

Audit and Risk Management Committee Charter

GPT RE Limited and GPT Management Holdings Limited

1. Background and Purpose

- 1.1 GPT RE Limited is the responsible entity for General Property Trust ("Trust"). GPT Management Holdings Limited was created on the internalisation and stapling of GPT where each share on issue in GPT Management Holdings Limited was stapled to a unit in the Trust to create the GPT Group ("GPT").
- 1.2 As a result of the stapling, GPT RE Limited and GPT Management Holdings Limited operate as a coordinated group. To facilitate this, both parties are bound by a Stapling Deed which sets out various matters in respect of the relationship between GPT RE Limited and GPT Management Holdings Limited whilst units in the Trust are stapled to the shares of GPT Management Holdings Limited.
- 1.3 GPT RE Limited and GPT Management Holdings Limited are collectively referred to in this Charter as the Companies. The Boards of the Companies are collectively referred to as the GPT Board.
- 1.4 The Audit and Risk Management Committee is a Committee of the GPT Board set up to assist the GPT Board in discharging its responsibilities. The specific role and responsibilities of the Committee are set out in this Charter. Annually, the Committee shall review and reassess this Charter and obtain the approval of the GPT Board to any amendments. The Committee will act at all times in the best interests of GPT securityholders.
- 1.5 The Committee has been established to undertake the following activities on behalf of the GPT Board:
 - (a) Review the quality and reliability of the financial reporting processes.
 - (b) Review and report on financial statements issued by GPT.
 - (c) Review external auditor's qualifications, performance, audit plans and independence.
 - (d) Receive, analyse and assess compliance reports under the Compliance Plans for the Trust.
 - (e) Review GPT's system for compliance with relevant laws, regulations, industry standards and codes.
 - (f) Oversee the risk management, compliance and internal control framework of GPT and consider any risk and compliance matters relating to the affairs of GPT that it determines to be desirable.
- 1.6 In carrying out its responsibilities the Committee has full authority to investigate all matters that fall within the terms of reference of this Charter. Accordingly, the Committee may:
 - (a) Obtain independent professional advice in the satisfaction of its duties at the cost of GPT.
 - (b) Have such direct access to the resources of GPT, as it may reasonably require, including legal, management and the external and internal auditors.

2. Membership

- 2.1 The Committee shall comprise members of, and be appointed by, the GPT Board. The Committee is to consist of:
 - (a) Only Non-Executive Directors.
 - (b) At least three members.
 - (c) A majority of independent Non-Executive Directors.
 - (d) At least one member who has financial expertise (ie is a qualified accountant or other financial professional with financial and accounting experience).

The Chairman of the Committee is to be an independent Non-Executive Director and is to be appointed by the Board (but is not to be the Chairman of the Board).

- 2.2 A quorum shall consist of two members of the Committee.
- 2.3 Any dissenting member shall be entitled to have the opinion of that member recorded in the minutes.



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2.4 Representatives of external auditors and management will be requested to attend and report at meetings of the Committee as appropriate.

3. Responsibility

3.1 The Committee shall consider any matters relating to the affairs of GPT that have been delegated to it by the GPT Board.

3.2 The specific responsibilities of the Committee are:

(a) Financial Reporting Processes

- (i) Overview of compliance with statutory responsibilities relating to financial disclosure including:
 - the adequacy of financial statement disclosure;
 - accounting policies adopted; and
 - the nature and impact of any change in accounting policy during the period.
- (ii) Review policies and practices on issues such as asset valuations.
- (iii) Review the draft financial statements.
- (iv) Discuss with management's and the external auditor's judgements on the quality and appropriateness of the accounting principles as applied in GPT's financial reporting, including use of alternative disclosures and accounting principle treatment.
- (v) Receive, review and make recommendations to the GPT Board on the statement from management regarding the integrity of the financial statements and that an appropriate system of risk management and internal compliance and control has been maintained.

(b) Treasury

- (i) Review and assess GPT's compliance with its Financial Risk Management Policy.
- (ii) Approve hedging transactions within the authority of the Committee as set out in the Financial Risk Management Policy.

(c) Compliance

- (i) Monitor compliance with GPT's Australian Financial Services Licence requirements under the Corporations Act, the Constitution and the Compliance Plan for the Trust.
- (ii) Receive on behalf of the GPT Board all compliance reports required to be provided to the GPT Board under the Compliance Plans for the Trust.
- (iii) Liaise with the Compliance Plan auditors, review and discuss their reports.
- (iv) Review the Compliance Plans for the Trust from time to time to ensure adequate protection for security holders and for compliance with the Corporations Act.
- (v) Discuss with the Legal Counsel legal matters that may have a material impact on the financial statements or the compliance with regulatory policies.
- (vi) Make recommendations to the GPT Board:
 - for any actions to be taken (including reports to be given to the Australian Securities and Investments Commission or other regulatory bodies) in respect of any non compliance;
 - any additional compliance reports or changes to compliance reports from management and/or Compliance Plan auditors; and
 - any amendments required to the Compliance Plans from time to time.
- (vii) Receive reports in relation to GPT's compliance with applicable laws and regulations, including in relation to taxation and the environment.

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- (viii) Review amendments to relevant legislation and regulations with legal counsel and review management response.
- (d) Risk Management and Assurance
 - (i) Oversee a risk management system that incorporates a system of assurance confirming that GPT's risks are being considered and appropriate management plans are in place.
 - (ii) Review adequacy of Insurance cover.
 - (iii) Review crisis management, business continuity and disaster recovery plans and annual testing.
 - (iv) Review the Risk Management Plan for GPT and monitor management's progress against the treatment strategies set out in the Risk Management Plan.
 - (v) Receive and review reports regarding the assurance activity undertaken as part of the Risk Management (assurance) plan.
 - (vi) Make recommendations to the GPT Board on the implementation of the Risk Management Plan and any major issues arising from management reports to the Committee.
- (e) External Audit
 - (i) Make recommendations to the GPT Board on the appointment, reappointment, replacement, and remuneration of external auditors.
 - (ii) Review all reports from the external auditors and management response to any issues raised.
 - (iii) Approve any non-audit work to be provided by GPT's auditors as required under the Guidelines for the Engagement of and Dealing with Auditors.
 - (iv) Discuss with the external auditors the overall scope of the external audit, their audit plan and whether there are any specific identified risks that will be of focus.
 - (v) Review the performance of the external auditor.
 - (vi) The Committee will consider the independence of the external auditor. On a six monthly basis the Committee must formally determine whether it is satisfied that the provision of non-audit services is compatible with the general standards of independence for auditors imposed by the Corporations Act and provide written advice of its conclusions to the GPT Board.
 - (vii) Receive and review a report from the external auditor describing:
 - The audit firm's internal quality control procedures;
 - Any material issues raised by any inquiry or investigation by authorities or from a peer review relating to independent audits carried out by the firm (in Australia over the last five years), and any steps to deal with any such issues; and
 - All relationships between the external auditor and GPT.
 - (viii) Periodically consult with the external auditor out of the presence of management about the audit and any issues raised with management.
 - (ix) Ensure that each of the audit partner and the review partner for GPT are rotated every five years, but not simultaneously. At this time, the Committee will interview the proposed replacements to satisfy itself as to the experience and qualifications of the replacements and will make recommendations to the GPT Board.
- (f) OH&S
 - (i) Oversee the establishment and implementation of an OH&S Plan. Make recommendations to the Board on the implementation of the OH&S Plan and any major issues arising from management reports to the Committee.
 - (ii) Monitor compliance with GPT's OH&S policies.
 - (iii) Review investigations of significant OH&S incidents and actions to prevent the recurrence of these incidents.

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- (iv) Review reports on GPT's OH&S performance and risk areas.
- (vi) Receive and review reports regarding the assurance activity undertaken as part of the OH&S Plan.

4. Meetings

- 4.1 The Committee will meet as necessary but a minimum, four times per year
- 4.2 The Committee will be provided with a secretary and secretarial services by the Company.
- 4.3 The GPT Board will appoint a Chairman of the Committee.
- 4.4 The Secretary in conjunction with the Chairman will draw up the agenda.
- 4.5 The Secretary will ensure that members and management are aware of the requirements to produce papers and attend meetings.

5. Reporting

The Chairman of the Committee will report the proceedings, deliberations and recommendations of the Committee to the next meeting of the GPT Board following any meeting of the Committee.

6. Committee Performance

On an annual basis the Committee shall perform an evaluation of its performance. The evaluation will be on the basis of a self assessment together with any feedback sought from management, external auditors and other advisors.

Membership – February 2010

A McDonald – Chairman

E J Goodwin

S G Lim

J A Coyne - Secretary