which are designed to meet stakeholders' needs and manage business risk. > Assessing proposed strategic transactions (including merger & acquisition opportunities) and determining whether to pursue those opportunities based on factors including strategic fit, forecast performance and acquisition costs.
Culture and values	<ul style="list-style-type: none"> > Monitoring and assessing REA Group's reputation, culture and values, including by ensuring the right policies and controls are in place to motivate the Executive Leadership Team to promote our values and desired behaviours.
Performance and growth	<ul style="list-style-type: none"> > Approving initiatives and strategies designed to ensure the continued growth and success of REA Group as a whole. > Monitoring performance against budgets, financial and non-financial key performance indicators, strategic plan and risk appetite. > Assessing, approving and monitoring the progress of major capital expenditure, capital management and acquisitions. > Challenging management and holding it to account, where required.
Risk management	<ul style="list-style-type: none"> > With guidance from the Audit, Risk & Compliance (ARC) Committee, implementing REA Group's risk framework (for both financial and non-financial risks), including setting risk appetite and systems to ensure risk is appropriately identified, evaluated and managed. > Managing and responding to the impacts of COVID-19.
Executive performance and succession planning	<ul style="list-style-type: none"> > Selecting and appointing a new Chief Sales Officer. > Evaluating the performance of the Chief Executive Officer and the Executive Leadership Team. > With guidance from the Human Resources (HR) Committee, reviewing and approving appropriate remuneration policies which are aligned to REA Group's values and performance objectives.
Integrity of financial and other external reports	<ul style="list-style-type: none"> > With guidance from the ARC Committee, ensuring the quality, accuracy and integrity of financial reports. > With guidance from the ARC Committee, overseeing and reviewing the results, adequacy and effectiveness of the policies and procedures in place to protect the integrity of accounting records.
Governance and shareholder interests	<ul style="list-style-type: none"> > Reviewing and approving policies and processes to improve and maintain REA Group's high systems of corporate governance. > Representing shareholders' interests and building sustainable, long-term shareholder value. > Approving interim and full year dividends.

Company Secretary

The Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board and its Committees. All directors have access to the Company Secretary.

The formal reporting line of the Company Secretary is through the CEO, however the Company Secretary is also directly accountable to the Chairman of the Board.

Sarah Turner held the position of Company Secretary of REA Group until her departure in May 2020. Erin Thorne acted as interim Company Secretary after this time. Ms Turner and Ms Thorne's qualifications and experience are set out in the Directors' Report on page 39 of our 2020 Annual Report.

5. Board composition, skills and performance

5.1 Board skills matrix

The Board, with the guidance of the HR Committee, undertakes an annual review of the skills and experience of each director to assess the combined capabilities of the Board. The Board seeks to achieve a mix of skills and diversity that includes international, digital media, corporate management, and operational experience, as well as a deep understanding of the advertising industry and the nature of our customer relationships.

All Board members are expected to maintain the skills required to discharge their respective roles. The Board is kept up to date on topical issues through internal presentations and briefings, visits to REA Group offices and by having the opportunity to meet with directors and senior executives of other leading digital companies.

The skills matrix below provides a summary of the relevant skills possessed by the directors.

The Board is satisfied that this skills matrix demonstrates that the Board has the appropriate mix of skills and experience necessary to discharge its responsibilities, as well as having a proper understanding of, and competence to deal with, current and emerging issues to guide the business.

Board skills and Experience	Summary	Board Total Directors: 8
Executive Leadership	Experience in senior leadership roles, including on the boards of other significant listed companies and managing through periods of rapid change.	 8
Governance and Risk	Understanding of key legal, governance and compliance issues and risks, and governance and regulatory framework.	 3
Financial and Capital Markets	Experience in capital markets transactions (such as mergers and acquisitions, capital raising or capital management initiatives), in Australia or overseas. Strong ability to understand and analyse financial statements and the drivers of financial performance, and to evaluate the effectiveness of internal financial controls.	 3
Audit and Accounting	Senior executive or equivalent experience in financial accounting and reporting, analysing financial statements, capital structure and internal financial controls.	 2
International Markets	Experience in an organisation with significant international operations, and exposure to a range of geographic, political, cultural, regulatory and business environments.	 5
Strategy	Experience in developing, setting and executing strategic direction. Experience in driving growth and transformation, executing against a clear strategy.	 8
Risk Management	Ability to identify key risks related to each area of the business. Ability to monitor effectiveness of risk and compliance function and knowledge of legal and regulatory requirements.	 8
Marketing and Communications	Experience in marketing, brand or customer management.	 2
Technology and Media	Experience in a company with a major focus on technology and media.	 6

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5.2 Succession planning

The HR Committee is responsible for identifying suitable candidates to fill Board vacancies, either in response to casual vacancies or to complement the existing skills, experience and diversity of the Board. External consultants may be engaged (where appropriate) to assist in a search for a candidate.

Where a candidate is recommended by the HR Committee to the Board for election or re-election, the Board will assess the candidate against a range of criteria, including the skills, experience, expertise and personal qualities that will best complement the Board's effectiveness and diversity, and a candidate's capacity to devote the necessary time and commitment to the role.

Before a candidate is recommended for election, REA Group undertakes appropriate background checks (including checks as to the candidate's character, experience, education, criminal record and bankruptcy history) to determine that candidate's suitability.

Where a candidate stands for election or re-election (as the case maybe) at an annual general meeting, the Board will include in the notice of meeting for that meeting all material information which is known to the Board and which is relevant to a decision on whether or not to elect or re-elect a candidate. Where a candidate stands for election for the first time, the notice of meeting will also include confirmation that background checks have been undertaken and, if those checks have revealed any information of concern, that information.

5.3 Director induction and appointment

All directors are appointed pursuant to formal letters of appointment setting out the key terms and conditions of the appointment (including the time commitment envisaged, remuneration and other duties). Director appointment letters also include further details regarding Committee responsibilities, directors' duties and responsibilities, Board performance evaluation, confidentiality of information, the Board's policy on obtaining independent advice, disclosure of interests and matters affecting independence and entering into deeds of indemnity, insurance and access.

All new Board members are given an induction pack containing detailed information on REA Group and its operations, and are given the opportunity to meet with existing Board members and relevant senior executives.

Directors also undertake a program of ongoing Director education, including office visits, presentations on a range of topics generally relevant to REA Group's business activities and briefings on material developments in laws, regulations and accounting standards. During FY20, the Board visited the iProperty Group office in Kuala Lumpur.

5.4 Independence of directors

REA Group considers a director to be independent when they are a non-executive director who is free of any business or other

relationship or circumstance that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement, having regard to the best interests of REA Group as a whole. In assessing independence, the Board also considers the factors outlined in the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board assesses the independence of each director upon their appointment and annually thereafter. Directors are required on an ongoing basis to disclose to the Board relevant personal interests and conflicts of interest which may have an impact on their actual or perceived independence. Upon any such disclosure, a director's independence is reassessed.

The Board has determined for 2020 that the following directors of REA Group are independent:

- (a) Mr Roger Amos;
- (b) Ms Kathleen Conlon; and
- (c) Mr Nick Dowling.

The remaining four non-executive directors (including the Chairman of the Board, Mr Hamish McLennan) are not considered independent by the Board as they have been nominated by REA Group's majority shareholder, News Corp Australia, in accordance with the Board Charter. Due to the size of REA Group and the strategic relationship with News Corp Australia, the Board has determined that it is not appropriate to have a majority of independent directors on the Board. However, this decision does not preclude the appointment of additional directors, if deemed appropriate. The Board is also of the opinion that the Chairman has the necessary skills and experience to undertake the role notwithstanding his non-independent status.

5.5 Board performance

The performance of the Board and each Committee is reviewed annually by the Chairman of the Board, assisted by the HR Committee. Individual director performance is also reviewed annually as part of this process.

The most recent review, which was conducted internally during the year and led by the Chairman, reviewed the Board, Committee and director performance. The process comprised an internal questionnaire to obtain the directors' views as to what currently works well and the areas for improvement together with a whole of Board discussion, led by the Chairman, reviewing the results of the questionnaire.

In undertaking performance reviews of individual directors, the Board, with the guidance of the HR Committee, considered the current workload of each director and concluded that each director has sufficient capacity to fulfil their responsibilities as a director of REA Group and that their performance is not impaired by their other commitments.

6. Board committees

To assist the Board with carrying out its responsibilities, it has established the following committees:

- (a) Audit, Risk & Compliance (**ARC**) Committee; and
- (b) Human Resources (**HR**) Committee.

Each Committee has a Charter that sets out its scope and responsibilities. The Charters are available on our Corporate Governance Site. The Board receives a copy of the minutes of

each Committee meeting, and the Chair of each Committee communicates the findings and recommendations of the Committee to the Board after each meeting.

From time to time, the Board may form other Committees or request directors to undertake specific extra duties.

The number of Committee meetings held in the 2020 reporting period and details of meeting attendance by Committee members during the 2020 reporting period are set out in the Directors' Report on page 28 of our 2020 Annual Report.

ARC Committee

The ARC Committee supports the Board with oversight on financial reporting, external and internal audit, risk and compliance management, insurance and related party transactions.

Its key responsibilities include:

- > Overseeing the preparation of, and reviewing, all of REA Group's financial statements and reports to ensure they adhere to accounting standards and reflect a true and fair view of REA Group's financial position and performance.
- > Overseeing and assessing the results, adequacy and effectiveness of REA Group's internal audit function, including the appointment and dismissal of the internal auditor.
- > Facilitating the external audit process, including making recommendations to the Board on the appointment and remuneration of the external auditor, and ensuring an appropriate response from management in addressing any issues raised by the external auditor.
- > Developing and implementing the Board's policy on the provision of non-audit services provided by the external auditor.
- > Assessing and developing REA Group's risk management framework.
- > Overseeing and ensuring REA Group's compliance with legal and regulatory requirements.
- > Assessing the adequacy and effectiveness of REA Group's insurance coverage.
- > Oversight of REA Group's Whistleblower Policy and program.

The ARC Committee must consist of a majority of independent directors and be chaired by an independent director who is not the Chairman of the Board. The minimum number of members of the ARC Committee is three.

In 2020, the members of the ARC Committee were Mr Roger Amos (Chair of the Committee), Ms Kathleen Conlon and Mr Richard Freudenstein.

The CEO also attends ARC Committee meetings at the invitation of the Committee.

All ARC Committee members have appropriate skills and experience in accounting, financial reporting and analysing financial statements. In accordance with the ARC Committee Charter, Mr Amos is a qualified accountant with extensive financial and accounting experience.

HR Committee

The HR Committee supports the Board with oversight of Board size and composition, Board succession planning, remuneration and performance of the Board, senior executives and across the entire REA Group.

Its key responsibilities include:

- > Making recommendations to the Board on the appropriate size and composition of the Board, including the appointment, re-election and retirement or removal of directors taking into account the mix of skills and diversity of the Board.
- > Assessing the appropriate criteria (including necessary and desirable competencies) for appointment of independent non-executive directors.
- > Evaluating Board, Committee and director performance.
- > Making recommendations on the remuneration arrangements for non-executive directors (including the Chairman), the CEO and other senior executives.
- > Overseeing REA Group's remuneration policies, including incentive and equity plans.
- > Reviewing and assessing REA Group's governance policies and practices.
- > Regularly assessing REA Group's diversity policy to ensure the promotion of diversity and inclusion.
- > Oversight of the social, environmental and ethical impact of REA Group's business activities and investments.

The HR Committee must consist of a majority of independent directors and be chaired by an independent director. The minimum number of members of the HR Committee is three, one of whom must be the Chairman of the Board.

In 2020, the members of the HR Committee were Ms Kathleen Conlon (Chair of the Committee), Mr Roger Amos, Mr Richard Freudenstein, Mr Nick Dowling and Mr Hamish McLennan (Chairman of the Board).

The CEO also attends HR Committee meetings at the invitation of the Committee.

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7. Remuneration and evaluation of senior executives

The Board, with the guidance of the HR Committee, is responsible for establishing and maintaining an appropriate framework for remuneration across REA Group. The objectives of the remuneration framework at REA Group is to ensure that remuneration:

- (a) is fair, reasonable, consistent and in line with market and community expectations;
- (b) appropriately rewards individuals for performance against their commitments, including non-financial commitments; and
- (c) where it includes a REA Group performance-based component, is linked to appropriate financial and non-financial metrics which encourages long-term sustainable growth and does not reward conduct which is contrary to REA Group's values or risk appetite.

7.1 Remuneration of non-executive directors

All non-executive directors' remuneration is fixed, and non-executive directors do not participate in any "at risk" incentive plans. REA Group does not provide any scheme for retirement benefits, other than statutory superannuation, for non-executive directors. Details of the remuneration paid to non-executive directors in the 2020 reporting period is set out on in the Remuneration Report on pages 42 to 55 of our 2020 Annual Report

7.2 Remuneration and evaluation of performance of senior executives

The remuneration of the Executive Leadership Team includes both a fixed and variable or "at risk" component. No executive is directly involved in deciding their own remuneration. Details of the remuneration paid or granted to key senior executives in the 2020 reporting period is set out on in the Remuneration Report on pages 42 to 55 of our 2020 Annual Report.

All members of the Executive Leadership Team are employed under a written contract setting out the key terms and conditions of their employment, including remuneration and performance requirements. REA Group undertakes appropriate background checks (including checks as to the Executive Leadership Team member's character, experience, education, criminal record and bankruptcy history) before a member of the Executive Leadership Team is appointed.

The CEO conducts an annual performance assessment of each Executive Leadership Team member's performance that involves an assessment of performance against specific and measurable financial and non-financial performance criteria. The outcomes of the CEO's assessment are independently considered and assessed by both the HR Committee and then the Board (who takes into account any recommendations made by the HR Committee.) A performance evaluation of all members of the Executive

Leadership Team was conducted in accordance with this process for the 2020 reporting period. The outcomes of this performance review for those members of the Executive Leadership Team who are considered 'key management personnel' form a part of the incentive outcomes set out in the Remuneration Report on pages 42 to 55 of our 2020 Annual Report.

8. Ways of Working

8.1 Code of Conduct

REA Group has a Code of Conduct that applies to all REA Group directors and employees (both permanent and fixed term), contractors, consultants and visitors working for REA Group around the world. The Code of Conduct requires compliance with the following minimum standards of behaviour: to treat each other respectfully, courteously and with dignity; to be fair, honest and up front in our dealings; to use REA Group property responsibly and in the best interests of the group and its reputation; to use REA Group information appropriately and maintain its confidentiality, to be responsible for actions and accountable for their consequences; to respect the law and act accordingly; and to respect and adhere to REA Group's values.

The Code of Conduct is available on our Corporate Governance Site. All REA Group employees are inducted into the Code of Conduct on joining and it is always available on the REA Group intranet. It is supplemented by an employee handbook, as well as several core policies including the REA Conflicts of Interest Policy and REA Group Whistleblower Policy. Any material breaches of the Code of Conduct are reported to the Board and monitored until the relevant breach is considered closed.

8.2 Whistleblower Policy

Our values and Code of Conduct encourage staff to 'speak up' so that work-related concerns and problems are dealt with fairly, sensitively and quickly.

The REA Group Whistleblower Policy encourages current and former employees to report any actual or suspected conduct which may be fraudulent, corrupt, illegal, unethical or gross mismanagement. Appropriate internal and external channels have been put in place to ensure that any reports of wrongdoing are handled professionally and confidentiality. Any materials incidents reported under the Whistleblower Policy are reported to the Board.

Our Whistleblower Policy was updated in August 2019 to align with the enhanced whistleblower protections which came into effect in 2019. A copy of the policy is available on our Corporate Governance Site.

8.3 Anti-bribery and corruption policy

REA Group strictly prohibits its employees and representatives from engaging in bribery or corruption in any form. Our anti-bribery and corruption policy (titled "Doing Business Ethically and with Integrity") provides guidance on what constitutes bribery or corruption, and what steps employees should take if they suspect

or become aware of any violations of this policy. Any materials incidents reported under the anti-bribery and corruption policy are reported to the Board.

A copy of the anti-bribery and corruption policy was made available on our Corporate Governance Site in June 2020.

8.4 Securities Trading Policy

REA Group has a Securities Trading Policy to assist REA Group employees and directors in complying with insider trading laws. A copy of the policy is available on our Corporate Governance Site.

Blackout periods apply from the end of every quarter until REA Group's financial results for the quarter, half year or full year (as applicable) are released to the market. During a blackout period, REA Group employees, directors, and close family members of employees and directors are not permitted to trade in REA Group securities.

REA Group directors and senior executives require prior written clearance to trade in any REA Group securities, even outside of blackout periods.

The use of hedges or derivatives by REA Group employees or directors over any unvested elements of an employee share or equity-based remuneration scheme are prohibited. Clearance may be given in exceptional circumstances for the use of hedges or derivatives over REA Group securities which are on issue and not subject to any vesting or forfeiture conditions.

9. Assurance and controls

9.1 External audit

REA Group's current external auditor is EY (Ernst & Young).

The ARC Committee is responsible for assessing the scope and adequacy of the external audit, including making recommendations to the Board on the appointment and remuneration of the external auditor, and ensuring an appropriate response from management in addressing any issues raised by the external auditor. The ARC Committee meets at least twice a year with the external auditors to discuss the results of their work, fee arrangements and other work performed.

To ensure that the auditor always remains independent, all non-audit work is authorised by the ARC Committee. Details of the non-audit services provided by EY during the 2020 reporting period, and the fees paid or payable for those services is set out on page 39 and 40 of our 2020 Annual Report.

While the ARC Committee has not adopted a formal policy on the appointment of the external auditor, EY, REA Group's external auditor, has a policy of rotating its external audit partner every five years. The lead audit partner was last rotated following the completion of the 2017 financial year audit.

The external auditor attends each AGM and is available to answer shareholder questions at the AGM.

In circumstances where EY has not been required to review a periodic corporate report, REA Group conducts an internal verification exercise (with assistance from third party professional services firms where appropriate) to ensure that such reports are materially accurate, balanced and provide investors with appropriate information to make informed investment decisions.

9.2 Internal audit

REA Group has an internal audit assurance function that reports directly to the ARC Committee, and administratively to the CFO. The function is internally led and resourced with supplemental resourcing provided by specialist third parties.

The assurance testing plan is developed each year focusing on REA Group's greatest risk exposures determined by internal and external measures and information. The assurance plan is then ratified by management and the ARC Committee with regular reporting provided on progress and outcomes. Testing methodologies employed are standard industry practice or in line with regulatory requirements (e.g. Sarbanes Oxley controls testing requirements). Control deficiencies are rated using our Risk & Assurance consequence/likelihood matrix with actions agreed and assigned to control owners, tracked, and monitored to completion.

9.3 Risk management

The Board is ultimately responsible for ensuring that material risks facing REA Group have been identified and that adequate controls, monitoring and reporting mechanisms are in place and operating effectively. The Board's oversight of risk management, audit and compliance is supported by the ARC Committee.

The ARC Committee operates in accordance with its Charter, which clearly sets out its responsibilities for monitoring REA Group's risk management, including how the company identifies, assesses and controls strategic, operational and financial risks within the Board approved Risk Appetite framework. This is designed to ensure the adequacy and effectiveness of REA Group's ongoing risk management program, including policies and guidelines relating to corporate governance, legal/regulatory and ethical compliance, business continuity management, disaster recovery, data privacy and information systems security.

REA Group has a Risk Management Policy that reflects industry best practice and is consistent with the International Standard ISO 31000:2018. During the 2020 reporting period, a detailed review of the REA Group Risk Management Policy was undertaken with amendments made where necessary to improve the way in which REA Group currently identifies, articulates, manages and reports on its risk and control environment to enable a more efficient and proactive application of risk management.

The ARC Committee has satisfied itself that the framework continues to be sound both in process and its application within the business, and that the business is operating with due regard to the risk appetite set by the Board. The ARC Committee is also

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satisfied that the Risk Management Policy adequately deals with current and emerging risks which REA Group faces significant exposure to, including disruption risk from new technologies, data management and security risks, privacy risks and systems risks.

Further information on specific environmental or social risks that could materially impact REA Group, and the measures we take or intend to take to mitigate against them, are set out in our 2020 Sustainability Report.

9.4 Risk certification

The CEO and the CFO provide written statements to the Board in accordance with s295A of the *Corporations Act 2001* (Cth), in respect of the half and full year reporting periods, stating that:

- (a) their view provided on REA Group's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board; and
- (b) REA Group's risk management and internal compliance and control system is operating effectively in all material respects in relation to financial reporting.

10. Diversity and inclusion

REA Group is committed to workforce diversity and inclusion, and considers it an investment in the creation of a sustainable business capable of delivering long term shareholder value. A diverse workforce is more creative, more efficient and fuels disruptive thinking.

REA Group's Diversity and Inclusion Policy includes requirements for the Board to establish measurable objectives towards achieving gender equality and a diverse and inclusive culture. The Board assesses and reports annually on the diversity and inclusion objectives and the progress towards achieving them. A copy of the Diversity and Inclusion Policy is available on our Corporate Governance Site.

10.1 Gender balance

The Board and Executive Leadership Team are committed to addressing any gender imbalances that may exist within REA Group. As part of that commitment, the Board set a target of 50% female representation at the senior leadership¹ level by 2020. As at 30 June 2020, approximately 49% of senior leadership roles in Australia were held by women (an increase from 44.8% at 30 June 2019).

The Board is committed to putting in place the right balance of skills, knowledge, experience and diversity on the Board to enable it to discharge its responsibilities effectively and add value. As of 30 June 2020, female representation on the Board was 25%.

Given REA Group's strategic relationship with its majority shareholder, News Corp, the current composition of the Board, and News Corp's right to nominate four directors to the Board,

the Board is of the opinion that it would not be appropriate at this time to set a gender diversity target requiring not less than 30% female representation on the Board. Notwithstanding this, when identifying suitable candidates to fill board vacancies, the Board (through the HR Committee) places strong emphasis on identifying candidates who complement the Board's effectiveness and diversity.

Gender participation metrics continue to be included in scorecards of senior executives.

The current gender balance across the REA Group as of 30 June 2020 is as follows:

Percentage of female representation across REA Group:

Board	
Executive Leadership Team	
Senior Leadership Team	
REA Group Workforce (Aust.)	
REA Group Workforce (Asia)	
2020 Graduate Program	

REA Group tracks and reports gender statistics to the Workplace Gender Equality Agency (WGEA). A copy of these reports can be obtained at the WGEA website (www.wgea.gov.au/sites/default/files/public_reports).

10.2 Our ongoing support for diversity and inclusion

Whilst gender balance is a particular focus of our diversity and inclusion strategy, it is important to acknowledge that diversity at REA Group refers to all characteristics that contribute to an individual's identity and make them unique, such as diversity of thought, religion, race, ethnicity, language, gender, sexual orientation, disability or age.

¹ Includes Senior Managers, Executive Managers, Sales Directors and Executive Leadership Team

A selection of our achievements and progress towards improving diversity and inclusion at REA Group in the 2020 reporting period are set out below.

(a) Women in Tech

As a digital company, we know that there are fewer women in technology roles and we want to bridge this gap, not only at REA Group but for our industry. In 2020 we continued to focus on our Women in Tech strategy to drive greater gender balance in technology roles.

The programs which underpin our Women in Tech strategy continue to be:

- (i) **Springboard to Tech**, which offers women a personalised program that helps them transition into a technical career. They may be new to, returning to or have a current tech career. REA Group ensures that any candidate on the program doesn't take a pay cut and funds formal training for women entering the program with no tech skills or experience.
- (ii) **Accelerated Leadership Program**, which supports current women in tech at REA Group with exposure to topics that are important to senior manager or executive positions. They gain preparation and a deeper understanding of these positions which will give them the ability to apply with confidence if they wish to in the future.
- (iii) **Mentoring Program**, which involves women in tech at REA Group being exposed to other professionals in the business. They build relationships and provide guidance in areas such as career advice, commercial acumen, influencing and feedback skills.

As a result of this strategy, the percentage of female representation in technology roles at REA Group has increased from 19% in December 2017 (when Women in Tech was launched) to 31% in June 2020.

Percentage of female representation in technology roles



(b) Regular engagement with REA Group staff on diversity and inclusion strategy and priorities

In 2020 we continued the following inclusion activities:

- (i) REA Group's employee led resource group known as the Diversity and Inclusion Guild. Previously specific to our Tech Group, the Guild expanded to include organisation wide activities that are inclusive of all employees. The Guild aims to create more awareness and advocacy around the issues

our employees' value and provide a forum in which all voices are heard. This in turn should allow us to make data driven decisions around what programs to invest in going forward;

- (ii) continued to engage with the LGBTQI community in relation to support, connection and inclusion via the internal 'Spectrums of Equality' group; and
- (iii) continued to measure diversity and inclusion metrics in our annual staff engagement survey – Engagement data led to targeted initiatives that have seen our overall diversity and inclusion related metrics remain relatively steady YOY at 87% (prior year 88%). 88% of employees indicate they feel comfortable to be themselves at REA and 88% feel that REA Group invests in creating a diverse and inclusive culture (Australian engagement survey data as at November 2019).

(c) Supporting flexible working and remaining connected in a virtual work environment

Working flexibly continues to be an essential element of an inclusive work environment. To support our employees to deliver upon their commitments in a way that works for them, we have continued to encourage a culture of flex. Steady progress has been made in normalising this since the introduction of our formalized flex policy, with new managers and employees completing a mandatory flex e-learning module. We have seen continued growth in the number of part time roles in REA from 113 in FY19 to 124 in FY20. The number of staff on formal flexible work arrangements has remained steady shifting up from 6.0% in FY19 to 7% in FY20. In our most recent engagement survey, 86% of REA Group employees indicated they felt genuinely supported to make use of flexible work arrangements.

The work done in previous years to embed this culture of flex became particularly impactful during the earliest phases of COVID-19 when over a one week period in March 2020 the majority of all Australia based employees shifted into a virtual working environment. Having started to embed a culture of flex, we were able to quickly pivot into this virtual world. We were able to utilize the technology our employees were already familiar with (such as Zoom, Slack) and quickly ensured employees had the physical things they needed such as ergonomic chairs, laptops etc. to remain engaged and productive. In a recent Pulse survey conducted to assess employee experience during this virtual working period, 91% of employees felt they have what they need (set-up, internet connection, systems, technology) to do their roles from home. Further to this, considerate investment has been made to ensure employees remain connected to each other and the REA Group leadership during this period. Staff town halls have now become a weekly fixture, with 88% of employees stating that they feel we are staying connected as a team during this time.

Corporate Governance Statement 2020

(continued)

11. Communicating with stakeholders

11.1 Continuous disclosure

As a listed entity, REA Group is committed to complying with its continuous disclosure obligations under the ASX Listing Rules and the *Corporations Act 2001* (Cth) so that trading in our securities takes place in an orderly and informed market.

Compliance with our continuous disclosure obligations is managed through our Market Disclosure and External Communications Policy. A copy of the policy is available on our Corporate Governance Site.

The Board has overall responsibility for the establishment, implementation and supervision of REA Group's continuous disclosure system. To support the Board in managing this, the Board has established a Disclosure Committee to assess all potentially market sensitive information, and determine whether that information should be disclosed to the market. The members of the Disclosure Committee are the Company Secretary, any director, the CEO and the CFO.

Announcements relating to certain price sensitive information or significant matters require approval of the Board or the Chairman of the Board prior to disclosure. Each director is provided with a copy of all material market announcements after they have been disclosed to the market.

11.2 Communicating with the investment community and the media

Our Market Disclosure and External Communications Policy also sets out the rules and processes for how REA Group communicates with the investment community and the media.

When communicating with the investment community or the media, only certain authorised spokespeople may speak on behalf of REA Group and only information which is already publicly available or is not market sensitive information can be made available or provided.

All briefing and presentation materials must be given to, and approved by, the Disclosure Committee in advance of any briefing or presentation. If the Disclosure Committee determines that any briefing or presentation material includes market sensitive information which has not already been disclosed to the market, that material must be disclosed to the market before the briefing or presentation starts.

REA Group webcasts full year and half year financial results briefings made by the CEO and CFO.

11.3 Communicating with shareholders

REA Group values open engagement with our shareholders and aims to provide shareholders and investors with all important information related to REA Group. We do this by:

- (a) providing information about REA Group and our governance arrangements (including copies of all Board and Committee Charters and material policies) on our corporate website (www.rea-group.com.au);
- (b) providing copies of all ASX announcements (including financial results and annual reports) and media releases on the investor section of our corporate website;
- (c) distributing our annual reports and notices of meeting to shareholders; and
- (d) giving shareholders the ability to receive ASX announcements by email.

Shareholders can also elect to receive communications from, and send communications to, REA Group's share registry electronically. As of 30 June 2020, 59.2% of REA Group's shareholders have elected to receive all communications electronically.

The REA Group Annual General Meeting for 2020 will be held virtually. Shareholders and investors will be able to watch a live broadcast of the meeting and will be able to vote on resolutions, and ask questions, from their home or office.

All substantive resolutions at meetings of shareholders are decided by a poll, and not a show of hands.

More information on our approach to communicating with shareholders is set out in our Market Disclosure and External Communications Policy. A copy of the policy is available on our Corporate Governance Site.

More about this Statement

This Statement has been approved by the board of directors of REA Group. Unless otherwise indicated, the information contained in this statement is true for the whole of the 2020 financial year commencing on 1 July 2019.

This statement should be read in conjunction with our Corporate Governance Site and the Directors' Report, including the Remuneration Report, on pages 28 to 55 of our 2020 Annual Report, available at www.rea-group.com.

References to:

"**REA Group**" means REA Group Ltd and its controlled entities.

"**Corporate Governance Site**" are to www.rea-group.com/company/investor-centre/corporate-governance.

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

REA GROUP LTD

ABN/ARBN

54 068 349 066

Financial year ended:

30 June 2020

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: <https://www.rea-group.com/company/investor-centre/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 15 October 2020 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date:

Name of authorised officer
authorising lodgement:

Erin Thorne, Acting Company Secretary

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed a copy of our board charter at: Board Charter	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/> our Corporate Governance Statement and in our 2020 Notice of Meeting which is available in the investor section of our website at https://www.rea-group.com/company/investor-centre	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are 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.	<input checked="" type="checkbox"/> our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are 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.	<input checked="" type="checkbox"/> our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(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</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) 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> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:</p> <p>.....</p> <p>[insert location]</p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>.....</p> <p>[insert location]</p> <p>and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> our Corporate Governance Statement</p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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>	<p><input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed the evaluation process referred to in paragraph (a) at: our Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 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> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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> <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 enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed a copy of the charter of the committee at: Human Resources Committee Charter and the information referred to in paragraphs (4) and (5) at: our Corporate Governance Statement and in our Directors' Report on page 28 of our 2020 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed our board skills matrix at: our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed the names of the directors considered by the board to be independent directors at: our Corporate Governance Statement and, where applicable, the information referred to in paragraph (b) at: Not applicable and the length of service of each director at: page 26 and 27 of our Directors' Report in our 2020 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.4	A majority of the board of a listed entity should be independent directors.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are 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.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are 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 directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/> our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed our values at: our Corporate Governance Statement and on page 2 of our 2020 Annual Report	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed our code of conduct at: The Way We Do Things Code of Conduct	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed our whistleblower policy at: Whistleblower Policy	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: [insert location]	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p><input checked="" type="checkbox"/> our Corporate Governance Statement</p> <p>and we have disclosed a copy of the charter of the committee at: Audit, Risk and Compliance Committee Charter</p> <p>and the information referred to in paragraphs (4) and (5) at: our Corporate Governance Statement and in our Directors' Report on page 28 of our 2020 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>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.</p>	<p><input checked="" type="checkbox"/> our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>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.</p>	<p><input checked="" type="checkbox"/> our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed our continuous disclosure compliance policy at: Market Disclosures and External Communications Policy	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/> our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed information about us and our governance on our website at: www.rea-group.com	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed how we facilitate and encourage participation at meetings of security holders at: our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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> <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><input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed a copy of the charter of the committee at: Audit, Risk and Compliance Committee Charter and the information referred to in paragraphs (4) and (5) at: our Corporate Governance Statement and in our Directors' Report on page 28 of our 2020 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(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</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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 governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed how our internal audit function is structured and what role it performs at: our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed whether we have any material exposure to environmental and social risks at: our Corporate Governance Statement, page 37 and 38 of our 2020 Annual Report and pages 15 to 17 of our 2020 Sustainability Report and, if we do, how we manage or intend to manage those risks at: our Corporate Governance Statement, page 37 and 38 of our 2020 Annual Report and pages 15 to 17 of our 2020 Sustainability Report	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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> <p>(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>	<p><input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed a copy of the charter of the committee at: Human Resources Committee Charter and the information referred to in paragraphs (4) and (5) at: our Corporate Governance Statement and in our Directors' Report on page 28 of our 2020 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>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.</p>	<p><input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: our Corporate Governance Statement and in our Remuneration Report on pages 42 to 57 of our 2020 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> our Corporate Governance Statement and we have disclosed our policy on this issue or a summary of it at: our Corporate Governance Statement and in our Remuneration Report on pages 42 to 55 of our 2020 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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.	<input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are 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.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are 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.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	Not applicable	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	Not applicable	<input type="checkbox"/> set out in our Corporate Governance Statement