

PFA DIVERSIFIED PROPERTY TRUST

ARSN 097 860 690

Master Compliance Plan Amendment

1 July, 2006



TABLE OF CONTENTS

AMENDMENT	3
DIRECTORS' SIGNATURES	3
1 SUMMARY OF KEY FEATURES	4
1.1 INTRODUCTION	4
1.2 THE RE	4
1.3 INVESTMENTS OF THE SCHEME	4
1.4 RISKS	4
1.5 COMPLIANCE	4
1.6 THE COMPLIANCE OFFICER	5
1.7 HOW TO READ THIS PLAN	5
1.8 INTERPRETATION	5
2 DUTIES OF THE RE	7
2.1 SCOPE	7
2.2 PROCEDURE	7
3 DELEGATION OF DUTIES	9
3.1 SCOPE	9
3.2 PROCEDURE	9
3.2.2 Board	9
3.2.3 Managing Director	9
3.2.4 Other Officers of the RE	9
3.2.5 Compliance Officer	9
4 COMPLIANCE COMMITTEE	10
4.3 SCOPE	10
4.4 PROCEDURES	10
4.4.6 Reporting	10
4.4.7 Membership	10
4.4.8 Replacement	10
4.4.9 Removal	10
4.4.10 Retirement	11
4.4.11 Alternate and Delegating functions by Committee member	11
4.4.12 Functions	11
4.4.13 Duties of Compliance Committee members	11
4.4.14 Chair	11
4.4.15 Adjournment	11
4.4.16 Attendees	12
4.4.17 Quorum	12
4.4.18 Minutes, reports and recommendations	12
4.4.19 Meeting frequency	12
4.4.20 Meeting method	12
4.4.21 Convening meetings	12
4.4.22 Voting on issues	12
4.4.23 Disclosure of interests	12
4.4.24 Indemnification of members	13
4.4.25 Insurance of member	13
4.4.26 Remuneration of members	13
4.4.27 Resources	13
4.4.28 Terminating the Compliance Committee	13
4.4.29 Information to ASIC	13
4.4.30 Responsible officers	13
4.4.31 Advising of changes to the Compliance Plan	13
4.4.32 Form of reports	13
4.4.33 Advice	13
4.4.34 Access to records and information	13
5 SCHEME PROPERTY	14
6 SCHEME PROPERTY PAYMENTS AND OTHER DEALINGS	16
7 INVESTMENT OF SCHEME PROPERTY	17
8 ACQUISITION OR DISPOSAL OF INTEREST IN THE SCHEME BY THE RE OR ASSOCIATES AND INSIDER TRADING	18
9 RELATED PARTY ISSUES	20
10 INCOME OF THE SCHEME	21

11	APPLICATIONS, WITHDRAWALS AND DISTRIBUTIONS	22
12	TRANSFER AND TRANSMISSION OF INTERESTS	24
13	POWER OF THE RE TO BORROW OR RAISE MONEY	25
14	AMENDING THE CONSTITUTION	26
15	ACCESS TO COPIES OF CONSTITUTION AND COMPLIANCE PLAN	27
16	AUDIT OF COMPLIANCE PLAN.....	28
17	REVIEWING AND AMENDING THE COMPLIANCE PLAN	29
18	REMOVAL AND RESIGNATION OF COMPLIANCE PLAN AUDITOR.....	30
19	MEETINGS OF UNITHOLDERS OF THE SCHEME.....	31
20	TERMINATION OF SCHEME	32
21	REGISTER.....	33
22	FINANCIAL STATEMENTS AND ANNUAL REPORTING	34
23	CUSTODIAN	35
24	DETECTING AND REPORTING OF BREACHES	37
25	FINANCIAL TRANSACTION REPORTS ACT	38
26	AN OFFER DOCUMENT AND ADVERTISING	39
27	ADVICE.....	40
28	SERVICE CONTRACTS	41
29	RISK MANAGEMENT	43
30	COMPUTER SYSTEMS.....	44
31	DOCUMENTS OF THE SCHEME	46
32	TRAINING, RECRUITMENT AND EXPERIENCE	47
33	BENDIGO STOCK EXCHANGE LISTING RULES	48
34	CONTINUOUS DISCLOSURE.....	49
35	AUSTRALIAN FINANCIAL SERVICES LICENCE REQUIREMENTS.....	50
36	REMOVAL OF THE RE BY UNITHOLDERS	51
37	COMPLAINTS HANDLING AND DISPUTE RESOLUTION	52
38	PRIVACY	53
39	MISCELLANEOUS.....	54


AMENDMENT

The Compliance Plan for the PFA Diversified Property Trust ARSN 097 860 690 is amended in the following manner:-

- (a) deletion of clauses 1 to 39; and
- (b) insertion of the following replacement clauses 1 to 39.

DIRECTORS' SIGNATURES

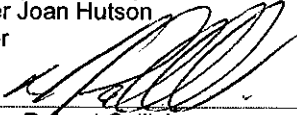
This Compliance Plan Amendment was signed by the directors (or their agents where indicated) of Property Funds Australia Ltd ACN 078 199 569 on 1 July, 2006.



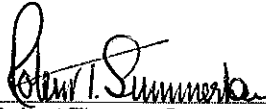
Christopher Morton
Managing Director



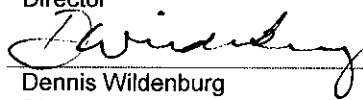
Jennifer Joan Hutson
Director



Nicholas Roland Collishaw
Director



Robert Thomas Summerton
Director



Dennis Wildenburg
Director

1 SUMMARY OF KEY FEATURES

1.1 Introduction

- 1.1.1 The Scheme consists of the PFA Diversified Property Trust and its compliance plan ("the Scheme"), a managed investment scheme.
- 1.1.2 The RE established the Scheme by deed poll dated 14 August 2001 ('Constitution'). The Constitution includes amendments, supplements or variations subsequently made from time to time.
- 1.1.3 The RE will offer investment in the Scheme to the public by way of an Offer Document. Each person who subscribes for investment in the Scheme, completes an application form, and places an investment which if accepted by the RE will:
 - (a) become a Unitholder in the Scheme; and
 - (b) agrees to be bound by the terms of the Constitution.
- 1.1.4 The RE is also bound by the terms of the Constitution.
- 1.1.5 The Scheme is also listed on the Bendigo Stock Exchange ("BSX").

1.2 The RE

- 1.2.1 The RE is Property Funds Australia Limited ACN 078 199 569.
- 1.2.2 The RE is the responsible entity of the Scheme.
- 1.2.3 The RE holds an AFS Licence No. 224106 issued to it by ASIC which authorises it to be the responsible entity of the Scheme.

1.3 Investments of the Scheme

- 1.3.1 The RE will only make Authorised Investments in accordance with the parameters specified in the Constitution and Offer Document.
- 1.3.2 The Scheme owns a portfolio of Australian properties (either directly or through wholly owned subsidiary trusts). The portfolio is diversified by property sector, geographic location, tenant profile and lease expiry with the properties generally in the price range of \$10 million to \$60 million. The Scheme pays monthly distribution to Unitholders.
- 1.3.3 The Scheme evolved as a consequence of the amalgamation on 1 July, 2003 of all of the entities managed by the RE.
- 1.3.4 Day to day physical property management and rent collection duties are generally carried out by experienced property managers.

1.4 Risks

- 1.4.1 The RE has identified a number of fund related and Real Estate specific risk factors that may affect the success of the Scheme and has implemented a risk management system to deal with those risks. Refer section 29.

1.5 Compliance

- 1.5.1 The Board has supervised the preparation of the Compliance Plan and by resolution dated 1 July, 2006 adopted the amendments to the Compliance Plan.
- 1.5.2 The RE wants to achieve a compliance culture where each staff member owns compliance, and immediately reports and addresses breaches as far as practicable. The RE wants its staff to not only do the right thing, but know how to do it. Failure to report a breach is treated seriously and as such, the RE adopts a no blame policy in relation to breaches but not so in relation to failure to report.
- 1.5.3 The Compliance Plan is the principal component of the corporate governance policies of the RE in respect of the operation of the Scheme. The Compliance Plan sets out the measures which the RE will apply to ensure that in operating the Scheme the RE complies with the Act, the Constitution and that the Scheme is operated in such a manner that the interests of Unitholders of the Scheme and their protection is paramount.
- 1.5.4 The Compliance Plan also describes how the RE will continuously monitor, review and audit the outcomes of the Compliance Plan.

- 1.5.5 The Plan is structured to ensure that Unitholders interests are protected, that the major compliance risks for Unitholders have been identified and that the potential for losses arising from non-compliance with the Act and the Constitution have been mitigated.
- 1.5.6 The Compliance Plan has been designed so that it addresses the key processes, systems and structures the RE and its officers, employees and agents must apply to ensure compliance with the Act and the Constitution.
- 1.5.7 The Compliance Plan does not describe in detail all aspects of the systems and processes which the RE maintains to ensure compliance with the Act and the Constitution. Instead, it provides sufficient detail to describe the extent of the more detailed systems, policies and procedures, plus information on how those systems, policies and procedures can be accessed.
- 1.6 The Compliance Officer**
- 1.6.1 The Compliance Officer will ensure adequate internal systems and controls have been implemented to ensure compliance with the Act, the Scheme's constitution, the RE's AFS licence, and internal and industry standards. These duties include promoting the compliance culture within the organisation and to external service providers.
- 1.6.2 The Compliance Officer is primarily responsible for reviewing compliance on an ongoing basis, reporting on compliance matters, including breaches, to the Compliance Committee and acting on recommendations of the Compliance Committee. Matters can be escalated to the Board or ASIC if necessary.
- 1.7 How to Read this Plan**
- 1.7.1 It is vital that users of this Plan understand their role in its effective implementation. The operational procedures noted from section 5 onwards do not provide enough information on their own and there are several sections of the plan that must be read by all users of this document in order to fully understand their responsibilities.
- 1.7.2 Sections that are considered essential reading, in addition to comments on procedural areas specific to the user are:
- (a) 1 – Summary of Key Features;
 - (b) 2 – Duties of the RE; and
 - (c) 3 – Delegation of Duties.
- 1.7.3 The plan is structured in such a way that it clearly identifies the legal responsibility that must be complied with. The procedures described are part of processes used by the RE to meet that obligation. The plan identifies:
- (a) the scope of the Compliance Plan obligations (including regulatory provisions);
 - (b) the risks of non-compliance;
 - (c) what part of the business is responsible for carrying out the procedures;
 - (d) how compliance with those procedures will be monitored and reported on; and
 - (e) who is responsible for monitoring compliance and the frequency of the monitoring.
- 1.8 Interpretation**
- 1.8.1 In this Compliance Plan, unless the context otherwise requires:
- (a) words expressing the singular include the plural and vice versa;
 - (b) words denoting a natural person include corporations and body corporates and vice versa;
 - (c) words denoting gender include both genders;
 - (d) a reference to a part, clause, paragraph or schedule is a reference to a part, clause, paragraph or schedule of this Compliance Plan;
 - (e) references to this Compliance Plan are references to this Compliance Plan as amended, supplemented or varied from time to time;
 - (f) a reference to writing includes printing, engraving, typewriting, lithography, photography and any other mode of reproducing words in a visible form;
 - (g) a reference to a thing or matter includes a reference to a part of the thing or matter;
 - (h) headings are included for convenience only and do not affect interpretation;
 - (i) references to a party to this Compliance Plan include the party's successors and permitted assigns;
 - (j) references to a document or agreement include references to the document or agreement as amended, novated, supplemented, varied or replaced from time to time;

- (k) a reference to a statute includes a reference to or citation of all enactments amending or consolidating the statute and to an enactment substituted for the statute;
- (l) references to dollars and '\$' refer to amounts in Australian currency; and
- (m) where any word or phrase is given a defined meaning in this Compliance Plan, any other part of speech or other grammatical form of that word or phrase has a corresponding meaning.

2 DUTIES OF THE RE

Responsible Officer/s

Board
Compliance Committee
Compliance Officer
All Staff

Relevant Provisions

Corporations Act: 601FC, 601GA, 601GB
Constitution: 4.1, 4.2, 9.2, 23.3, 24.2, 30.4
AFSL: N/A

2.1 Scope

2.1.1 In exercising its powers and carrying out its duties, the RE must:

- (a) act honestly; and
- (b) exercise the degree of care and diligence that a responsible person would exercise if they were in the RE's position; and
- (c) act in the best interests of the Unitholders and, if there is a conflict between the Unitholders' interests and its own interests, give priority to the Unitholders' interests; and
- (d) treat the Unitholders who hold interests of the same class equally and Unitholders who hold interests of different classes fairly; and
- (e) not make use of information acquired through being the RE in order to:
 - (i) gain an improper advantage for itself or another person; or
 - (ii) cause detriment to the Unitholders in the Scheme; and
- (f) ensure that the Constitution meets the requirements of sections 601GA and 601GB; and
- (g) ensure that the Compliance Plan meets the requirements of section 601HA; and
- (h) comply with the Compliance Plan; and
- (i) ensure that Scheme property is:
 - (i) clearly identified as Scheme property; and
 - (ii) held separately from property of the RE and property of any other scheme; and
- (j) ensure that the Scheme property is valued at the intervals required under the Constitution; and
- (k) ensure that all payments out of the Scheme property are made in accordance with the Constitution and the Act; and
- (l) subject to clause 24, report to ASIC any breach of the Act that:
 - (i) relates to the Scheme; and
 - (ii) has had, or is likely to have, a materially adverse effect on the interests of Unitholders;
 as soon as practicable after it becomes aware of the breach; and
- (m) carry out or comply with any other duty, not inconsistent with the Act, that is conferred on the RE by the Constitution.

2.2 Procedure

- 2.2.1 Directors and staff of the RE will be regularly counselled on their obligation as officers of the RE. Any Director or staff member found to be acting dishonestly will be counselled and, if appropriate, dismissed. It is the responsibility of the ICCM and Compliance Officer to monitor internal compliance.
- 2.2.2 The Board will ensure the officers of the RE are conscious of their responsibility to always act in the best interests of Unitholders even where there is a conflict with the interests of the RE or the interests of the officer. The Board will implement a process of monitoring to ensure that any potential conflict of interest is identified and dealt with accordingly at the appropriate time.
- 2.2.3 Any Director or Compliance Committee member shall be required to notify the Compliance Officer where there is a conflict of interest or potential conflict of interest, between the officer and the Scheme.

- 2.2.4 Before acting on behalf of a Unitholder or treating a Unitholder in a particular way the RE must be satisfied its conduct will not be detrimental to the other Unitholders in the Scheme. All staff are to be instructed by the RE regarding the requirement to treat all Unitholders and Scheme information as confidential. Confidentiality agreements or acknowledgments may be completed by all staff, Directors and (if appropriate) agents upon commencing employment or appointment, with the RE.
- 2.2.5 The Board shall satisfy itself that the Constitution contains all the requirements contained in section 601GA and 601GB. The Board shall instruct such experts and professionals as and when required to assist in achieving compliance.

3 DELEGATION OF DUTIES

3.1 Scope

- 3.1.1 The Board recognises that the staff of the RE may change or be absent from time to time. In order to ensure the smooth operation of the Scheme, responsibilities of various officers may be delegated from time to time.

3.2 Procedure

- 3.2.1 The following procedures will be adopted for delegation of duties:

3.2.2 Board

- 3.2.2.1 The Managing Director may act on behalf of the Board and with the authority of the Board at any time, where it is administratively convenient to do so. Where the Managing Director has acted on behalf of the Board, the Managing Director shall notify the Board of his/her action at the next Board meeting.

3.2.3 Managing Director

- 3.2.3.1 Where the Managing Director is absent, any Director, the Company Secretary or General Manager may act on behalf of the Managing Director. Alternatively, the Board may appoint another person to act as Managing Director.

3.2.4 Other Officers of the RE

- 3.2.4.1 When any of the RE's officers are absent, then the Managing Director will ensure another officer of the RE will act in that capacity on a temporary or permanent basis.

3.2.5 Compliance Officer

- 3.2.5.1 The Managing Director shall at all times ensure that a person has been appointed the Compliance Officer. The Compliance Officer may be an employee or officer of the RE or a consultant to the RE.

- 3.2.5.2 The Compliance Officer is to ensure that the Compliance Plan and compliance systems are properly planned, devised and implemented by the RE. The Compliance Officer's role will include:

- (a) establishing an effective compliance culture;
- (b) providing or facilitating relevant compliance education and training;
- (c) monitoring the design and implementation of the Compliance Plan;
- (d) providing compliance advice;
- (e) reporting to the Compliance Committee; and
- (f) keeping abreast of regulatory and industry developments.

4 COMPLIANCE COMMITTEE

Relevant Provisions

Corporations Act: 601JA, 601JB, 601HA, 601JC, 601JD, 601JH, 601JJ, 601JF, 601JG and 601HD

Constitution: 27.5, 27.6, 27.7, 27.8

AFSL: N/A

4.3 Scope

4.3.1 If the Scheme is required to have a Compliance Committee (601JA) - the Compliance Plan must make adequate provision for ensuring the Compliance Committee functions properly, including adequate arrangements relating to:

- (a) the membership of the committee;
- (b) how often committee meetings are to be held;
- (c) the committee reports and recommendations to the RE;
- (d) the committee's access to the Scheme's accounting records and to the Scheme's financial arrangements; and
- (e) the committee's access to information that is relevant to the RE's compliance with the Act.

4.3.2 The RE must establish the Compliance Committee within 14 days after it is required to do so by Section 601JA(1) or any other period that ASIC may agree in writing.

4.4 Procedures

4.4.6 Reporting

4.4.6.1 The Compliance Committee must report to ASIC and the Board on the RE's compliance with the Compliance Plan and the Act as the Act requires.

4.4.7 Membership

4.4.7.1 There will be at least 3 Compliance Committee members at all times with the majority of them being external members. Each external member is required to certify in writing to the Board that they are satisfied they comply with the 'external test' as contained in section 601JB(2) and that they will immediately notify the Board if they cease to be 'external'.

4.4.7.2 Members should be suitably qualified and should have significant experience, ideally of at least 5 years, in the financial services or property industry. Generally, members should have qualifications in one or more of the following fields: law, real estate, property management, audit, accounting, finance, commerce, economics, business administration, marketing, actuarial or any related disciplines or professions. Experience sought will include senior roles in funds management, law, accounting, compliance, audit, prudential management, dispute resolution, actuarial, property, banking, financial services marketing and operations or related fields.

4.4.7.3 A Compliance Committee member must report to the Board if he/she forms the view that a proposed member of the Compliance Committee does not have the skills appropriate to fulfil their responsibilities as a Compliance Committee member.

4.4.8 Replacement

4.4.8.1 If a Compliance Committee member resigns, is removed, becomes unable to act, or ceases to be an external member so that:

- (a) there would be less than 3 Compliance Committee members; or
- (b) the majority of the Compliance Committee member would not be external member,

then the RE must, if the Act requires and within the time prescribed by the Act, appoint another person to the position.

4.4.8.2 A person may not be appointed to the Compliance Committee unless they consent in writing to the appointment.

4.4.9 Removal

4.4.9.1 The RE may remove a Compliance Committee member by at least one month's notice to that Compliance Committee member.

4.4.10 Retirement

- 4.4.10.1 Compliance Committee members may retire by providing one month's notice to the Compliance Committee and the Board or such shorter time as the RE allows.

4.4.11 Alternate and Delegating functions by Committee member

- 4.4.11.1 A Compliance Committee member may nominate a person to be their alternate member but remain responsible for that person. If the member is an external member, such alternate must also be a person who would qualify as an external person. Any alternate member must be acceptable to the RE. A Compliance Committee member may delegate their functions to their alternate member.

4.4.12 Functions

- 4.4.12.1 The functions of the Compliance Committee are to:

- (a) monitor to what extent the RE complies with the Compliance Plan and report its findings to the Directors at such times it considers necessary or desirable or the Directors require;
- (b) as soon as practicable report to the Board any breach of the Act involving the Scheme or a provision of the Constitution of which it becomes aware or that it suspects;
- (c) as soon as practicable report to ASIC if the Compliance Committee is of the view that the RE has not taken or does not propose to take appropriate action to deal with any matter so reported;
- (d) assess annually (unless otherwise determined by the Compliance Committee) whether the Compliance Plan is adequate;
- (e) report on the adequacy of, and make recommendations to the Board about amendments to, the Compliance Plan at such times as it considers necessary or desirable;
- (f) do such other things as the Act requires.

4.4.13 Duties of Compliance Committee members

- 4.4.13.1 To the extent that the Act and ASIC policy require, the Compliance Committee members must:

- (a) act honestly;
- (b) exercise the degree of care and diligence that a reasonable person would exercise if they were in the member's position;
- (c) not make use of information acquired through being a Compliance Committee member to either gain an improper advantage for the member or another person or cause detriment to the Scheme;
- (d) not make improper use of their position as a Compliance Committee member to gain (directly or indirectly) an advantage for themselves or for any other person or cause detriment to the Scheme;
- (e) do such other things as the Act requires them to do, and not do such things as it prohibits them from doing.

- 4.4.13.2 A member of the Compliance Committee is to take all reasonable steps to assist ASIC in carrying out a check under subsection 601FF(1).

4.4.14 Chair

- 4.4.14.1 The Compliance Committee members must elect a chair who must be a Compliance Committee member, but the Compliance Committee member may appoint a chair for a term and terminate that appointment at any time.

- 4.4.14.2 The chair must be an external member if there are only 2 members present at a meeting.

- 4.4.14.3 Subject to this Compliance Plan, the chair may determine the manner in which a meeting of Compliance Committee members will be regulated.

- 4.4.14.4 The decision of the chair on any matter relating to the conduct of the meeting is final.

4.4.15 Adjournment

- 4.4.15.1 The chair has power to adjourn a meeting for any reason to such place and time as they think fit.

4.4.16 Attendees

- 4.4.16.1 Any Director, Scheme Auditor, Compliance Plan Auditor, officer of the RE and any invitee of the Board or any Compliance Committee member, may attend and speak at a Compliance Committee meeting.

4.4.17 Quorum

- 4.4.17.1 The quorum for a meeting of Compliance Committee members is 2 members and must include at least one non-external member and an equal or greater number of external members.
- 4.4.17.2 If a quorum is not present within 15 minutes of the scheduled start time for the meeting, the meeting may be adjourned to such place and time as the Compliance Committee members present decide.
- 4.4.17.3 The Compliance Committee members who call an adjourned meeting must provide notice to the other Compliance Committee members of the time and place of the adjourned meeting.
- 4.4.17.4 At any adjourned meeting, those Compliance Committee members present in person or by proxy constitute a quorum.

4.4.18 Minutes, reports and recommendations

- 4.4.18.1 Minutes of Committee meetings and records of reports and recommendations of the Committee must be kept, and a copy of any of them signed by the chair is taken to be a true record unless the contrary is proved.
- 4.4.18.2 The minutes and records must be available to the Compliance Committee, the Directors, ASIC, the Scheme Auditor and the Compliance Plan Auditor.

4.4.19 Meeting frequency

- 4.4.19.1 The Compliance Committee must meet regularly and generally, at least each quarter, unless the Compliance Committee members agree it is not necessary or desirable to meet in a particular quarter.

4.4.20 Meeting method

- 4.4.20.1 Compliance Committee meetings may be held using any technology agreed by all the Compliance Committee members, for example, via teleconference, internet relay chat or video or voice conference.

4.4.21 Convening meetings

- 4.4.21.1 Any Compliance Committee member may convene a meeting of the Compliance Committee on 5 business days' notice or such shorter notice as the other Compliance Committee members agree. If a Compliance Committee member does not receive a notice (including if notice was accidentally omitted to be given to them), the meeting is not invalidated. However, that Compliance Committee member must be informed of that omission as soon as reasonably practicable after the officers of the RE become aware of that fact.

4.4.22 Voting on issues

- 4.4.22.1 Voting at a meeting of Compliance Committee members is by simple majority. The chair has a casting vote. No objection may be made to any vote cast unless the objection is made at the meeting.

4.4.23 Disclosure of interests

- 4.4.23.1 The Compliance Committee members must disclose to the next meeting of Compliance Committee members after becoming aware of:
- (a) a direct or indirect pecuniary interest that they have in a matter being considered or about to be considered by the meeting if it could conflict with the proper performance of their duties in relation to the consideration of the matter; and
 - (b) such other things (if any) as the Act requires,
- and the disclosure must be recorded in the minutes.
- 4.4.23.2 If all members of the Compliance Committee cannot properly consider a matter due to a conflict of interest, they may refer the matter to an independent expert. In such a case, the advice provided by that expert should be considered for adoption by the Compliance Committee.

4.4.24 Indemnification of members

- 4.4.24.1 Subject to the Act, the RE may agree that a Compliance Committee member, a former member or the organisation that employs the Compliance Committee member is to be indemnified by the RE (itself or through a related entity) against a liability incurred (including those anticipated by clause 4.4.33 and any costs of legal proceedings defence) by the person in relation to their duties as a member.

4.4.25 Insurance of member

- 4.4.25.1 The RE or a related body corporate (directly or through a related entity) may pay or agree to pay a premium in respect of a contract of insurance insuring a Compliance Committee member or the organisation that employs the Compliance Committee member.

4.4.26 Remuneration of members

- 4.4.26.1 The Compliance Committee members are entitled to such remuneration as the Managing Director agrees. It may be a lump sum which the Compliance Committee members may allocate amongst themselves.

4.4.27 Resources

- 4.4.27.1 The Compliance Committee must inform the Board if they believe that they do not have adequate resources to properly perform their functions as a committee.

4.4.28 Terminating the Compliance Committee

- 4.4.28.1 The Board may advise the Compliance Committee that the Compliance Committee is no longer appointed to act for the Scheme if the Act does not require a Compliance Committee for the Scheme (for example, because half of the Directors are external directors).

- 4.4.28.2 The Compliance Committee ceases to be appointed for the Scheme if the Scheme terminates.

4.4.29 Information to ASIC

- 4.4.29.1 If ASIC directs the RE to give it information about the arrangements contained in this Compliance Plan, the Compliance Committee must monitor whether (as soon as it is aware of this) the information is provided as soon as practicable.

4.4.30 Responsible officers

- 4.4.30.1 The Compliance Committee must monitor whether a Compliance Officer is appointed at all times to perform those functions allocated to the Compliance Officer as identified in this Compliance Plan.

4.4.31 Advising of changes to the Compliance Plan

- 4.4.31.1 The Compliance Committee must monitor whether copies of this Compliance Plan and changes are given to the Compliance Officer.

4.4.32 Form of reports

- 4.4.32.1 The Compliance Committee may determine the form of any report from the Compliance Officer concerning their relevant functions as identified in this Compliance Plan.

4.4.33 Advice

- 4.4.33.1 In carrying out its functions, where the Compliance Committee reasonably consider it is warranted, the Compliance Committee may commission independent legal, accounting or other professional advice or assistance, at the reasonable expense of the Scheme.

4.4.34 Access to records and information

- 4.4.34.1 The Compliance Committee is entitled to have access to the accounting records of the Scheme, the Auditor and to any information that is relevant to the RE's compliance with the Act.

5 SCHEME PROPERTY

5.1 Safe Keeping and Segregation of Scheme Property

Responsible Officer/s

General Manager
National Portfolio Manager
Compliance Officer
Custodian

Relevant Provisions

Corporations Act: 601FC
Constitution: 4
AFSL: 20

Scope	Risks	Procedures	Monitoring and Reporting
Scheme property is clearly identified as Scheme property and is held separately from property of the RE and the property of any other scheme.	Scheme property is mixed with that of the RE or other Schemes and cannot be separately identified.	<p>A custodian is engaged to hold Scheme property.</p> <p>All Scheme assets and bank accounts are to be registered in the name of the custodian.</p> <p>At no time shall the assets of the Scheme be intermingled with the assets of any other scheme for any purpose whatsoever.</p> <p>The National Portfolio Manager is responsible for establishing and maintaining separate files for each separate Real Estate within his area of responsibility.</p>	<p>The custodian will provide a monthly report to the RE in accordance with the Custody Agreement setting out the assets held on behalf of the Scheme.</p> <p>The Compliance Officer will review the custodian's report each month.</p> <p>The Compliance Officer shall at least annually review all Scheme property to ensure it is kept separate from the assets of the RE and the custodian and report to the Compliance Committee.</p>

5.2 Insuring Scheme Property

Responsible Officer/s

National Portfolio Manager
Compliance Officer
Operations Manager

Relevant Provisions

Corporations Act: 601FC(1)
Constitution:
AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
Scheme property (which is Real Estate) must be insured to full replacement value.	Loss of Scheme assets due to events that could have been insured against.	<p>Adequate insurance may include:</p> <ul style="list-style-type: none"> (a) building insurance; (b) loss of rent insurance; (c) public liability insurance; (d) any other insurance the Board resolves is required; and (e) machinery breakdown. <p>The National Portfolio Manager is responsible for ensuring that all Real Estate is adequately insured.</p> <p>The Operations Manager will maintain an insurance register.</p>	The Compliance Officer shall at least annually review the insurance register and report to the Compliance Committee.

5.3 Valuation of Scheme Property

Responsible Officer/s
 Acquisitions Manager
 National Portfolio Manager
 Compliance Officer

Relevant Provisions
 Corporations Act: 601FC
 Constitution: 9
 AFSL: N/A

Scope	Risks	Procedures	Monitoring and Reporting
Scheme property is valued at regular intervals appropriate to the nature of the property in accordance with the requirements of the Act and the Constitution.	<p>The value of the Scheme disclosed in the annual financial statements will be out of date or inaccurate.</p> <p>Property insurance cover will be inadequate.</p>	<p>All property assets of the Scheme depending on their nature will be valued by an independent registered valuer or the Board for the purposes of meeting the accounting standards.</p> <p>Notwithstanding the above, the assets shall be valued by an external valuer at least once every three years. Such valuations are required to be on the basis of fair value in accordance with Australian Equivalents to IFRS.</p> <p>Each investment property is valued as outlined in the Property Procedures Manual and in accordance with accepted valuation and / or accounting standards..</p> <p>Other Scheme investments are valued in accordance with generally accepted accounting principles and the terms of the Constitution.</p> <p>The National Portfolio Manager or the Acquisitions Manager will ensure that the most recent valuation adopted by the Board is available to the Financial Controller to be incorporated in the Scheme Accounts.</p>	<p>All valuations will be reviewed by the National Portfolio Manager or the Acquisitions Manager.</p> <p>Any material or unexpected fluctuations in the value of the Real Estate are to be reported to the Managing Director by the Portfolio Manager or the Acquisitions Manager.</p> <p>The Compliance Officer shall at least annually review compliance with these procedures and report to the Compliance Committee.</p>

6 SCHEME PROPERTY PAYMENTS AND OTHER DEALINGS

Responsible Officer/s

Managing Director
Any Director or Company Secretary
Operations Manager
Manager, Investment Services
National Portfolio Manager
Financial Controller
Acquisition Manager
General Manager
Property Assistant

Relevant Provisions

Corporations Act: 601FC(1)(k) and 601GA(2)
Constitution: 11, 25
AFSL: N/A

6.1 Payments out of Scheme Property

Scope	Risks	Procedures	Monitoring and Reporting
The RE must ensure that all payments out of the Scheme property including RE's Fees and Reimbursable Expenses are made in accordance with the Constitution, the Act and the most recent representations made to Unitholders.	Expenses and management fees paid are not valid or are incorrectly calculated.	Allowable fees and expenses are set out in the Constitution and in the most recent representations made to Unitholders. The RE is only reimbursed from the Scheme for expenses incurred in the proper performance of its duties in respect of the Scheme. Payments of RE fees and reimbursable expenses are made in accordance with the Accounting Procedures Manual. Expense reimbursements are appropriately allocated and paid to the RE. Records of payments are maintained by the RE and the custodian.	The custodian will provide a monthly report to the RE in accordance with the Custody Agreement setting out the payments made on behalf of the Scheme. The Financial Controller reconciles the Custodian's monthly report with the RE's records. The Compliance Officer shall at least annually review the process followed in calculation of fees and payment of reimbursable expenses and report to the Compliance Committee.

6.2 Execution of Legal Documents

Scope	Risks	Procedures	Monitoring and Reporting
The RE must ensure that documents of the Scheme are appropriately executed.	Documents are inappropriately executed and may be invalid.	Proper instructions to the custodian to execute documents are made in accordance with the relevant procedures manuals.	The custodian will provide a monthly report to the RE in accordance with the Custody Agreement setting out the documents executed on behalf of the Scheme. The Property Assistant reconciles the Custodian's monthly report with the RE's records. The Compliance Officer shall at least annually review the process followed in executing documents and report to the Compliance Committee.

7 INVESTMENT OF SCHEME PROPERTY

Responsible Officer/s

Operations Manager
 Compliance Officer
 Financial Controller
 Acquisitions Manager
 General Manager
 National Portfolio Manager

Relevant Provisions

Corporations Act: 601FC(4), 601GA(1)(b), 601GA(3)
 Constitution: 23.3
 AFSL: 1

Scope	Risks	Procedures	Monitoring and Reporting
The RE may only invest Scheme property, or keep Scheme property invested, in accordance with the Constitution and an Offer Document.	Scheme funds will be invested incorrectly which may be detrimental to Unitholders' interests.	<p>All investments of the Scheme must be invested in accordance with the Constitution and Offer Document.</p> <p>Real Estate that fit the Scheme's acquisition and disposal strategy are researched, and if thought appropriate, the Acquisitions Manager submits a written proposal to the RE's Board of Directors.</p> <p>The Board approves all Real Estate acquisitions and disposals.</p> <p>The Acquisitions Manager, the National Portfolio Manager and the General Manager in conjunction with the professional advisers to the RE are responsible for settling the acquisition and disposal of the Real Estate.</p>	The Compliance Officer shall at least annually review Scheme property to ensure it is invested in accordance with the Constitution and Offer Document and report to the Compliance Committee.

8 ACQUISITION OR DISPOSAL OF INTEREST IN THE SCHEME BY THE RE OR ASSOCIATES AND INSIDER TRADING

Responsible Officer/s

Managing Director
General Manager
Company Secretary
Compliance Officer
All Staff

Relevant Provisions

Corporations Act: 601FG, Part 7.10 Div 3
Constitution: 24.1
AFSL: N/A
BSX Listing Rules

Scope	Risks	Procedures	Monitoring and Reporting
<p>The RE or its officers or employees may acquire, hold and dispose of an Interest in the Scheme but must only do so:-</p> <p>(a) for not less than the consideration that would be payable if the Interest were acquired by another person; and</p> <p>(b) for not more than the consideration that would be payable if the Interest were disposed of by another person; and</p> <p>(c) subject to terms and conditions that would not disadvantage other Unitholders; and</p> <p>(d) if complying with the insider trading provisions of the Act and trade restriction.</p>	<p>Unitholders are not treated fairly and market integrity is compromised.</p> <p>An employee may use their position for personal gain or to the detriment of Unitholders or divulge sensitive Scheme information which may undermine market integrity</p>	<p>Any proposal by the RE or its officers or employees to acquire an Interest in the Scheme, other than through an Offer Document, or dispose of an Interest in the Scheme must be approved by either the Managing Director or the General Manager.</p> <p>The Managing Director or the General Manager will consider whether any price sensitive matters are in progress prior to approving the transaction.</p> <p>Each officer or employee of the RE must notify the Board where that officer or employee acquires or sells more than 5% of the Units in the Scheme or where a holding of 5% is reached after the transaction has occurred ('Notification'). The Board must as soon as practicable upon receiving Notification communicate this acquisition or sale to all Unitholders.</p> <p>The Company Secretary shall ensure that all transactions involving the RE or its officers or employees are maintained in the Register of Interests in Securities.</p>	<p>The Compliance Officer shall at least annually review the Register of Interests in Securities and report to the Compliance Committee.</p>

Scope	Risks	Procedures	Monitoring and Reporting
<p>Insider Trading</p> <p>An officer or employee of the RE must not directly or indirectly use or communicate inside information.</p>	<p>The inappropriate use of inside information may cause detriment to Unitholders and the integrity of the market.</p>	<p>The Compliance Officer is to ensure that staff are aware of the RE's insider trading policy and the consequences of non-compliance during internal training sessions.</p> <p>Access to documents and information is to be restricted to those with the 'need to know' and when specific 'Chinese wall' procedures are adopted to limit and monitor the flow of confidential information within the RE they must be observed.</p> <p>All staff are required to advise the Managing Director or the Company Secretary of their intention to trade prior to doing so.</p>	<p>The Company Secretary advises staff of trading blackout periods where staff are prohibited from trading.</p> <p>The Compliance Officer provides training and reports to the Compliance Committee on its outcome.</p> <p>All related party trades are to be reported to the Board in each Board Report.</p> <p>The Compliance Officer shall at least annually review compliance with these procedures and report to the Compliance Committee.</p>

9 RELATED PARTY ISSUES

Responsible Officer/s

Managing Director
General Manager
Compliance Officer
Department Managers

Relevant Provisions

Corporations Act: 5C.7
Constitution:
AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
<p>An Offer Document shall disclose all related party issues arising out of the Scheme.</p> <p>Any transaction/s involving a related party unless specifically disclosed in an Offer Document shall only be entered into if they are undertaken at normal commercial terms and conditions and are not detrimental to Unitholders.</p>	<p>Unitholders suffer loss.</p> <p>Detrimental to the reputation of the RE and the Scheme.</p>	<p>Before any related party transaction is entered into (other than one disclosed in an Offer Document) the matter should be considered by the Managing Director or the General Manager to satisfy themselves that the fees to be paid to the related party are no greater than what would be paid to a third party at arms length for the same goods or services.</p> <p>Individual department managers are responsible for advising the Compliance Officer if the RE should, or is likely to, enter into a related party transaction relevant to the area under their supervision or control.</p> <p>Any transaction involving a related party which is not specifically disclosed in an Offer Document must be in writing and shall be placed in a Register of Related Party Transactions.</p>	<p>Details of any related party transaction entered into the Register of Related Party Transactions will be provided by the Compliance Officer to the Compliance Committee when it next meets.</p> <p>Audited financial statements disclose related part transactions.</p> <p>The Compliance Officer shall at least annually review compliance with these procedures and report to the Compliance Committee.</p>

10 INCOME OF THE SCHEME

Responsible Officer/s
National Portfolio Manager
Financial Controller

Relevant Provisions
Corporations Act:
Constitution:
AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
To collect and record all property and other income due to the Scheme in accordance with the Constitution and Offer Document for the Scheme.	Not all income due to the Scheme is received.	<p>The National Portfolio Manager is responsible for collecting, receiving and getting in and recording of all income of the Scheme and ensuring payment into the Scheme Accounts.</p> <p>Rental income is paid directly into a real estate agent trust account in accordance with the No Action Letter issued by ASIC to ADPIA dated 23/11/2001 (as amended or reissued).</p> <p>Income of the Scheme will generally consist of two sources:</p> <ul style="list-style-type: none"> (a) Real Estate income; and (b) other income generally received from other investments. <p>The National Portfolio Manager shall review debtors monthly and where appropriate determine how best to pursue a debtor.</p>	<p>The National Portfolio Manager is responsible for reconciling and reporting on a monthly basis the receipt of Scheme income and arrears.</p> <p>The Financial Controller will on a quarterly basis reconcile other income to ensure that the appropriate income has been received into the Scheme accounts and will report deficiencies to the General Manager.</p> <p>The Compliance Officer shall at least annually review compliance with the procedures detailed in this section and report to the Compliance Committee.</p>

11 APPLICATIONS, WITHDRAWALS AND DISTRIBUTIONS

Responsible Officer/s
Manager, Investment Services
Investment Services Officer

Relevant Provisions
Corporations Act: 167A, 168, 169, 601FC(1)(k), 601KA to 601KE
Constitution: 8, 12, 14, 15
AFSL: N/A

11.1 Applications

Scope	Risks	Procedures	Monitoring and Reporting
Ensure applications (including rights issue and distribution reinvestment plan) are dealt with in a timely manner and in accordance with the requirements of the Constitution, the Act and the most recent representations made to Unitholders.	Applications are incorrectly processed causing loss to Unitholders.	<p>Application money will be banked on the day they are received or the next business day as required by the Act and the Constitution.</p> <p>The applications account is reconciled monthly by the Financial Controller. In addition, when an offer is open the applications account is reconciled weekly by the Investment Services Officer.</p> <p>If the application or other relevant form is not completed correctly, the applicant or their adviser must be contacted by telephone or correspondence within a reasonable timeframe to attempt to correct or rectify the error or omission.</p> <p>Application money will be refunded to unsuccessful applicants in accordance with the Act, Offer Document and Constitution.</p> <p>Once an application is accepted the Manager, Investment Services will cause the applicant's details and investment to be recorded in the Register, issue the appropriate Units and confirm acceptance of the application and issue of Units to the applicant.</p>	The Compliance Officer shall semi-annually review compliance with the procedures in this section and the process of applications by stepping through randomly selected transactions and report to the Compliance Committee.

11.2 Withdrawals

Scope	Risks	Procedures	Monitoring and Reporting
As the Scheme is not liquid, the RE must only allow a member to withdraw from the Scheme in accordance with the Act and the Constitution.	Withdrawals are processed contrary to the Act and the Constitution causing loss to Unitholders.	<p>The Constitution prohibits Unitholders from withdrawing from the Scheme unless the RE has made a withdrawal or buyback offer. Unitholders may only transfer, assign or transmit their Units in the Scheme.</p> <p>An exit mechanism exists for Unitholders by virtue of the units being listed on the BSX.</p>	The Compliance Officer shall annually confirm that withdrawals, if any, have been processed in accordance with the Act and Constitution and report to the Compliance Committee.

11.3 Distributions

Scope	Risks	Procedures	Monitoring and Reporting
<p>Distributions are to be paid in a timely manner and in accordance with the requirements of the Constitution, the Act and the most recent representations made to Unitholders.</p>	<p>Distributions are incorrectly processed causing loss to Unitholders.</p>	<p>The Manager, Investment Services is responsible for supervising the calculation of distributions to Unitholders.</p> <p>The Managing Director will authorise any variation in the total monthly distribution from time to time.</p> <p>Distributions will occur in accordance with the Constitution and the most recent representation made to Unitholders and disclosed on the BSX.</p> <p>The Manager, Investment Services is responsible for ensuring all electronic transfers occur.</p> <p>The RE obtains bank statements for accounts of the Scheme and where a transfer fails the Manager, Investment Services is responsible for actioning this failure.</p>	<p>The distribution allocation calculation process will be randomly checked by the Compliance Officer at least semi-annually and reported to the Compliance Committee.</p> <p>The distributions will be subject to audit by the auditor of the Scheme as part of the annual audit program.</p>

12 TRANSFER AND TRANSMISSION OF INTERESTS

Responsible Officer/s
Manager, Investment Services

Relevant Provisions
Corporations Act: Part 7.11
Constitution: 16
AFSL: N/A

Scope	Risks	Procedures	Monitoring and Reporting
Transfer of Interests The RE will comply with the Constitution, the Act and the BSX the Listing Rules.	Incorrectly recording Unitholders' ownership and entitlements.	Transfers must be in accordance with the Constitution, the Act and the Listing Rules of the BSX. An Investment Services Procedures Manual is maintained by the Manager, Investment Services.	The Manager, Investment Services must supervise all transfers of Interests in the Scheme. The Compliance Officer shall review the transfer procedure at least annually to ensure compliance with the Constitution, the Act, the BSX Listing Rules and the Investment Services Procedures Manual.
Transmission of Interests Where the RE is notified of a Unitholders death or incapacity, the RE must ensure the Interest of the Unitholder is dealt with in accordance with the objectives in the Constitution, the Act and the BSX the Listing Rules.	Incorrectly recording Unitholders' ownership and entitlements.	Transmissions must be in accordance with the Constitution, the Act and the Listing Rules of the BSX. An Investment Services Procedures Manual is maintained by the Manager, Investment Services.	The Manager, Investment Services must supervise all transmissions of Interests in the Scheme. The Compliance Officer shall at least annually review the transmission to ensure compliance with the Constitution, the Compliance Plan, the Act and the Investment Services Procedures Manual.

13 POWER OF THE RE TO BORROW OR RAISE MONEY**Responsible Officer/s**

General Manager
Compliance Officer

Relevant Provisions

Corporations Act: 601GA(1)(b), 601GA(3)

Constitution: 23.2

AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
The RE has powers to borrow or raise money for the purposes of the Scheme as contained in the Constitution and an Offer Document.	The RE exceeds its borrowing authority and jeopardises the Unitholders' interests.	<p>Borrowings</p> <p>Any borrowing agreements and variations thereto by the RE on behalf of the Scheme must be approved by the Board.</p> <p>Finance Facilities</p> <p>The General Manager is responsible for the establishment of finance facilities and draw down funds in accordance with these finance facilities and variations from time to time. The finance facilities have been established and consist of:-</p> <p>(a) Registered mortgages secured over the Real Estate;</p> <p>(b) Set off agreements, charges over the income of the Real Estate and charges over the accounts of the Scheme in favour of financiers to the Scheme; and</p> <p>(c) Revolving lines of credit, overdraft facilities, bank guarantees/ insurance or performance bonds up to a limit as approved by the Board.</p>	<p>Documents are executed by the relevant parties.</p> <p>The General Manager monitors borrowing levels regularly to ensure compliance with the material terms and conditions of the borrowings and finance facilities.</p> <p>The Compliance Officer shall annually review the Scheme borrowings to ensure they continue to comply with the:-</p> <ul style="list-style-type: none"> • Constitution; and • material terms and covenants of the borrowing and finance facilities. <p>The Compliance Officer will report to the Compliance Committee.</p> <p>The General Manager will report compliance with key debt covenants to the Board in each Board Report.</p>
		<p>Interest Rate Risk Management</p> <p>The General Manager will monitor, develop and document an interest rate risk management policy for adoption by the Board.</p> <p>The General Manager in conjunction with the Managing Director will enter into interest rate risk management transactions consistent with this policy from time to time.</p>	<p>The General Manager will report compliance with the interest rate risk management policy to the Board in each Board Report.</p> <p>Each interest rate risk management transaction is to be communicated to the Board in the General Manager's next report to the Board.</p>

14 AMENDING THE CONSTITUTION

Responsible Officer/s
Board

Relevant Provisions
Corporations Act: 601GC, 601HA
Constitution: 35
AFSL: N/A

Scope	Risks	Procedures	Monitoring and Reporting
The Constitution may be modified or repealed and replaced by a new Constitution in accordance with the Act and the Constitution.	The Constitution is modified and repealed and replaced without due regard to Unitholders' rights.	<p>The Board must meet and review any proposed modification to the Constitution.</p> <p>If the modification to be effected is such that it will not adversely affect Unitholders rights then the Board may resolve to amend the Constitution. The modification must be lodged with ASIC within 14 days at which time it takes effect.</p> <p>Where the Board considers the modification to the Constitution will adversely affect Unitholders' rights then the proposed modification must be placed before and approved by the Unitholders of the Scheme in general meeting.</p> <p>The RE shall call a meeting of Unitholders of the Scheme in accordance with the Constitution.</p>	<p>Any minor modification to the Constitution is approved by Board of Directors of the RE.</p> <p>Any major modification to the Constitution must be approved by the Unitholders of the Scheme.</p> <p>The amending Constitution must be executed and lodged with ASIC.</p> <p>The Compliance Officer shall at least annually review compliance with these procedures and report to the Compliance Committee.</p>

15 ACCESS TO COPIES OF CONSTITUTION AND COMPLIANCE PLAN**Responsible Officer/s**

Manager, Investment Services

Relevant Provisions

Corporations Act: 601GC

Constitution: N/A

AFSL: N/A

Scope	Risks	Procedures	Monitoring and Reporting
Unitholders are entitled to have access to copies of both the Constitution and the Compliance Plan.	The RE fails to comply with the Act.	The Manager, Investment Services must send a copy of the Scheme's Constitution or Compliance Plan to a Unitholder in the Scheme within 7 days if the Unitholder requests a copy (in writing) and provided the Unitholder pays the appropriate and reasonable copying fee as determined by the Manager, Investment Services but not exceeding that prescribed by Schedule 4 of the Corporations Regulations.	<p>The Manager, Investment Services shall notify the Compliance Officer if he/she is unable to comply with a Unitholder's request.</p> <p>The Compliance Officer shall at least annually review compliance with these procedures and report to the Compliance Committee.</p>

16 AUDIT OF COMPLIANCE PLAN**Responsible Officer/s**

Compliance Officer
Company Secretary
Financial Controller

Relevant Provisions

Corporations Act: 601HG
Constitution: N/A
AFSL: N/A

Scope	Risks	Procedures	Monitoring and Reporting
An auditor is engaged to audit compliance with the Scheme's Compliance Plan in accordance with the requirements of the Act.	Failing to have an auditor appointed would breach the requirements of the Act and potentially jeopardise the interests of Unitholders.	<p>The RE appoints an eligible registered auditor who audits the Compliance Plan at least annually.</p> <p>The scope of the external auditor's duties and obligations is outlined in the engagement letter.</p> <p>The Compliance Officer and /or the staff of the RE will assist the auditor with his/her audit when required.</p> <p>Issues raised by the external audit are to be considered by the RE and the Compliance Committee and if necessary, actioned by the Compliance Officer.</p>	<p>The Compliance Officer ensures that the Compliance Plan auditor performs the audit within the time prescribed in the Act.</p> <p>The Compliance Officer monitors that the Compliance Plan auditor remains independent.</p> <p>A copy of the auditor's report is to be provided to the Compliance Committee and the Board of Directors the next time that they meet.</p> <p>The Financial Controller is responsible for lodging the Audit Report with ASIC within the prescribed time.</p> <p>The Compliance Officer shall at least annually review compliance with these procedures and report to the Compliance Committee.</p>

17 REVIEWING AND AMENDING THE COMPLIANCE PLAN

Responsible Officer/s
Compliance Officer

Relevant Provisions
Corporations Act: 601HE
Constitution:
AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
The RE may modify the Scheme's Compliance Plan or repeal it and replace it with a new compliance plan.	The Compliance Plan does not accurately reflect the requirements of the Constitution, the Act and jeopardises the interests of Unitholders.	<p>Any requested amendments to the Compliance Plan are addressed by the Compliance Officer as soon as practicable.</p> <p>The Compliance Officer, in conjunction with staff of the RE, shall at least annually review the Compliance Plan to ensure it is adequate. In reviewing the Compliance Plan, the Compliance Officer shall have regard to the reasons for and impact of any breaches.</p> <p>All amendments to the Compliance are reviewed by the RE's management.</p> <p>The amended Compliance Plan is reviewed and approved by the Compliance Committee, signed by the RE's Board of Directors and lodged with ASIC within the timeframe specified by the Act.</p>	<p>The Compliance Plan is subject to an annual audit by the Compliance Plan Auditor.</p> <p>The Compliance Officer is responsible for monitoring compliance with the Compliance Plan by the RE and reporting to the Compliance Committee.</p> <p>The Compliance Officer shall report to the Compliance Committee on the outcome of the annual review of the Compliance Plan.</p>

18 REMOVAL AND RESIGNATION OF COMPLIANCE PLAN AUDITOR**Responsible Officer/s**

Company Secretary

Relevant Provisions

Corporations Act: 601HH, 601HI

Constitution: N/A

AFSL: N/A

Scope	Risks	Procedures	Monitoring and Reporting
Actions taken in respect of the Compliance Plan and auditor of Compliance Plan must only occur in accordance with the Constitution and the Act.	The RE fails to act in accordance with the Act.	<p>The RE:</p> <p>(a) must remove the auditor of the Compliance Plan if the auditor becomes ineligible under Section 601HG(2) to act as auditor of the Compliance Plan; and</p> <p>(b) may at any time, with ASIC's consent, remove the auditor of the Compliance Plan.</p> <p>ASIC's consent must be obtained prior to the auditor's removal or resignation taking effect.</p> <p>ASIC must be advised in writing to update the Scheme registration to show the new auditor, as soon as practicable after the change.</p>	<p>The Company Secretary shall liaise with ASIC in relation to the removal or resignation of the Compliance Plan auditor.</p> <p>The Company Secretary will provide ASIC, in writing, with the details of the new auditor.</p> <p>The Compliance Officer shall at least annually review compliance with these procedures and report to the Compliance Committee.</p>

19 MEETINGS OF UNITHOLDERS OF THE SCHEME

Responsible Officer/s
Company Secretary

Relevant Provisions
Corporations Act: 2G.4
Constitution: 21
AFSL: N/A

Scope	Risks	Procedures	Monitoring and Reporting
Meetings of Unitholders must be conducted in accordance with the requirements of the Constitution and the Act.	<p>Penalties are issued against the Scheme due to failure to convene meetings in accordance with the Constitution and the Act.</p> <p>Unitholders are not allocated correct voting allocations.</p>	<p>A meeting of Unitholders must be held at a reasonable time and place and in accordance with the Constitution.</p> <p>The RE must keep the minute books at the registered office of the RE, or its principal place of business in Australia or such other places as approved by ASIC.</p>	<p>The Company Secretary shall maintain and ensure that minutes of meetings are signed a reasonable time after meeting by the chair of the meeting or the chair of the next meeting.</p> <p>Within 3 months of holding of a Unitholder meeting the Compliance Officer review compliance with these procedures and report to the Compliance Committee.</p>

20 TERMINATION OF SCHEME**Responsible Officer/s**

Directors
Company Secretary

Relevant Provisions

Corporations Act: 601GA(1)(d), Part 5C.9
Constitution: 30
AFSL: N/A

Scope	Risks	Procedures	Monitoring and Reporting
The process for terminating the Scheme must be done in accordance with the Constitution and the Act.	The Scheme is incorrectly terminated.	<p>The Scheme may only terminate at the expiration of the Scheme or as specified in the Constitution or the Act.</p> <p>The Unitholders of the Scheme may resolve to wind up the Scheme.</p> <p>The RE may pursuant to the Act, in certain circumstances, terminate or wind up the Scheme.</p> <p>If the Scheme is to be wound up, the RE must:-</p> <ul style="list-style-type: none"> • realise Scheme property in accordance with the Constitution; • ensure that notice is given to Unitholders and ASIC of the winding up in accordance with the requirements of the Act (if any); • have the final accounts of the Scheme audited; • distribute the proceeds of realisation of the Scheme property in accordance with the Constitution and the Act. 	<p>The decision to wind up the Scheme is approved by the RE's Board of Directors.</p> <p>The Company Secretary commences the winding up in association with the RE's legal advisers and regularly reports to the Board.</p> <p>External auditors audit final accounts.</p> <p>Within 3 months of the termination of the Scheme, the Compliance Officer shall review compliance with these procedures and report to the Compliance Committee.</p>

21 REGISTER

Responsible Officer/s
Manager, Investment Services

Relevant Provisions
Corporations Act: Part 2C and 9.3 and s.672DA
Constitution: 19
AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
A Register of Unitholders must be maintained in accordance with the Constitution and the Act.	The Register is not updated in a timely, efficient and accurate manner.	<p>The Manager, Investment Services is responsible for ensuring that the Register of Unitholders is maintained.</p> <p>The Register may be written or in digital form, however if the Register is stored digitally, sufficient precautions must be taken to ensure:</p> <ul style="list-style-type: none"> (a) the integrity of the information; and (b) protection of the information against disaster. <p>The information relating to a Unitholder may be expunged from the Register at any time 7 years after a person ceases to hold any Interest.</p> <p>The RE may engage the services of a professional register maintenance provider to provide registry services.</p>	<p>The Manager, Investment Services must supervise the maintenance of the Unitholder Register.</p> <p>The Compliance Officer shall annually review the Unitholder Register to ensure it complies with the Constitution, the Act and the Investment Services Procedures Manual and report to the Compliance Committee.</p>

22 FINANCIAL STATEMENTS AND ANNUAL REPORTING

Responsible Officer/s

General Manager
Financial Controller
Manager, Investment Services
Company Secretary
Board

Relevant Provisions

Corporations Act: 601HA(1)(e), Chapters 2C and 2M, Section 601FC(1)(k), Regulations 1.07A and 1.07B
Constitution: 12.14, 12.15
AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
Financial reports are prepared and lodged with ASIC and distributed to Unitholders in a manner and within the time limits stipulated in the Act and the Constitution.	<p>Financial reports are not lodged with ASIC and distributed to Unitholders in a manner and within the time limits stipulated in the Act and the Constitution.</p> <p>The financial reports are incorrectly audited.</p>	<p>The Financial Controller under the supervision of the General Manager is responsible for:-</p> <p>(a) ensuring proper financial records are kept in relation to the RE and the Scheme;</p> <p>(b) ensuring accounts and financial records are a true and fair reflection of the Scheme's performance.</p> <p>Financial statements are prepared by the Financial Controller and reviewed by the General Manager, audited by the external auditor and submitted to the Board for their approval.</p> <p>The RE shall appoint an auditor of the Scheme who shall be responsible for auditing the financial statements.</p> <p>The General Manager ensures any matters raised by the auditor are dealt with.</p> <p>Annual and half yearly financial reports are prepared by the RE, lodged with ASIC and the BSX, and distributed to Unitholders in accordance with the requirements of the Act and the BSX Listing Rules.</p>	<p>The Company Secretary ensures reports are prepared and the Manager, Investment Services ensures that the reports are sent to Unitholders within the timeframe prescribed by the Act and the BSX Listing Rules.</p> <p>Financial statements are reviewed and signed off by the Financial Controller and the General Manager of the RE.</p> <p>A copy of the auditor's report is to be provided to the Board of Directors the next time that they meet.</p> <p>The issue of financial statements is authorised by the Board.</p> <p>The Company Secretary ensures that the financial statements and annual report are lodged with ASIC and the BSX in accordance with the Act and the BSX Listing Rules.</p> <p>The Compliance Officer shall at least annually review compliance with these procedures and report to the Compliance Committee.</p>

23 CUSTODIAN

Responsible Officer/s

Board
General Manager
Compliance Officer

Relevant Provisions

Corporations Act: 4.3
Constitution: 7
AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
<p>The RE must appoint a suitably qualified custodian to hold Scheme property where it has less than \$5M in NTA.</p> <p>The custody agreement must reflect the requirements of the Act, AFSL and the Constitution.</p>	<p>Failing to appoint a custodian would be a breach of the RE's licence.</p>	<p>The RE undertakes thorough due diligence, against the custodial standards contained in ASIC PS133, when selecting a custodian.</p> <p>The appointment of the custodian must be in writing and the custodian approved by the Board.</p> <p>A custody agreement is entered into.</p> <p>The terms of the Custody Agreement cover pertinent operational and systems issues that address the AFSL requirements, Constitution, the Act and the RE's operational requirements.</p> <p>Any changes to the Custody Agreement are reviewed by the General Manager and must be approved by the Board.</p> <p>The custodian is provided with a copy of the Constitution, the Compliance Plan and the most recent representation made to Unitholders.</p> <p>The Compliance Officer undertakes an annual review of the custodian against the custodial standards contained in ASIC PS 133, including to ensure:-</p> <ul style="list-style-type: none"> • NTA is maintained; • Assets are segregated; • The terms of the custody agreement are complied with; • The custodian has sufficient resources (human, financial and technical) to effectively deliver its services; • Insurance is maintained by the custodian; • Breaches are reported; • Reporting is complete and timely; • Procedures are being complied with. 	<p>The Compliance Officer shall annually review the performance of the custodian which may include conducting a site visit and review of audit reports and report to the Compliance Committee.</p> <p>The custodian's monthly reports are reviewed by the RE's Financial Controller, Property Assistant and Compliance Officer. The Compliance Officer reports to the Compliance Committee on any discrepancies contained within the custodian's report.</p>

Scope	Risks	Procedures	Monitoring and Reporting
<p>Changing the custodian</p> <p>The RE may change the custodian where:</p> <ul style="list-style-type: none"> (a) the custodian ceases to comply with the ASIC Policy Statements; or (b) the custodian acts in a manner which the RE considers is inappropriate for the good conduct of the Scheme; (c) the RE considers that it is in the best interests of the Unitholders to change the custodian; (d) the custody agreement expires and is not renewed; or (e) the custodian and the RE agree to terminate the custody agreement. 	<p>The custodian is not properly appointed placing the Unitholder's assets at risk.</p>	<p>Where the Board considers that the custodian no longer meets the ASIC Policy Statement requirements for a custodian of the Scheme, the RE shall give the custodian written notice of this non-compliance.</p> <p>The custodian must either:</p> <ul style="list-style-type: none"> (a) provide the RE with sufficient evidence that it continues to comply with the ASIC Policy Statement requirements for a custodian; or (b) agree to resign as custodian of the Scheme. <p>Where the RE believes that the actions of the custodian are not in the best interests of the Unitholders, the RE shall give notice to the custodian including the reasons why the RE believes the custodian is not acting in the best interests of the Unitholders.</p> <p>The custodian shall be requested to respond to the RE's notice within 28 days providing sufficient evidence that the actions of the custodian are in accordance with the best interests of the Unitholders of the Scheme.</p> <p>The custodian may only be removed by the RE as custodian of the Scheme, by a resolution of the Board.</p>	<p>Within 3 months of issuing the written notice of non-compliance to the Custodian, the Compliance Officer shall review the performance of the custodian and report to the Compliance Committee.</p>

24 DETECTING AND REPORTING OF BREACHES**Responsible Officer/s**

Compliance Officer

All Staff

Relevant Provisions

Corporations Act: 912A, 912B, 912D

Constitution:

AFSL: N/A

Scope	Risks	Procedures	Monitoring and Reporting
The RE has procedures in place to ensure the timely and appropriate identifying, investigating, reporting and remedying of any breaches of the RE's AFS Licence, the Act, Constitution, Compliance Plan or Offer Document.	Breaches are not identified, investigated, reported and remedied in a timely and appropriate manner thereby leading to a systemic breakdown in the RE's compliance systems and processes.	<p>The Compliance Officer conducts random and structured compliance checks to detect any breaches.</p> <p>All staff are to advise the Compliance Officer of any breaches.</p> <p>The Compliance Officer is to investigate any breaches.</p> <p>The Compliance Officer in conjunction with designated staff implements any changes to procedures as a result of a breach.</p> <p>The Compliance Officer reviews any altered procedures after implementation.</p> <p>A sequentially numbered breach report is prepared for each reported breach, detailing its nature, its significance, whether it is systemic or an isolated event or significant or likely significant and any remedial action taken.</p> <p>All breaches are reported to the Compliance Committee and the Board.</p> <p>If the breach is significant or likely significant, the Compliance Officer is responsible for ensuring it is reported to ASIC as soon as practicable and in any event within five(5) days.</p>	<p>Compliance Officer reports breaches to the General Manager, the Compliance Committee and the Board as soon as practicable.</p> <p>The Compliance Officer will subsequently review rectified systems and report to the Compliance Committee.</p>

25 FINANCIAL TRANSACTION REPORTS ACT

Responsible Officer/s

Compliance Officer
General Manager
All Staff

Relevant Provisions

Corporations Act:
Constitution:
AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
<p>Suspect transactions</p> <p>As a cash dealer where the RE has reasonable grounds to suspect that information it has concerning a transaction may be relevant to investigation of, or prosecution of a person for, an offence the RE is to prepare a report of the transaction and communicate that information to AUSTRAC.</p> <p>Significant cash transactions in amounts of \$10,000 or more</p> <p>Any transaction involving cash (\$10,000 or more or equivalent in foreign currency) is required to be reported to AUSTRAC. Where the transaction is also considered suspect, then a separate report must be prepared and lodged with AUSTRAC within 15 days.</p> <p>Transfer of \$10,000 or more in cash into or out of Australia</p> <p>Where an amount of \$10,000 or more is carried into or out of Australia, then it must be reported to AUSTRAC.</p>	<p>Penalties may be incurred because the law has been contravened.</p>	<p>The Compliance Officer is to make relevant staff aware that as a general principle any transaction which causes an officer or employee of the RE to:</p> <ul style="list-style-type: none"> (a) have a feeling of apprehension or mistrust about the transaction; (b) considering its unusual nature or circumstances; (c) the person or group of persons with whom the RE is dealing; (d) included the person's background, behaviour and personal appearance, <p>should be reported as a suspect transaction, as soon as practicable.</p> <p>It is the policy of the RE that cash will only be handled by a teller of a bank and never by officers or employees of the RE.</p>	<p>Officers, staff or advisers who become aware of a suspect transaction are required to report their suspicion to the General Manager or Compliance Officer including detail in relation to the transaction under suspicion and reasonable evidence leading them to believe the transaction to be suspicious. Officers or employees should not alert the client to the fact that the transaction may be reported.</p> <p>The General Manager or Compliance Officer may take advice from the Compliance Committee in deciding to report the transaction to AUSTRAC. The RE must provide further information if so required by AUSTRAC.</p> <p>The Compliance Officer shall at least annually review compliance with these procedures and report to the Compliance Committee.</p>

26 AN OFFER DOCUMENT AND ADVERTISING

Responsible Officer/s
 Managing Director
 General Manager
 Manager, Investment Services

Relevant Provisions
 Corporations Act: Part 7.9
 Constitution:
 AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
The RE must ensure that Offer Documents, Product Disclosure Statements or advertising material are complete and accurate and comply with the requirements of the Act and other disclosure requirements.	<p>PDS or advertising material is misleading to Unitholders.</p> <p>Action by Unitholders to recover losses.</p> <p>Offer Document is subject to an ASIC stop order.</p> <p>Forecasts in Offer Document do not have reasonable basis.</p> <p>Advertising material is misleading to Unitholders.</p>	<p>The Board of Directors authorise the issue of all Offer Documents having conducted a thorough due diligence process in conjunction with the legal advisers.</p> <p>A comprehensive due diligence file on each Offer Document is compiled and maintained.</p> <p>Relevant external expert sign off is obtained for all Offer Documents issued.</p> <p>All advertising material must be prepared under the supervision of the Manager, Investment Services and (excluding the website) shall be checked in accordance with an advertising checklist.</p> <p>All marketing material (excluding the website) is authorised by the Managing Director or any other Director or Company Secretary prior to its release.</p> <p>Legal advice may be sought.</p> <p>Maintenance of the website is the responsibility of the Manager, Investment Services and the approval procedures are dealt with in clause 31 of this plan.</p> <p>Authorised representatives are required to undertake industry training.</p> <p>A register of Marketing Material is to be maintained by the Manager, Investment Services.</p>	<p>The General Manager checks appropriate sign-offs have been obtained prior to release of all Offer Documents.</p> <p>A report to the Compliance Committee attaching copies of marketing material is provided by the Manager, Investment Services at each meeting.</p> <p>The Compliance Officer performs an annual review of marketing material and reports to the Compliance Committee.</p>

27 ADVICE**Responsible Officer/s**

Compliance Officer

Operations Manager

Relevant Provisions

Corporations Act: 941A, 949A

Constitution:

AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
<p>The RE and its representatives are not authorised to provide personal financial product advice to investors.</p> <p>If general financial product advice is provided to retail investors, the representative is required to provide a Financial Services Guide and general advice warning in accordance with the requirements of the Act.</p>	<p>AFS Licence suspended or revoked.</p>	<p>Upon appointment, and then as required, representatives (including Authorised Representatives) will be provided with training on the difference between personal advice, general advice and factual information.</p> <p>Training will also be provided on the application of the general advice warning.</p> <p>Any representatives authorised to provide general advice must meet the requirements of Policy Statement 146: Training of Financial Product Advisers (PS 146) if necessary prior to their appointment. They must also receive training on responsibilities under the Act, industry standards and other relevant information.</p> <p>The Operations Manager maintains a training register (which includes details for staff who are PS 146 compliant).</p>	<p>The Compliance Officer shall at least annually conduct a review of representatives to confirm personal advice has not been provided and where general advice has been provided, the general advice warning has been included, and report to the Compliance Committee.</p>

28 SERVICE CONTRACTS

Responsible Officer/s

Compliance Officer

Officer responsible for the service provider

Relevant Provisions

Corporations Act: 601FB(2), (3) and (4)

Constitution:

AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
General Carry out adequate due diligence when appointing external service providers and monitor providers to ensure they comply with contractual obligations and service level agreements.	The Scheme may incur loss due to poor service from external service providers. Penalties may be incurred because the Act has been contravened.	The RE undertakes thorough due diligence when selecting service providers. Contracts are at normal commercial terms and conditions. Legal advice may be sought for material contracts entered into by the RE for the Scheme when required. The service provider may be classified as "material" having regard to:- <ul style="list-style-type: none"> (a) Financial and/or reputation impact of poor performance by the service provider or the failure of the service provider to perform the relevant activity over a given period; (b) The cost of the outsourcing arrangement as a share of total Scheme costs; (c) The degree of difficulty, including time taken, to find an alternative service provider or to bring the activity in-house; (d) The ability of the RE to meet its legal and compliance obligations if any problems arise with the service provider. All material service agreements require Board approval prior to them being entered into. The appointment of the custodian, where necessary, will be in accordance with the provisions of Clause 23.	The Board and/or the Officer responsible for the service provider consider the adequacy of the service provider prior to their appointment. The Compliance Officer will annually review all material service providers in conjunction with the officer who is responsible for that service provider to ensure the services are adequate and comply with the terms of engagement and report to the Compliance Committee.
Property Management The RE appoints suitably qualified managing agents to perform the property management duties for the Scheme as outlined in the management agreement.	The properties are inappropriately managed thereby causing loss to Unitholders.	Prior to engaging a property management agent a thorough due diligence analysis of the managing agent's ability to perform the delegated functions is undertaken by the General Manager in conjunction with any other officer or employee who may be responsible for the services to be provided by the service provider including:-	The Board of the RE approves and appoints Managing Agents. The Compliance Officer will annually review all material service providers in conjunction with the officer who is responsible for that service provider to ensure the services are

Scope	Risks	Procedures	Monitoring and Reporting
		<ul style="list-style-type: none"> • negotiation of rent reviews and leases; • collection of rent; • maintenance of Real Estate; and • payment of invoices. <p>Terms of the management agreements cover the requirements of the Constitution, the Act and the property related functions and are negotiated in consultation with the RE's legal advisers.</p> <p>The management agreements entered into are at normal commercial terms and conditions.</p> <p>Managing agents provide monthly reports which are reviewed by the National Portfolio Manager.</p> <p>Managing agents may be removed in accordance with the terms of the management agreement.</p> <p>Material matters affecting any of the Scheme's investment properties must be reported, as soon as practicable, to the National Portfolio Manager.</p> <p>If the managing agent is collecting rents and paying them to a real estate agents trust account, the agent must be appointed by written agreement and must comply with the custodial standards contained in ASIC PS 133.</p>	<p>adequate and comply with the terms of engagement and report to the Compliance Committee. On an ongoing basis, the managing agents are monitored by the National Portfolio Manager to ensure that they are acting in accordance with the requirements of the management agreement.</p> <p>The Asset Managers regularly visit the Scheme's investment properties.</p> <p>The National Portfolio Manager reports to the RE's Board in relation to arrears, income and vacancies of the Scheme's investment properties.</p>

29 RISK MANAGEMENT

Responsible Officer/s
 Operations Manager
 National Portfolio Manager
 Compliance Officer

Relevant Provisions
 Corporations Act: 912A(1)(h)
 Constitution:
 AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
The RE has adequate risk management systems in place	Internal and external Scheme and RE risks are not adequately identified, assessed and treated thereby potentially placing Unitholders' funds at risk.	<p>A risk management system has been developed in accordance with the essential requirements of the Australian Standard on Risk Management.</p> <p>A risk register has been created which:-</p> <ul style="list-style-type: none"> • identifies risks; • assesses the consequence and likelihood of the risk occurring; • rates the level of risks identified; • identifies controls to minimise the risk; • prioritises risks; and • assigns responsibility of the risk. 	<p>The National Portfolio Manager reviews and reports to the Board on property specific risks in each Board Report.</p> <p>The General Manager reviews and reports to the Board on Scheme related risks annually.</p> <p>The Compliance Officer annually reviews the risk management system to ensure it remains consistent with the Australian Standard and report to the Compliance Committee.</p>

30 COMPUTER SYSTEMS

Responsible Officer/s
Operations Manager
General Manager
Compliance Officer

Relevant Provisions
Corporations Act:
Constitution:
AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
The RE must maintain appropriate computer and accounting systems to ensure the efficient operations of the Scheme and to safeguard against accidental or deliberate loss or destruction. The RE may outsource these systems provided it is satisfied that the services and systems provided are adequate to ensure the efficient operation of the Scheme.	<p>Incorrect or insufficient records resulting in qualified audit report.</p> <p>Accidental or deliberate loss or destruction of critical records.</p> <p>Penalty payments resulting from incorrect tax returns. Tax information to Unitholders is insufficient.</p>	<p>The Operations Manager shall ensure a full back-up of all data retained by the RE is conducted each business day and this back-up shall be stored on computer disk/tape. The computer disk/tape shall be secured on the premises in a fire-proof safe or alternatively stored off-site.</p> <p>The General Manager shall ensure that the computer system is adequate for meeting its obligations in relation to the Scheme. If the computers prove to be inadequate then the General Manager shall take steps to upgrade or improve the computer system as soon as practicable.</p>	<p>It is the responsibility of the Operations Manager to monitor the performance of the computer systems of the RE.</p> <p>The Operations Manager must at least annually monitor and make recommendations to the General Manager in relation to the computer system.</p> <p>The Compliance Officer shall at least annually review compliance with these procedures and report to the Compliance Committee.</p>
<p>Disaster Recovery Plan</p> <p>The RE must ensure that at all times there is a disaster recovery plan.</p>	All data is lost and the RE will fail to properly operate the Scheme.	<p>The disaster recovery plan shall cover:</p> <p>(a) A complete failure of the computer system such that the RE must be able to provide access to the financial records and necessary registers within 72 hours of a disaster.</p> <p>(b) The RE shall each year review its office arrangements and monitor them so that alternative premises for the RE are available within 72 hours of the premises for the RE becoming unavailable.</p> <p>(c) The RE shall ensure that key staff are cross trained in key areas so that each employee can temporarily 'cover' for another employee in an emergency.</p> <p>The Operations Manager shall retain a record of all after hours contact numbers for:</p> <p>(a) each staff member;</p> <p>(b) all Directors;</p> <p>(c) all providers of software to the RE;</p> <p>(d) one officer of the custodian.</p>	The Compliance Officer shall annually review and test the IT disaster recovery plan of the RE to determine whether it is adequate considering the operations of the RE and the Scheme.

Scope	Risks	Procedures	Monitoring and Reporting
<p>Record Retention and Destruction</p> <p>The RE must ensure that all Scheme records are retained in a readily accessible format for the statutory period (or not less than 7 years).</p>	<p>Records are not maintained for the minimum statutory period.</p>	<p>The Operations Manager shall be responsible for co-ordination of record retention and their destruction (in due course). The records may include:</p> <ul style="list-style-type: none"> (a) Compliance Officer reports; (b) Compliance Committee minutes of meetings, papers and reports; (c) Board meeting minutes, papers and reports of the RE; (d) Unitholder complaints; (e) all correspondence with material service providers; (f) all audit reports and financial statements of the Scheme; (g) correspondence with ASIC; and (h) any other matters that in the opinion of the RE or Compliance Committee are considered relevant and requiring retention. <p>No records of the RE or the Scheme listed above may be destroyed unless the destruction is recommended by the Operations Manager and approved by either:</p> <ul style="list-style-type: none"> (a) the Managing Director; (b) the General Manager; (c) the Board; or (d) the Compliance Committee. <p>The Operations Manager is responsible for record destruction and will ensure that records are destroyed in a secure environment or by service providers who provide confidential destruction services.</p>	<p>The Compliance Officer shall at least annually review compliance with the record retention and destruction procedures and report to the Compliance Committee.</p>

31 DOCUMENTS OF THE SCHEME

Responsible Officer/s

Operations Manager
Managing Director or another Director or Company Secretary
Compliance Officer

Relevant Provisions

Corporations Act: 912F, 601EC
Constitution: N/A
AFSL: N/A

31.1 Duties and Compliance Activities

The duties and compliance activities are set out in the following table:-

31.2 Monitoring and Reporting

Scope	Risks	Procedures	Monitoring and Reporting
The RE must ensure that those documents relating to the Scheme as defined in the Corporations Regulations include the RE's AFS Licence number and all documents lodged with ASIC also contain the ARSN and that other relevant documents are maintained and/or destroyed in accordance with the Act.	Non compliance is a breach of the Act.	<p>All standard business documents (e.g. letterhead, with compliments slips and templates) must be approved by the Operations Manager.</p> <p>The Managing Director, another Director or their delegate will review information for distribution to Unitholders before it is dispatched to Unitholders as with clause 34.</p> <p>All documents for lodgement at ASIC must be signed and checked by the Company Secretary or at least one Director.</p> <p>Maintenance of the website is the responsibility of the Manager, Investment Services.</p> <p>The following procedures in relation to the website recognise that the website is not the primary marketing tool but rather the mechanism through which pre-authorised information is released:</p> <ul style="list-style-type: none"> Separate authorisation for updating the website with information in full or in part which has previously been approved and released by the RE is not required (e.g. making the PDS available where it has been approved by the Board and lodged with the BSX or publishing a press release which has been approved by the Managing Director). All material published on the website which has not previously been approved and released must be authorised by the Managing Director or any other Director or Company Secretary prior to its release. 	Compliance Officer shall quarterly review compliance of the business documents compliance and report to the Compliance Committee.

32 TRAINING, RECRUITMENT AND EXPERIENCE**Responsible Officer/s**

General Manager
Operations Manager

Relevant Provisions

Corporations Act: 601FD, 601FE, 912(a)(d)

Constitution:

AFSL: 3 and 4

Scope	Risks	Procedures	Monitoring and Reporting
<p>The RE must ensure that all staff, and officers possess sufficient skills, knowledge and experience to perform their duties and discharge their responsibilities.</p>	<p>Staff do not have the skills, knowledge or experience necessary to competently perform their duties.</p> <p>Key staff have specific knowledge that is lost if they leave the employment of the RE.</p> <p>Staff are not properly qualified or trained.</p>	<p>The General Manager will ensure that employees meet the minimum competency standards of the RE prior to employment and employees or other authorised representatives who are in advice providing positions will be required to meet the requirement of PS146.</p> <p>The Operations Manager and the Compliance Officer will develop and identify training courses for all responsible officers and relevant employees to familiarise them with the requirements of the Act, the Constitution, Compliance Plan and ASIC policy statements.</p> <p>Annual refresher courses on compliance topics may be conducted for all responsible employees to reinforce the program.</p> <p>Details of all training sessions will be recorded in a Training Register that is to be maintained by the Operations Manager.</p> <p>The Compliance Officer in conjunction with the Compliance Committee is responsible for ensuring that changes in the Act, the Constitution and industry best practices are reflected in the Compliance Plan. The Compliance Committee will assist the Compliance Officer in this process. If appropriate the Compliance Officer will arrange for additional training for responsible officers and other affected employees to ensure that they are familiar with these changes.</p>	<p>Staff performance reviews are conducted annually by the relevant manager.</p> <p>Where appropriate, the Compliance Officer will review representatives annually to ensure they continue to meet the requirements of PS146 and report to the Compliance Committee.</p>

33 BENDIGO STOCK EXCHANGE LISTING RULES

Responsible Officer/s
Company Secretary
Compliance Officer

Relevant Provisions
Corporations Act:
Constitution:
AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
<p>The Scheme is listed on the Bendigo Stock Exchange (BSX) and is contracted to comply with the BSX listing rules.</p> <p>The BSX listing rules are additional and complementary to the obligations of listed entities under the Act and common law.</p>	<p>Failure to comply with the BSX listing rules may result in the Scheme being delisted.</p>	<p>The Company Secretary is responsible for ensuring compliance with the BSX listing rules through the development and maintenance of suitable procedures.</p> <p>The BSX listing rules are based on the following key principles:</p> <ul style="list-style-type: none"> (a) Entities wishing to list on BSX must meet minimum standards in relation to size, quality and operations; (b) Listed entities must keep Unitholders and the market informed on a timely basis of information that is likely to affect the price at which their securities trade on the BSX market; (c) Activities of entities while listed on BSX must be carried out in accordance with relevant BSX listing rules to ensure Unitholders rights are dealt with in an equitable way; and (d) Activities of entities while listed on BSX must be carried out in an efficient and certain manner to reduce risk and promote confidence in the functioning of the BSX market 	<p>The Compliance Officer will annually review compliance with the BSX listing rules and report to the Compliance Committee.</p>

34 CONTINUOUS DISCLOSURE

Responsible Officer/s

Compliance Officer
Company Secretary
Directors

Relevant Provisions

Corporations Act: 674, 675
Constitution:
AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
Compliance with continuous disclosure provisions of the Act and the BSX Listing Rules	The RE's Licence is suspended or the Scheme is delisted.	<p>Staff are advised of their obligations, including the continuous disclosure requirements of the Act and the BSX Listing Rules.</p> <p>A Director or the Company Secretary provides the BSX with any information that is required to be disclosed by the continuous disclosure requirements of the Act or the BSX Listing Rules.</p> <p>Procedures are followed to ensure that filings are completed in accordance with the requirements of the Act or the BSX Listing Rules.</p> <p>All filings with ASIC bear the ARSN.</p>	<p>A Director or the Company Secretary shall review the disclosure before lodgement.</p> <p>The Company Secretary ensures that all required disclosures are lodged with the BSX, and where appropriate, ASIC.</p> <p>The Company Secretary monitors the Scheme to ensure ongoing disclosure of any material matter is made to the BSX, or where appropriate, to ASIC on a continuous basis.</p> <p>The Compliance Officer shall annually review the continuous disclosure register and procedures and report to the Compliance Committee.</p> <p>The Company Secretary shall notify the Board of any disclosures when the Board meets.</p> <p>The Company Secretary shall notify the Compliance Committee of any disclosures in a report each time the Compliance Committee meets.</p>

35 AUSTRALIAN FINANCIAL SERVICES LICENCE REQUIREMENTS

Responsible Officer/s

General Manager
Operations Manager
Financial Controller
Compliance Officer

Relevant Provisions

Corporations Act:
Constitution:
AFSL: 6, 7, 8, 16, 27.6

Scope	Risks	Procedures	Monitoring and Reporting
The Australian Financial Services Licence is current and conditions are reviewed and monitored to ensure they continue to be met.	Breach of Licence requirements including RE unable to meet debts and having the licence suspended or revoked.	<p>The Financial Controller shall prepare a monthly report confirming that the RE is complying with the financial requirements of the AFS Licence. The report shall be given to the General Manager to review. The report will include evidence that the RE:-</p> <ul style="list-style-type: none"> • is able to pay its debts as and when they become due and payable; • has assets that exceed liabilities and adjusted assets that exceed adjusted liabilities (and have no reason to suspect that this is no longer the case); • meets the cash needs requirements by complying with Option 1 (reasonable estimate projection plus cash contingency basis); • maintains sufficient NTA (in accordance with the AFS licence conditions); <p>The General Manager shall provide the most recent report to the RE's Board when it next meets.</p> <p>The Compliance Officer shall seek confirmation that the custodian maintains sufficient NTA on a monthly basis.</p>	<p>The Financial Controller shall report to the RE's General Manager on the RE's NTA and Cashflow requirements as required under the RE's AFS Licence. The General Manager shall provide a copy of the report to the Board of Directors and Compliance Committee when they next meet.</p> <p>The Compliance Officer shall annually review of the conditions attaching to the AFS Licence and verify they continue to be complied with and that they are appropriate having regard to the RE's business operations and report to the Compliance Committee.</p>
Failure to maintain adequate insurance is a breach of the RE's AFS Licence and ASIC Policy Statement 166.	Breach of Licence requirements.	<p>The RE must engage the services of a competent insurance broker or licensed insurance company to provide adequate professional indemnity and fraud insurance.</p> <p>The RE must ensure that policies are renewed within applicable time limits and that claims are dealt with in accordance with the terms of the policies and best practice.</p> <p>The Operations Manager is required to monitor the RE's insurance and ensure at all times the level of cover is in accordance with the directions given by the General Manager, and renewed on time.</p> <p>The Operations Manager will maintain an insurance register.</p>	The Compliance Officer will annually review the insurance register and report to the Compliance Committee.

36 REMOVAL OF THE RE BY UNITHOLDERS

Responsible Officer/s
Managing Director

Relevant Provisions
Corporations Act: Part 5C.2 – Div 2 and Div 3
Constitution: 22.2
AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
The RE complies with the requirements of the Act, the Constitution and the Compliance Plan in the circumstances where the RE retires or is removed as the responsible entity.	The RE breaches the law and Unitholders' interests are placed at risk.	<p>The RE will only retire as the responsible entity of the Scheme under circumstances permitted by the Act and the Constitution.</p> <p>Legal advice will be sought.</p> <p>Where the RE retires or is removed, the Company Secretary ensures that the RE:-</p> <ul style="list-style-type: none"> • Lodges the required notice with ASIC so that ASIC may give effect to the retirement; • As soon as practicable after retirement or removal, gives to the new responsible entity any records in the RE's possession or control as required under the Act <p>Any replacement responsible entity must execute a deed by which it covenants to be bound by the Constitution as if it had originally been a party to it.</p>	<p>The Managing Director reports to the RE's Board of Directors on the progress of the retirement or removal of the RE as responsible entity.</p> <p>Within 3 months of being removed as RE, the Compliance Officer shall review compliance with these procedures and report to the Compliance Committee.</p>

37 COMPLAINTS HANDLING AND DISPUTE RESOLUTION

Responsible Officer/s
 Dispute Resolution Officer
 Compliance Officer

Relevant Provisions
 Corporations Act:
 Constitution: 28
 AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
The RE shall ensure that there is an internal and external dispute resolution process in place so that complaints are dealt with fairly, adequately and efficiently.	<p>Unitholders are disadvantaged.</p> <p>Complaints are not adequately addressed and are escalated to litigation.</p> <p>Breach of Licence and Constitution.</p>	<p>Any Unitholder who contacts the RE or lodges a complaint shall be directed to the Dispute Resolution Officer.</p> <p>The Dispute Resolution Officer shall investigate and report on the complaint in accordance with the complaints handling procedures which are set out in the Constitution and the Investment Services Manual.</p> <p>Details of all complaints from retail Unitholders shall be recorded in the Complaints Register maintained by the Dispute Resolution Officer.</p> <p>A list of all new complaints received from retail Unitholders shall be provided to the Compliance Committee at each of its meetings. The Compliance Committee may make recommended changes to the Compliance Plan or the procedures of the RE to avoid the re-occurrence of the complaint.</p> <p>It is the responsibility of the Compliance Officer to ensure recommendations of the Compliance Committee are considered by the Board. The Compliance Committee may review its recommendations and the remedial action taken by the RE at any time.</p> <p>The RE is a member of an external complaints resolution scheme (FICS).</p>	<p>The Dispute Resolution Officer shall report all new complaints to the Compliance Committee each time they meet.</p> <p>The Compliance Officer shall quarterly review the Complaints Register and draw any systemic complaints to the Compliance Committee's attention.</p>

38 PRIVACY

Responsible Officer/s
 Manager, Investment Services
 Dispute Resolution Officer
 Compliance Officer

Relevant Provisions
 Corporations Act:
 Constitution:
 AFSL:

Scope	Risks	Procedures	Monitoring and Reporting
The RE will maintain and comply with its Privacy Policy developed in accordance with the National Privacy Principles	The privacy of a Unitholder is compromised and the Privacy Act is breached.	<p>The Manager, Investment Services has the responsibility of Privacy Officer as contained in the Privacy Policy and ensuring the confidentiality of Unitholder information.</p> <p>Procedures to deal with confidential information include:</p> <ul style="list-style-type: none"> (a) restricting access to documents, files and computer systems - particularly tax file numbers and bank account details; (b) disposal of documents; (c) copying, faxing and filing of sensitive documents; and (d) restricting access to information by temporary staff. <p>The Manager, Investment Services will report privacy complaints to the Dispute Resolution Officer.</p>	The Compliance Officer shall annually review the Privacy Policy and report to the Compliance Committee.

39 MISCELLANEOUS

Defined Terms

In this Deed except to the extent that the context otherwise requires:

<i>Acquisitions Manager</i>	means the person employed or contracted by the RE to principally perform the duties of acquiring properties for new capital raisings;
<i>Act</i>	means Corporations Act 2001;
<i>Advertising</i>	includes the publication of any material, whether in writing or electronic format where its main purpose is to promote or solicit investment in the Scheme;
<i>AFS Licence</i>	means the Australian Financial Services Licence issued to the RE by ASIC (Number 224106)
<i>ASIC</i>	means the Australian Securities and Investments Commission;
<i>Authorised Representatives</i>	means those representatives of the RE who have been authorised by the Managing Director to promote Offer Documents.
<i>Board</i>	means board of directors of the RE;
<i>Company Secretary</i>	means a company secretary of the RE;
<i>Compliance Committee</i>	means the compliance committee established by the RE in accordance with section 601JA of the Act. If the RE is not required to appoint a Compliance Committee, all references to Compliance Committee shall be read as references to the Board;
<i>Compliance Officer</i>	means the person appointed by the Board from time to time to be the primary officer responsible for compliance;
<i>Compliance Plan</i>	means this compliance plan;
<i>Constitution</i>	means the constitution of the Scheme dated 14 August 2001 including amendments, supplements or variations subsequently made from time to time;
<i>Director</i>	means a director of the RE;
<i>Dispute Resolution Officer</i>	means the person appointed by the Board from time to time to be the primary officer responsible for complaints handling and resolution;
<i>Financial Controller</i>	Means the person employed or contracted by the RE to perform the duties of financial controller;
<i>General Manager</i>	means the person employed or contracted by the RE to perform the duties of general manager;
<i>ICCM</i>	means the internal member of the Compliance Committee from time to time;
<i>Interest</i>	means a Unit;
<i>Investment Services Officer</i>	means the person employed or contracted by the RE to perform the duties of investment services officer;
<i>Investor</i>	means a Unitholder;
<i>Manager, Investment Services</i>	means the person employed or contracted by the RE to perform the duties of Manager, Investment Services;
<i>Managing Director</i>	means the person employed or contracted by the RE to perform the duties of managing director;
<i>National Portfolio Manager</i>	means the person employed by the RE to perform the duties of national portfolio manager;

<i>Offer Document</i>	means the prospectus, explanatory memorandum, product disclosure statement or other disclosure document issued by the RE that relates to the Scheme;
<i>Operations Manager</i>	means the person employed or contracted by the RE to perform the duties of Operations Manager;
<i>Owner</i>	means a person registered as a tenant in common of the beneficial interest in the Real Estate;
<i>Property Assistant</i>	means the person employed or contracted by the RE to perform the duties of property assistant;
<i>RE</i>	means Property Funds Australia Limited ACN 078 199 569;
<i>Real Estate</i>	means the real property of the Scheme;
<i>Scheme</i>	is a reference to the Trust;
<i>Scheme Accounts</i>	means bank accounts maintained on behalf of the Scheme either by the RE or custodian or a regulated trust account maintained by an authorised custodian;
<i>Trust</i>	means the PFA Diversified Property Trust (ARSN 097 860 690) as registered by ASIC;
<i>Unit</i>	means a unit in the Scheme; and
<i>Unitholder</i>	is a holder of Units in the Scheme.