

# Audit 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.

### 2. Purpose

- 2.1 The Audit Committee (the “**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.
- 2.2 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 to be issued by GPT.
  - (c) Review external auditor’s qualifications, performance, audit plans and independence.
  - (d) Oversee the internal audit function.
- 2.3 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, CEO, CRO, management and the external and internal auditors.
- 2.4 The Audit Committee will work with the Nomination and Remuneration Committee and the Sustainability and Risk Committee to assist the Board in fulfilling its responsibilities.

### 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 including reviewing any reports required by law or listing rules.
- 3.2 The specific responsibilities of the Committee are:
  - (a) Financial Reporting
    - (i) Overview of compliance with statutory responsibilities relating to financial disclosure including:
      - the adequacy of financial statements disclosure;
      - accounting policies adopted; and
      - the nature and impact of any change in accounting policy during the period.
    - (ii) Review annually with management and the external auditor the accounting and valuation policies and practices adopted and compliance with accounting standards, ASX Listing Rules and relevant legislation.

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- (iii) Review and discuss with management and the external auditor the half year reviewed and annual audited financial statements.
- (iv) Discuss with management and the external auditor, their judgement on the quality and appropriateness of the accounting principles as applied in GPT's financial reporting, including use of alternative disclosures and accounting principles 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.
- (vi) Discuss with the General Counsel legal matters that may have a material impact on the financial statements or the compliance with regulatory policies.
- (vii)
- (b) Treasury
  - (i) Ensure policies and procedures are in place to identify, measure, manage and monitor treasury risks.
  - (ii) Undertake an annual review of the GPT Group Treasury Policy.
  - (iii) Receive and review reports in relation to treasury risk profile and material treasury actions.
- (c) Taxation
  - (i) Oversee the tax risk management framework that has been established to identify and manage all major tax risks.
  - (ii) Receive reports in relation to GPT's compliance with applicable taxation laws and regulations.
  - (iii) Consider and discuss with management material taxation issues which may arise from time to time.
- (d) Internal Audit
  - (i) Approve the GPT Internal Audit Charter.
  - (ii) Approve the Internal Audit plan annually.
  - (iii) Receive and review reports regarding internal audit activity undertaken in accordance with the GPT Internal Audit Charter and the GPT risk management framework, and through these reports monitor the progress of management action plans.
  - (iv) Make recommendations to the GPT Board on any material issues arising from those 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 annually.
  - (vi) 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:

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- 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 without 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 is to interview the proposed replacements to satisfy itself as to the experience and qualifications of the replacements and make recommendations to the GPT Board.

## 4. Membership

- 4.1 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) All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall have financial expertise (eg a qualified accountant or other financial professional with financial and accounting experience).
- 4.2 The Chair 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 Chair of the Board).
- 4.3 A quorum shall consist of two members of the Committee.
- 4.4 Any dissenting member shall be entitled to have the opinion of that member recorded in the minutes.
- 4.5 Representatives of external auditors and management will be requested to attend and report at meetings of the Committee as appropriate.

## 5. Meetings

- 5.1 The Committee will meet as necessary but a minimum, four times per year.
- 5.2 The Committee will be provided with a secretary and secretarial services by the Company.
- 5.3 The GPT Board will appoint a Chair of the Committee.
- 5.4 Directors who are not Committee members may attend meetings.
- 5.5 The Secretary will ensure that a record of submissions and papers, together with minutes of meetings is maintained. Agendas for, and minutes of meetings will be sent or made available to all members.

## 6. Reporting

The Chair 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.

## 7. Committee Performance

On a periodic basis the Board shall perform an evaluation of the Committee's performance. The evaluation will be on the basis of feedback sought from the Committee and management.

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## **8. Review of Charter**

Annually, the Committee will review and reassess this Charter and obtain the approval of the GPT Board to any amendments.

## **9. Confidentiality**

All proceedings of the Committee, including papers submitted and presentations made to the Committee, shall be kept confidential and will not be disclosed or released to any person other than Board members, GPT employees and GPT's auditors, except as required by law or as agreed by the Committee.

## **10. Membership**

As at June 2017, the members of the Committee are:

Michelle Somerville – Chair

Brendan Crotty

Eileen Doyle

Lim Swe Guan

James Coyne – Secretary

Lisa Bau - Secretary