

Investa Property Group

Investa Wholesale Funds Management Limited ACN 149 681 390 AFSL 401 858
ICPF Holdings Limited ACN 610 989 805

Charter of Group Audit Risk & Compliance Committee

Approved by the IWFML Board and ICPFHL Board on 21 November 2018

The Group Audit Risk and Compliance Committee (**Committee**) reports to, and is a sub-committee of, the Boards (**Boards**) of Investa Wholesale Funds Management Limited (**IWFML**) and ICPF Holdings Limited (**ICPFHL**), which together with all entities owned by IWFML and ICPFHL are referred to as Investa Property Group (**IPG or the Group**). The Committee's Charter extends to activities of IPG and to all funds managed and entities owned by IWFML and ICPFHL.

IPG is comprised of Investa Commercial Property Fund (**ICPF**) and ICPFHL and its subsidiaries. ICPFHL holds (via interposed subsidiary entities) an interest in Investa Office Management Holdings Pty Limited (**IOMH**) and its subsidiaries (**Investa Office**). Investa Office operates a management platform that provides funds, property and asset management services to the investment portfolios of managed investment schemes and private mandates managed by Investa Office.

1. Overall Purpose/Objectives

The Committee will assist the Boards in fulfilling their oversight responsibilities. The Committee will review:

- the financial reporting process;
- the system of internal control;
- the audit process;
- risk management;
- monitoring and reviewing ICPF's compliance plan; and
- together with IOMH's Audit & Operational Risk Committee (**AORC**), IPG's process for monitoring compliance with laws and regulations.

In performing its duties, the Committee will maintain effective working relationships with the Boards of Directors, management, the external auditors and internal audit.

To perform his or her role effectively, each Committee member will obtain an understanding of the detailed responsibilities of Committee membership as well as IPG's business, operations, and risks. Each member shall be entitled to training on issues pertinent to the business, including financial accounting and reporting, and compliance.

2. Authority

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

- seek any information it requires from:
 - any employee of Investa Office (and all employees are directed to cooperate with any request made by the Committee); and
 - external parties;
- obtain outside legal or other professional advice; and
- ensure the attendance of company officers at meetings as appropriate.

The Committee may perform oversight responsibilities as requested by the Boards from time to time, and if necessary, institute special investigations and hire special counsel or experts to assist.

3. Organisation and Reporting

3.1 Membership

- 3.1.1 The Committee will comprise at least three financially literate members, at least one of whom has accounting or related financial expertise. Each member will have an understanding of the industry in which IPG conducts business. Members of the Committee may be non-executive directors of one of the Boards or another Group board, or a non-employee of the Group. A majority of the members will be independent directors of either Board. The term of each member will be determined by the Boards.
- 3.1.2 The Chairman of the Committee will be appointed by the Boards from time to time and will be an Independent Director, who is not Chairman of either of the Boards.
- 3.1.3 A quorum for any meeting will be a minimum of two (2) members with a majority of two (2) Independent Directors.
- 3.1.4 The secretary of the Committee will be the Company Secretary, or such other person as nominated by the Boards.

3.2 Attendance at Meetings

- 3.2.1 The Committee may invite such other persons to its meetings, as it deems necessary.
- 3.2.2 The External Auditor and the Internal Auditor should be invited to make presentations to the Committee as appropriate.
- 3.2.3 Meetings shall be held not less than four times a year. Special meetings may be convened as required. The External Auditor and the Internal Auditor may request a meeting if they consider that it is necessary.
- 3.2.4 The proceedings of all meetings will be minuted and circulated as soon as practicable after the meeting, targeting two business days.
- 3.2.5 All Directors of the Boards who are not members of the Committee shall have the right to attend meetings of the Committee. The Chief Executive Officer, Chief Investment Officer, Fund Manager of ICPF and the Chief Financial Officer of Investa Office shall be invited to attend all meetings of the Committee (though not necessarily for all agenda items). The External Auditor and the Internal Auditor shall be invited to attend meetings, as appropriate (though not necessarily for all agenda items).
- 3.2.6 It is also acknowledged that the Committee is a subcommittee of both the Board of IWFML and the Board of ICPFHL.

3.3 Reporting Responsibilities

- 3.3.1 The Boards will be provided with minutes of Committee meetings, and the Committee will regularly update the Boards about its activities and make appropriate recommendations.
- 3.3.2 The Committee will ensure the Boards are aware of matters which may significantly impact the financial condition or affairs of the business.

4. Internal Control

The Committee will:

- 4.1 Review, at least annually, the adequacy of the finance resources (quantity, qualifications, structure, etc), to ensure that accounting and reporting processes are of high quality and report thereon to the Boards.
- 4.2 Review, at least annually, the adequacy of internal controls, having regard to the design, implementation and operating effectiveness of the controls.
- 4.3 Review the overall assurance framework in relation to internal controls and risk management (as further set out below), including assurance provided by the external auditor and other external advisers and by internal processes and controls and report on that review to the Boards.
- 4.4 Consider certifications or assurance reports to be provided to third parties (including investors in External Funds managed by IPG) in relation to IPG's internal control or risk management framework (for example Guidance Statement 007).

5. Risk Management and Monitoring

The Committee will:

- 5.1 Review the Group's risk management policy and risk appetite statement annually or more frequently if required and make recommendations to the Boards.
- 5.2 Review risk management reports and action plans that are periodically presented to the Committee by management.
- 5.3 Consider any extreme and high risks brought to the Committee's attention and the adequacy of the management's proposed plans.
- 5.4 Review annually the adequacy and effectiveness of the Group's risk management system and formally report its findings to the Boards.
- 5.5 Ask the External Auditor and the Internal Auditor about significant risks and exposures and the adequacy of plans to minimize such risks.
- 5.6 Receive reports on the adequacy of all insurance cover and policies.
- 5.7 Receive regular reports from the AORC.
- 5.8 Review the system for monitoring compliance with all relevant legislation and regulations and obtain regular updates from management regarding compliance.
- 5.9 Review observance of the ICPF Compliance Plan and consider necessary amendments to it.
- 5.10 Meet with the Compliance Plan Auditor to discuss the findings from the Compliance Plan audit.
- 5.11 Receive reports from the Chief Information Officer in relation to:
 - the Business Continuity Plan at least annually including contingency plans for processing financial information in the event of a systems breakdown; and
 - data integrity and security of the Group's systems.
- 5.12 Receive regular updates regarding taxation issues affecting ICPF and IPG.
- 5.13 Review, at least annually, the significant financial and operational policies including:
 - Delegated Authorities
 - Financial Risk Management Policy
 - Security Pricing Policy
 - Distribution Policy
 - Tax Risk Management Policy
 - Resolution of Conflicts Policy
 - Valuation Policy
 - Anti-Money Laundering and Counter Terrorism Financing Program
 - Custody Policy
- 5.14 Receive updates on material correspondence with regulators and consider management's response.

6. Financial Reporting

References to financial reporting include where appropriate the financial reports of any member of IPG and to all funds managed by any member of IPG.

The Committee will:

6.1 General

- 6.1.1 Consider with the External Auditors and Internal Auditor any fraud, illegal acts, deficiencies in internal control or other similar issues.
- 6.1.2 Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and related party transactions and understand their impact on the financial statements.
- 6.1.3 Review any legal matters which could significantly impact the financial statements including any relevant external legal advice obtained by management.
- 6.1.4 Review, and make any appropriate adjustment to, the level of any provision for doubtful debts.
- 6.1.5 Receive, at least annually, a presentation from a registered valuer on valuation issues relevant to IPG or the role of the Committee.

6.2 Financial Reports (Year and Half Year)

- 6.2.1 Review the appropriateness of accounting policies applied in the financial statements for any of the IPG entities and for the funds managed by IPG.
- 6.2.2 Review the Half Year and Annual Financial Reports and determine whether they are complete and consistent with the information known to Committee members and recommend to the Board the adoption of the financial reports.
- 6.2.3 Pay particular attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures.
- 6.2.4 Pay particular attention to judgmental areas, for example those involving valuation of assets and liabilities; product or environmental liability; litigation costs; and other commitments and contingencies and will review any relevant reports from external consultants obtained by management in relation thereto.
- 6.2.5 Meet with management and the External Auditors to review the financial statements and the results of the audit.
- 6.2.6 Review IWFML's Half Year and Annual Financial Reports in relation to Net Tangible Assets for Australian Financial Services License (**AFSL**) purposes as the Committee considers appropriate.
- 6.2.7 Review on a quarterly basis IWFML's AFSL capital liquidity requirements and recommend to the Board a 15 month cashflow projection.

7. External Audit

The Committee will:

- 7.1 Review the External Auditor's proposed audit scope and approach, ensuring no unjustified restrictions or limitations have been placed on the scope, and review the proposed remuneration, and make recommendations to the Board.
- 7.2 Review the performance and effectiveness of the External Auditors.
- 7.3 Consider the independence of the External Auditor, including the firm's policies and procedures in respect of independence and receive their independence declaration at each half year.
- 7.4 Review, on an annual basis, the range of services provided by the External Auditor and the quantum of fees involved, including the nature, scope and approach to individual assignments and the total external audit fees.
- 7.5 Ensure that each of the audit partner, review partner and the compliance plan audit partner is rotated every five years but not at the same time. At the time of rotation, the Committee should interview the proposed replacement partner, satisfy itself as to the experience and qualifications of those proposed, and make recommendations to the Board.
- 7.6 Make recommendations to the Boards regarding the appointment of External Auditors.
- 7.7 Meet separately with the External Auditors to discuss any matters that the Committee or Auditors believe should be discussed privately.
- 7.8 Ensure that significant findings and recommendations made by the External Auditors are received and discussed on a timely basis.
- 7.9 Ensure that management responds to recommendations by the External Auditors on a timely basis.

8. Internal Audit

The Committee will:

- 8.1 Review the reports of the Internal Auditor and consider management's responses to such reports.
- 8.2 Ensure timely implementation of recommendations arising from Internal Audit reports.
- 8.3 Meet separately with the Internal Auditor to discuss any matter that the Committee or the Internal Auditor consider should be discussed privately.
- 8.4 Review at least annually the effectiveness of the internal audit function.

9. Other Responsibilities

The Committee will:

- 9.1 Review and update the Charter at least on an annual basis and receive approval for changes from the Boards.
- 9.2 Evaluate the Committee's own performance on a regular basis.