



# Audit, Risk & Compliance Committee Charter

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## 1. Introduction

The board of Growthpoint Properties Australia Limited (**Company**) for itself and in its capacity as the responsible entity for the Growthpoint Properties Australia Trust (**Trust**) has established an Audit, Risk & Compliance Committee (**Committee**).

This Charter sets out the responsibilities delegated by the board of the Company in the above capacities (**Board**) to the Committee, the composition of the Committee and the manner in which the Committee will operate.

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## 2. Purpose

The purpose of the Committee is to assist the Board in discharging its oversight responsibilities in relation to:

- i) the financial statements, financial reports, annual report and half year report for the Group;
- ii) the integrity of Growthpoint's corporate and financial reporting systems, including the external auditor's role, independence and performance;
- iii) the Group's internal audit function and internal control framework;
- iv) the Group's risk management program for both financial and non-financial risks;
- v) the Group's compliance management framework to ensure that legal, regulatory and operational requirements are met; and
- vi) compliance with the *Corporations Act 2001* (Cth) (**Act**), compliance plan for the Trust (**Compliance Plan**) and Australian financial services licences (**AFSL**).

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## 3. Role and responsibilities

### 3.1 Financial reporting and external audit

The Committee's specific functions on financial reporting are to review:

- i) the adequacy of the Group's corporate and financial reporting processes and compliance with accounting standards;
- ii) the appropriateness of the accounting judgements or choices exercised by management in the preparation of the financial reports and statements of the Group and (where required) any Group member, and make recommendations to the Board on significant changes;
- iii) the financial reports and statements of the Group and (where required) any Group member (including whether they provide a true and fair view of financial position and performance), and make recommendations to the Board in relation to the approval of the financial reports and statements of the Group and Company; and
- iv) the declarations made by the Managing Director and Chief Financial Officer in relation to the financial statements, financial records and systems.



The Committee's specific functions on external audit are to:

- v) review and make recommendations to the Board in relation to the appointment or removal of the external auditor, and review and approve the terms of engagement of the auditor (including the auditor's scope of work and fees);
- vi) review the external auditors' reports on the Group and any Group member;
- vii) monitor and evaluate, at least annually, the independence and performance of the external auditor; and
- viii) monitor and approve, if it considers appropriate, the performance of any non-audit services by the external auditor.

### 3.2 Risk management

The Committee's specific functions on risk management are to:

- i) review and monitor the adequacy and effectiveness of the Group's risk management framework and internal controls, and recommend any updates to the Board;
- ii) review and monitor the performance of management in implementing the Group's risk management framework, including whether it is operating within the risk appetite that may be set by the Board from time to time for specific matters;
- iii) regularly consider key risks and changes to the Group's risk profile (including as a result of new and emerging risks), ensuring appropriate actions are taken by management in response;
- iv) review any material risk incidents or issues (including any matters raised by whistleblowers, or matters involving fraud or a breakdown of the Group's risk controls), remedial actions implemented and lessons learned;
- v) review and approve any risk disclosures required under the Group's reporting obligations;
- vi) approve and monitor the Group's internal audit program, including approving the appointment or removal of the internal auditor, reviewing and approving the terms of engagement of the internal auditor and reviewing internal audit reports; and
- vii) oversee the Group's insurance program.

### 3.3 Compliance with laws and regulations

In relation to compliance, the Committee's specific functions are to:

- i) monitor compliance with the Act, the Compliance Plan, the constitution of the Trust and the AFSLs held by the Company and Growthpoint Funds Management Limited and report on the Committee's findings to the Board;
- ii) report to ASIC if the Committee is of the view that the Company has not taken, or does not propose to take, appropriate action to deal with a reported breach of the Act or the constitution of the Company;
- iii) assess on an annual basis (or more frequently as required) the adequacy of the Compliance Plan, report to the Board on that assessment and make recommendations to the Board about any changes that it considers should be made to the Compliance Plan;
- iv) assess and approve on an annual basis the accuracy and relevancy of the Operational Compliance Manual;
- v) review and make recommendations to the Board in relation to the appointment or removal of the Compliance Plan auditor, and review and approve the terms of engagement of the auditor (including the auditor's scope of work and fees);



- vi) oversee the Group's compliance management framework and the effectiveness of the Group's compliance function;
- vii) meet with the independent Chair of any regulated subsidiary at least annually; and
- viii) review and oversee compliance with other legal and regulatory requirements for the Group, including compliance with key legislation, regulations and Group policies.

## 4. Membership and composition of the Committee

The members of the Committee shall be appointed by the Board and shall serve for such term as the Board may determine. The Committee shall comprise at least three members.

The Board may appoint such additional directors to the Committee or remove and replace members of the Committee by resolution at any time.

The Chair is appointed by the Board. The Chair of the Committee should be an independent director and not the Chair of the Company. The members of the Committee present at a meeting shall choose one of the other directors of the Committee to chair that particular meeting should the Chair of the Committee be absent from the meeting.

The Company Secretary (or his or her delegate) will act as secretary of the Committee, unless otherwise determined by the Committee or the Board.

All members of the Committee should be non-executive directors of the Company, with a majority of members classified as 'independent directors'.

Where less than half the Board are external directors (as defined in section 601JA(2) of the Act), the Committee must have a majority of external members (as defined in section 601JB(2) of the Act). If the external member requirement applies, the Company (in its capacity as responsible entity) must obtain a declaration from relevant members as to their status as external members. The declaration should be confirmed at the time of each meeting of the Committee.

All members of the Committee must be financially literate (able to read and understand financial statements) and have familiarity with financial management. At least one Committee member should have accounting and financial expertise and at least one member should have a good understanding of the industry in which the Group operates.

## 5. Meetings

The Committee will meet quarterly or more frequently as the Committee determines necessary to carry out the Committee's responsibilities.

The provisions of the Company's constitution applying to meetings and resolutions of Directors apply, so far as they can and with any necessary changes, to Committee meetings and resolutions, except to the extent that they are contrary to this Charter or directions given by the Board.

A quorum consists of not less than two members of the Committee.

Each member will have one vote although any dissenting vote will be conveyed with the relevant recommendation to the Board.

Each member of the Executive Management Team and other members of management of the Group may attend meetings of the Committee, as considered necessary or appropriate. The external auditors of the Group and other members of the Board are invited to Committee meetings under a standing invitation.

At least twice each financial year, and at any other time as the Committee sees fit, it shall meet with the external auditor in the absence of management.



At least once each financial year, and at any other time as the Committee sees fit, it shall meet with the Chief Financial Officer in the absence of other members of management.

The agenda will be prepared by the Company Secretary (or his or her delegate) and approved by the Committee Chair prior to each meeting. The agenda and supporting papers for each meeting will be distributed to Committee members and any other person who is invited to attend the meeting at least 5 business days prior to the meeting. Late papers may be submitted with the consent of the Committee Chair.

Minutes and resolutions of the Committee must be maintained by the Company Secretary (or his or her delegate). Draft minutes are to be reviewed and approved by the Chair and circulated to all members of the Committee for comments (if any). The minutes will be tabled for approval at the following Committee meeting and signed by the Chair.

The Committee Chair will provide a verbal report to the Board at the next Board meeting as to any material matters considered or discussed (including resolutions passed and decisions made or endorsed by the Committee) at the Committee meeting.

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## 6. Power and authority

The Board has delegated to the Committee the power to perform its role and fulfil its responsibilities (as described in Section 3 of this Charter) and the authority to carry out its functions.

In carrying out its functions, the Committee may, as it considers necessary or appropriate:

- i) seek advice from external consultants or specialists, including the auditors and external legal advisers of the Group; and
- ii) engage or procure the engagement of independent advisers at the Group's expense.

The Committee also has the authority to:

- i) investigate any activity within the terms of this Charter and all employees, contractors and agents of the Group must cooperate fully as requested by members of the Committee; and
- ii) access employees, officers and auditors without management being present, and the right to seek explanations and additional information from both management and auditors.

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## 7. Review of charter

This Charter will be periodically reviewed, at least every two years or more frequently if required, to ensure that it is operating effectively to meet the needs of the Group.

The Committee's performance and effectiveness will be reviewed periodically as part of the Board performance review process.