



AUDIT, RISK & COMPLIANCE COMMITTEE CHARTER

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED **GROWTHPOINT PROPERTIES AUSTRALIA TRUST**

Approved by the Board of Directors on 18 August 2016

The purpose for which the Committee has been established and the powers of the Committee are set out in this Charter.

The Company and the Trust are listed on the ASX as a stapled group and in this Charter is referred to collectively as “**the Group**”.

1 Objectives

The Committee is to assist the Board in discharging its responsibilities by monitoring:

- (i) The financial statements, financial reports, annual report and half year report for the Group;
- (ii) The external auditor’s role, independence and performance;
- (iii) The effectiveness and performance of the Group’s internal controls;
- (iv) The effectiveness of the compliance framework to ensure that regulatory and operational requirements are met;
- (v) Compliance with the Compliance Plan and Australian Financial Services Licence (“AFSL”);
- (vi) The Group’s overall risk management program; and
- (vii) All related party transactions and assessing their appropriateness.

The Committee meets and receives regular reports from management, internal and external auditors dealing with matters that arise in connection with audits to fulfill its responsibilities.

The Committee is also responsible for the review of performance, including fees paid and nomination of, the external auditors to the Board.

2 Membership of the Committee

The Committee shall be appointed by the Board and shall serve for such term as the Board may determine by the Board and each member should review his or her membership not less than every third year. The Committee shall comprise at least three members.

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

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

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 be absent from the meeting.

The Managing Director, Chief Financial Officer, the Head of Property, the Compliance Manager, the Accountant, the external audit engagement representatives and other members of management of the Group may attend meetings of the Committee, as it deems necessary. Other members of the Board are invited to Committee meetings under a standing invitation.

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 expertise in financial accounting and reporting and at least one member should have an understanding of the industry in which the Group operates.

3 Authority

A. In carrying out its functions, the Committee may, with the prior approval of the Board or the Chairman of the Board:

- (i) seek advice of the relevant auditors and solicitors of the Group; and
- (ii) engage or procure the engagement of independent advisers at the Group's expense.

B. The Committee has the authority:

- (i) to 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) to access employees, officers and auditors without management being present, and the right to seek explanations and additional information from both management and auditors.

4 Secretary

The Company Secretary will act as Secretary of the Committee, unless otherwise determined by the Committee or the Board.

5 Meetings

Notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and relevant information papers to each item, shall be forwarded to all members of the Committee and any other person who has been invited to attend, no later than seven business days prior to the meeting date.

Any member, director, auditor or Company Secretary may, and a Company Secretary must upon request from any member, convene a meeting of the Committee. Seven days notice will normally be given to every member of the Committee of every meeting of the Committee. Shorter notice may be subject to approval by the Chair of the Committee or in his/ her absence the Chairman of the Board.

A quorum consists of not less than two members of the Committee. Meetings may be held with members personally present or using any technology that gives the members a reasonable opportunity to participate, including without limitation, by telephone or other electronic means.

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

Meetings may also be conducted by circular resolution. If all of the Committee members have signed a document containing a statement that they are in favour of a resolution of the Committee the terms of which are set out in the document, a resolution in those terms shall be deemed to have been passed at a meeting of the Committee held on the day on which and at the time at which the document was last signed by a member. Two or more separate documents containing statements in identical terms each of which is signed by one or more members shall together be deemed to constitute one statement in those terms signed by the members on the respective days on which they signed the separate documents.

At least once 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.

6 Minutes and Reporting

The Secretary is intended to prepare minutes of proceedings, resolutions passed by the Committee together with copies of supporting documents and any actions arising. Draft minutes and all action plans of the Committee are to be reviewed and approved by the Chair and circulated to all members of the Committee for comments (if any).

A copy of the minutes, once approved will be tabled at the following Committee meeting and signed by the Chair.

7 Responsibilities

7.1 Financial Statements and Reports

The Committee's specific function on audit is to review:

- (i) that the system of control, which management has established, effectively safeguards the assets of the Group;
- (ii) that accounting records for the Group are properly maintained in accordance with statutory requirements;
- (iii) (in consultation with management and the external auditors) the appropriateness of the accounting principles adopted by management in the composition and presentation of financial reports and statements;
- (iv) the accuracy and reliability of the financial information for the Group provided to investors for recommendation to the Board (including tax statements and information);
- (v) that the financial statements including the Group or an appropriate form for submitting for signing off by the Board; and
- (vi) management's periodic written presentation to the Committee and the Board in relation to the information in the financial statements including the Chief Executive Officer and Chief Financial Officer declaration is provided in accordance with s. 295A of the Corporations Act; and

The Committee will report to the Board on the above.

7.2 Risk Management

The Committee's specific function on risk is to:

- (i) oversee the implementation of the Group's risk management system and internal control mechanism to mitigate material business risk;
- (ii) review and monitor the performance of management in implementing risk management responses and mitigating tools to rectify any activities and ensure that there is a risk framework to identify, monitor risks deemed significant and have an escalation and transparent process in place; and
- (iii) require management to report to it and the Board (via the Chair) every six months as to whether the Group's material risks are being effectively monitored and mitigated.

7.3 Compliance with Laws and Regulations

In relation to compliance, the Committee's specific function is to:

- (i) assist the Board in fulfilling its responsibilities concerning its regulatory and compliance practices for the company as an AFSL holder and the Trust as a registered managed investment scheme and any related or analogous capacities;
- (ii) monitoring compliance with the Trust's compliance plan, the Company's AFSL Licence requirements and to report on the Committee's findings to the Board (via the Chair);
- (iii) to report to ASIC if the Committee is of the view that management is not taking or does not intend taking any action to mitigate any breach of the Compliance Plan;
- (iv) to assess on an annual basis the adequacy and relevancy of the Compliance Plan of the Trust, to report to the Board on the assessment and to make recommendations to the Board about any changes that it considers should be made to the plan; and
- (v) to assess and approve on an annual basis the accuracy and relevancy of the Operational Compliance Manual.

8 Assessment

The Committee is responsible for regular review, at least every three years, of the adequacy of the Charter and the Committee's effectiveness and recommend any necessary changes to the Board.

9 Training

It is essential that Committee members have sufficient training to enable them to keep abreast of relevant developments. The Chair of the Committee in consultation with the Board should monitor the needs and opportunities for further education.