



Conflicts Committee Charter

1. Introduction

1.1 Growthpoint Group

Growthpoint Properties Australia (**Growthpoint** or the **Group**) comprises the ASX-listed Growthpoint Properties Australia Limited (**GPAL**) and Growthpoint Properties Australia Trust (**GPAT**) and their controlled entities (which includes Growthpoint Funds Management Limited (**GFML**)), as well as Fortius Funds Management Pty Ltd (**FFM**), and its controlled entities (which includes Fortius Property Investment Management Australia Ltd (**FPIMAL**)). FFM and FPIMAL are wholly-owned subsidiaries of GPAL and are together (with their controlled entities) also referred to as “Fortius” for the purposes of this Charter.

GPAL is the responsible entity of GPAT. GFML, FFM and FPIMAL each hold an Australian financial services licence (**AFSL**), and FFM and FPIMAL act as trustee of and/or authorising AFSL holder in relation to a number of investment funds managed as part of the Fortius funds management business.

1.2 Purpose of Charter

This is the Charter (**Charter**) of the Conflicts Committee (**Committee**) jointly established by the Boards of GPAL, GFML, FFM and FPIMAL (**Boards**). The Charter governs the operations of the Committee. It sets out the Committee’s role and responsibilities, composition, structure and membership requirements.

1.3 Purpose of Committee

- (a) GPAT invests in high-quality industrial and office properties across Australia.
- (b) Fortius’ primary business is to act as trustee and manager of wholesale managed investment funds (**Funds**) and third party mandates. While there may be common investors in different Funds, each Fund and third party mandate is operated independently by Fortius. In its capacity as trustee of a Fund, Fortius owes fiduciary duties to its investors, including to act in the best interests of the investors of that fund at all times and, if there is a conflict between the investors’ interests and its own, then to prefer the investors’ interests.
- (c) GPAL also separately owes fiduciary duties to its securityholders, including to act in their best interests at all times and, if there is a conflict between the securityholders’ interests and its own, then to prefer the securityholders’ interests.
- (d) The nature of the Group’s businesses and structure means that from time to time, actual and potential conflicts of interest may arise; as well as proposed transactions between related parties within the Group. The Group has adopted a Conflicts of Interest and Related Party Transactions Policy (**Conflicts Policy**), which sets out the framework for assessing and managing conflicts of interest and related party transactions.
- (e) The Committee has been established to provide advice to the Boards in relation to certain Related Party Transactions which give rise to a conflict of interest that have been referred to the Committee under the Conflicts Policy (**Conflict Transactions**).
- (f) The purpose of this Charter is to provide the framework for the Committee to advise the Boards in relation to Conflict Transactions.
- (g) Accordingly, the Committee will meet as and when required to do the following:
 - i. review the Conflict Transaction;



- ii. recommend to the relevant Board the appropriate processes or protocols to adopt to manage the Conflict Transaction;
- iii. in respect of a Conflict Transaction, establish such structures or reporting lines the Committee considers appropriate having regard to the particular transaction;
- iv. maintain oversight of the Conflict Transaction throughout to ensure the agreed protocols are being followed; and
- v. review and update this Charter periodically.

2. Membership

2.1 Composition of committee

The Committee will comprise three members, made up of the following:

- (a) an independent person who will act as Chair, to be jointly agreed and appointed by GPAL and FFM from time to time;
- (b) one director or other senior representative of GPAL; and
- (c) one independent non-executive director of FFM.

The initial members of the Committee will be appointed by the Boards of GPAL and FFM.

2.2 Ceasing to be a member of the committee

A person who is a director of GPAL or FFM will cease to be a member of the Committee if:

- (a) the person gives reasonable notice in writing to the Chair of the person's resignation as a member of the Committee;
- (b) the relevant Board Chair gives the person notice in writing that the person is to cease to be a member of the Committee and who the new member will be in their place; or
- (c) the person ceases to be a Director or Growthpoint employee, in which case the person automatically ceases to be a member of the Committee.

The Committee Chair will cease to be a member of the Committee if:

- (a) that person gives reasonable notice in writing to the Chair of the person's resignation as a member of the Committee;
- (b) that person's membership of the Committee ends in accordance with the terms of that person's engagement by GPAL and FFM; or
- (c) GPAL and FFM otherwise agree and give notice in writing to the Committee of that person's cessation.

3. Meetings & authority of committee

3.1 Meetings

- (a) Where the Company Secretary or a Board identifies a Conflict Transaction which is to be referred to the Committee in accordance with the Conflicts Policy, it will be referred to the Committee, who will then meet as soon as reasonably practicable.
- (b) The quorum for any meeting will be the Committee Chair and one other member.
- (c) Special meetings may be convened as required by any member of the Committee.
- (d) The Committee may invite such other persons (for example, Group employees or external legal or other advisers) to its meetings, as it deems necessary, whether on a permanent or ad hoc basis.

- (e) The proceedings of all meetings will be minuted and these will be included in the papers for the next Board meeting of each of GPAL and FFM after each Committee meeting.

3.2 Authority

The Boards authorise the Committee, within the scope of its responsibilities, to:

- (a) seek any information it requires from an employee (and all employees are directed to co-operate with any request made by the Committee) or external parties;
- (b) obtain outside legal, compliance, risk management or other professional advice as it determines necessary to carry out its duties; and
- (c) require the attendance of Group officers at meetings, as it considers appropriate.

4. Responsibilities and process

4.1 Understanding the Group's businesses

The Committee will ensure it understands the general obligations of GPAL, GFML, FFM and FPIMAL as a trustee both under the relevant trust deeds and at law generally, as well as their obligations as AFSL holders.

4.2 Overview of matters

Before any information is circulated by management or a Board to any Committee member, it must first be provided to the Chair who will determine whether the disclosure of information to any of the members may give rise to a conflict of interest or potential conflict of interest (**Conflict**) in relation to that member. Information which must first be provided to the Chair includes any term sheets, papers for Board meetings or committee meetings and any documents generated internally or by the Group's advisors in relation to the Conflict Transaction.

4.3 Exclusion of a conflicted member

- (a) Subject to the Committee's determination based on the nature of the Conflicted Transaction and the status of the procedures set out in clauses 4.2 and 4.3 of this Charter, if a member is required to consider a Conflict Transaction and it has been determined in accordance with clause 4.2 of this Charter the involvement of a member (**Conflicted Member**) in the Committee's consideration of the Conflict Transaction Matter would give rise to a conflict, then the Conflicted Member:
 - i. must not receive any information about the Conflict Transaction, and
 - ii. is not entitled to participate in any discussions regarding, nor take part in any decision-making process in relation to, the Conflict Transaction.
- (b) Where the Conflicted Member is excluded, the remaining Committee members must choose another member to replace the excluded member for the purposes of considering that conflict.

4.4 Responsibility

- (a) The Committee's primary responsibility is to assess any Conflict Transaction.

4.5 Related party transactions

- (a) In relation to its consideration of Related Party Transactions referred to it, the Committee should keep in mind the following principles.



In the best interests of members	Where a Group entity is a responsible entity or trustee, it must act in the best interests of the members of the relevant trust or scheme for which it acts as the trustee or responsible entity.
On arm's length terms	<p>'Arm's length' refers to transactions conducted as if the parties were not related. In general, 'arm's length' terms and conditions will be determined having regard to ASIC Regulatory Guide 76 'Related party transactions', which includes the following principles:</p> <ul style="list-style-type: none"> • If a Group entity is giving a financial benefit to a related party (including a Fortius fund), the terms of the transaction (from the perspective of the Group entity) must be at least as good, if not better than, if it were dealing with a third party on a commercial arm's length basis (that is, if the parties were unrelated, uninfluenced and self-interested). Conversely, from the perspective of the related party, the transaction must be on terms which are at least arm's length, or less favourable, than if it transacted with a third party. • If a transaction involves assets or services, assets should be independently externally valued and any charges for services to be paid in connection with the transaction should be benchmarked against similarly qualified unrelated service providers where possible or reviewed by a qualified external party. A sign-off from an external law firm confirming the arm's length nature of the legal terms of the transaction or agreement should also be obtained where possible. • If it is uncertain as to whether a transaction is on arm's length terms, legal advice should be obtained as to whether member approval is required.
Properly documented	<p>The transaction should be clearly documented and include the rationale for the transaction.</p> <p>If a transaction involves assets or services being provided to a Growthpoint entity or Fortius fund, due diligence should be conducted to at least the same level as if the assets or services were being acquired from or provided by a third party.</p> <p>Further, if services are being provided to a Growthpoint entity or Fortius fund, service deliverables should be set out in a service level agreement where appropriate given the nature of the services and monitoring conducted against those deliverables.</p>

- (b) In relation to each related party transaction, consideration should also be given to whether:
- i. the related parties should appoint separate representatives and/or legal advisors, and whether any internal information barriers or additional protocols should be established; and
 - ii. an independent expert's opinion should be obtained to assist the directors in determining whether the transaction is in the best interests of that entity.
- (c) The following should also be taken into account:

- i. the terms of the transaction;
 - ii. the nature and content of the bargaining process;
 - iii. the impact of the transaction; and
 - iv. any other options available.
- (d) However, nothing in this clause 4.5 should be taken to limit the factors and matters the Committee should or must take into consideration in any particular instance.

4.6 General

Without limiting the measures or protocols the Committee may decide or recommend, the Committee may require companies in the Group to take certain reasonable steps, including but not limited to the following:

- (a) establishing information barriers internally;
- (b) where the Group is representing different securityholder or investor groups in a Conflict Transaction, engaging separate advisors to advise the companies in their different capacities; and
- (c) engaging independent experts to provide opinions or reports on a Conflict Transaction.

4.7 Reporting to the Boards

- (a) The Committee will regularly report to the Boards on all matters relevant to the Committee's role and responsibilities.
- (b) The Chair will report and as appropriate make recommendations to the Boards on matters dealt with by the Committee.
- (c) As and when appropriate, the Committee will seek direction and guidance from the Boards.
- (d) The Committee will ensure the Boards are made aware of any issues which arise which could amount to a breach of the Conflicts Policy in terms of any Conflict Transaction.

4.8 Compliance with Charter

Each Committee member must:

- (a) use all reasonable efforts to ensure each person to whom the Charter applies, complies with the Charter, and
- (b) notify each other Committee member if they become aware of any circumstances which, or which are likely to, result in a breach of this Charter, giving sufficient details of those circumstances so remedial action may be taken.

5. Other matters

5.1 Amendment of Charter

Material amendments to this Charter can only be made with the approval of all of the Boards.

5.2 Adoption of Charter and periodic review

The Committee must periodically review and reassess this Charter and, on each occasion, obtain the approval of the Boards to any material amendments to the Charter. The Boards will also review this Charter periodically.