External Auditor Independence Policy

VER Limited (ACN 609 868 000) in its capacity as responsible entity of **Waypoint REIT Trust (ARSN 613 146 464)**

Waypoint REIT Limited (ACN 612 986 517)

Approved by the Board 23 June 2022

1 Introduction

1.1 The Audit and Risk Management Committee (**ARMC**) is responsible for the development and oversight of the Company's policy on the engagement of the external auditor.

1.2 The Policy focuses on satisfying the Company's obligations as set out under Principle 4 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th edition (**Recommendations**).

1.3 Principle 4 seeks to safeguard the integrity of financial reporting and a key objective of this is to ensure the independence and competence of the Company's external auditor. Further, the Recommendations recommend that information on procedures for the selection and appointment of the external auditor, and the rotation of external auditor engagement partners be made publicly available on the Company's website.

1.4 Auditor rotation is required by the Law, enforced by ASIC, and supported by the ethical requirements of the professional auditing bodies. Auditor rotation is a fundamental requirement to support the generally accepted need for an auditor to be seen, and in fact to be, independent. The requirements for rotation are addressed in section 324 of the *Corporations Act 2001.* An individual may not play a significant role in the audit of a listed entity for more than five out of seven successive financial years. Refer to section 324DA(1) and (2) of the Corporations Act. A key issue in assessing an auditor's independence is the level of non-audit services provided to the Company. The auditor is required to sign an annual independence declaration for the financial statements, and the fees are disclosed in the financial statements.

2 Appointment

2.1 The Board is responsible for appointing the external auditor, subject to confirmation by Securityholders at the Company's Annual General Meeting. The appointment is made in writing.

2.2 The ARMC is responsible for implementing a selection process and making a recommendation to the Board based on their assessment of the responses received from potential external auditors. Further, the ARMC is also responsible for the removal of an auditor, the scope of the external audit, engagement terms and the remuneration of the auditor.

2.3 In making any recommendation, the ARMC will consider involving senior management to comment on the responses received from candidates.

3 Selection process

3.1 Audit firms are evaluated in accordance with criteria, as appropriate from time to time, and are not assessed solely on the basis of who is cheapest, but on a number of issues such as:

(a) Professional standing and reputation;

(b) Ability to provide quality and efficient audit services, including audit approach and methodology;

(c) Relevant experience;

(d) Independence of the audit firm;

(e) Global resources, including relevant industry and technical expertise;

(f) Key personnel;

(g) Value for money; and

(h) Ethical behaviour and fair dealing.

3.2 Generally speaking, the selection process involves selecting not less than two reputable firms (in addition to the incumbent external auditor) to tender by invitation. The tender involves the submission of a formal proposal and presentation.

3.3 Once the review process has taken place the ARMC provides the Board with information concerning the process adopted in undertaking the review, the recommended external auditor, and the reasons for the final recommendation.

4 Auditor rotation

4.1 Auditor rotation is one of the auditor independence requirements introduced into Part 2M.4 of the Corporations Act by the Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004 (CLERP 9 Act). The auditor of a listed company or listed scheme (audited body) must stop playing a significant role in the audit of the company or scheme after a certain period of time (s324DA).

4.2 Specifically, the rotation requirements are:

(a) ‘Time-out rule’ (s324DA(1)): Provides that an individual who has played a significant role in the audit of a particular audited body for 5 successive financial years is ineligible to continue to play a significant role, unless the individual has not played such a role for at least 2 successive financial years, and

(b) ‘5/7 rule’ (s324DA(2)): Provides that an individual may not play a significant role in the audit of a particular audited body for more than 5 out of 7 successive financial years.

4.3 It is the responsibility of the ARMC to make recommendations to the Board on the rotation of external audit engagement partners. The Company’s current policy is that the lead auditor and review auditor must change every 5 years with a 2-year cooling off period.

5 Non- audit services

Non-audit services categorisation

5.1 Audit fees include all fees payable to the Company’s auditor for the audit/review of annual and half-year financial statements and the annual audit of the compliance plan (as applicable). This expected fee is the baseline for assessment of non-audit services.

5.2 ‘**Non-audit services’** means any services provided by the external auditor which are not included in, or are not necessarily incidental to, the terms of the audit engagement. ‘**Non-audit services**’ do not include ‘prohibited non audit services’ that are referred to in clause 5.7 and 5.8. The scope of non-audit works which could be undertaken by the auditor are categorised as follows:

Category 1	Services required to be undertaken by the auditor due to legislation or contract.	Such items would include reports/reviews for lenders under borrowing agreements and regulatory reviews mandated via a government regulator (ASIC or ASX).
Category 2	Services where using the auditor provides efficiency due to their existing knowledge of the business.	Such items would include emissions assurance services, tax compliance work (income and indirect taxes), tax advisory services, accounting advice and items such as those in category 1 where the requirement to use the auditor is not mandatory.
Category 3	Services where the audit firm could provide the works, but the audit work is not related to the task, and other providers could also complete the services.	Such items would include management consulting and regulatory administrative services.

Non-audit services requiring pre-approval

5.3 All new Category 1 and Category 2 works must be submitted to the ARMC for pre-approval.

5.4 Recurring Category 1 and Category 2 works **up to an aggregate value of 75%** of the estimated audit fee in any financial year are pre-approved by the ARMC and the Company may engage the auditor to complete these tasks. If the 75% limit is to be exceeded, then the relevant activity and costs are to be advised to the ARMC for review and consideration of approval.

5.5 For tasks classified into Category 3, the approval of the engagement rests with the ARMC. These services to be provided by the auditor must always represent the best available service and the best value available in the opinion of the CEO and CFO.

5.6 In assessing a request for non-audit services, the CEO, CFO and ARMC is required to give consideration to:

(a) the nature of the service provided;

(b) the dollar value and period of engagement;

(c) the availability of alternate service providers and the reasoning for recommending the external auditor;

(d) the audit firm's self-assessment of its independence risk, including safeguards to mitigate perceived risks; and

(e) any other circumstances relevant to the engagement.

5.7 '**Prohibited non-audit services**' are services that, if provided by the external auditor to the Company, would create a real or perceived threat to the independence of the external auditor. As a general rule, the external auditor may not provide any prohibited non-audit services to the company. Unless the ARMC decides otherwise, the external auditor is prohibited from providing the following services:

(a) performing senior management, executive or director recruitment or extensive human resources functions;

(b) providing appraisals, valuation and fairness opinions;

(c) providing design or implementation services for financial information systems including internal controls over financial reporting and accounting records;

(d) providing advice on deal structuring and related documentation;

(e) providing strategic tax advice;

(f) providing IT systems services;

(g) acting as a broker dealer, promoter or underwriter; or

(h) providing legal services including litigation support.

5.8 However, even if a non-audit service is not listed above, it will still be prohibited if it creates a real or perceived threat to the independence of the external auditor. In addition, services will also not be allowed to be performed where they:

(a) create a mutual or conflicting business, financial or other interest between the Company and the external auditor;

(b) result in the external auditor auditing its own work;

(c) result in the external auditor performing management functions (e.g., bookkeeping or preparation of financial statements) or acting as an employee (including secondment arrangements);

(d) place the external auditor in a position of acting as an advocate for the Company; or

(e) involve the payment of a contingency fee, commission, or success fee.

6 Monitoring, Policy Amendments, Reviews and Publication

6.1 This Policy cannot be amended without approval by the Board.

6.2 The CFO must report to the ARMC on a half-year and full-year basis regarding:

(a) all non-audit services provided by the auditor; and

(b) the amounts paid or payable to the external auditor for those services.

6.3 In accordance with section 300 (11D) of the Corporations Act the ARMC, on an annual basis, needs to recommend to the Board that they are satisfied that the provision of non-audit services during the year by the external auditor is compatible with the general standard of auditor independence.

6.4 All significant and material breaches to the Policy will be reported to the ARMC and the Board.

6.5 This Policy will be made available on the Waypoint REIT's internet site.

ANNEXURE A- Definitions

For the purpose of this Policy the following definitions apply:

ASX means the Australian Securities Exchange Limited.

ASIC means the Australian Securities and Investments Commission.

Audit and Risk Management Committee means the Company's audit and risk management committee.

Board means the Board of the Company and the Board of the Responsible Entity.

Company means Waypoint REIT Limited ABN 35 612 986 517.

Corporations Act means the *Corporations Act 2001* (Cth).

CEO means Chief Executive Officer.

CFO means Chief Financial Officer.

Policy means this policy.

Recommendations means ASX Corporate Governance Council's Principles and Recommendations, 4th edition.

Responsible Entity means VER Limited (ACN 609 868 000), as responsible entity for the Trust.

Securityholder means a registered holder of securities in Waypoint REIT.

Trust means Waypoint REIT Trust ARSN 613 146 464**.**

Waypoint REIT means each of the Company and the Trust and their wholly owned subsidiaries or any of them, as the context requires.