

External Auditor Independence and Rotation 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 20 June 2024

1 Introduction and purpose

- 1.1 The Audit and Risk Management Committee (**ARMC**) is responsible for the development and oversight of Waypoint REIT and its related bodies corporate (together, the **Company**) policy on the engagement of the external auditor. This External Auditor and Independence Policy (**Policy**) should be read in conjunction with the ARMC Charter, which outlines the responsibilities of the ARMC in regard to the provision of audit services.
- 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**). In accordance with Principle 4 of the Recommendations it 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 Company undertakes to make this policy available on the Company's website in accordance with the Recommendations.
- 1.3 The Company recognises that its relationship with its external auditor is unique based on the external auditor's access to the Company's personnel and its books and records, knowledge of the Company's history and the industry within which the Company operates. Accordingly, there are certain non-audit services which the external auditor is well placed to provide in a cost efficient and timely manner. A key issue in assessing the external auditor's independence is the level of non-audit services provided to the Company. The external auditor is required to sign an annual independence declaration for the financial statements, and the fees paid to the external auditor are disclosed in the financial statements. This Policy provides guidelines under which the Company may engage the auditor to provide non-audit services without impairing the auditor's objectivity or independence.
- 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 (Cth) (**Corporations Act**). 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.

2 Appointment and change of the external auditor

- 2.1 The Board is responsible for appointing and changing the external auditor, subject to confirmation by Securityholders at the Company's Annual General Meeting. The appointment of an external auditor is made in writing.
- 2.2 The ARMC is responsible for making recommendations to the Board regarding the appointment, reappointment and removal of the external auditor, the scope of the external audit, engagement terms and the remuneration of the external auditor.
- 2.3 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. In making any recommendation, the ARMC will consider involving senior management to comment on the responses received from candidates.
- 2.4 The ARMC, in making its recommendation to the Board regarding the external auditor, will have regard to a number of factors such as:
 - a) cost of delivery of external audit services;
 - b) professional standing and reputation;
 - c) ability to provide quality and efficient audit services, including audit approach and methodology;
 - d) relevant experience;

- e) independence of the external audit firm and the external audit partner involved;
- f) global resources, including relevant industry and technical expertise;
- g) key personnel;
- h) value for money; and
- i) ethical behaviour and fair dealing, including an assessment of any issues or concerns arising from non-audit services provided by the relevant firms.

3 Auditor independence and non-audit services

- 3.1 The Company's auditor must not be directly or indirectly involved in auditing its own work. That is, it must not do work for the Company that it may be required to review as part of its external audit.
- 3.2 The Company considers that the provision of certain non-audit services and the level of non-audit fees paid to the external auditor may give rise to conflicts of interest, or an actual or perceived loss of objectivity. The Company has prepared a list of services where the external auditor may have the technical competence to provide the services, and where the services are consistent with the independence of the external auditor. Each of these potential services has been classified into one of the following categories (full detail of the services is included in **Annexure B**):
- a) Category 1 – Audit related services
 - b) Category 2 – Other related services
 - c) Category 3 – Other non-related services

'Non-audit services' do not include 'prohibited non audit services' that are referred to in Category 4 of **Annexure B**. These 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. Unless the ARMC decides otherwise, the external auditor is prohibited from providing the services listed in Category 4. Potential services not contemplated by the categories will be deemed to be Category 4 matters unless otherwise determined by the ARMC.

- 3.3 Regardless of the classification of any non-audit service, if the ARMC, the Chief Financial Officer (**CFO**) or the external auditor considers that in the particular circumstances in which the non-audit service is to be provided, the actual or perceived independence of the auditor may be impaired, the external auditor will not be commissioned to provide that service.
- 3.4 Audit fees include all fees payable to the Company's auditor for the audit/review of annual and half-year financial report, the annual audit of the compliance plan (as applicable), the annual audit of any Australian Financial Services Licenses (AFSLs) and assurance services provided in relation to the Company's sustainability disclosures. This expected fee is the baseline for assessment of non-audit services.

Approval requirements

- 3.5 All non-recurring Category 1 and Category 2 works must be submitted to the ARMC for pre-approval.
- 3.6 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.
- 3.7 For tasks classified into Category 3, the approval of the engagement is required from 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 Managing Director and Chief Executive Officer (**CEO**) and CFO.

- 3.8 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.

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 Monitoring, Policy Amendments, Reviews and Publication

- 5.1 This Policy cannot be amended without approval by the Board.
- 5.2 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.
- 5.3 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.
- 5.4 All significant and material breaches to the Policy will be reported to the ARMC and the Board.
- 5.5 This Policy will be made available on Waypoint REIT's public facing 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 Managing Director and 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.

ANNEXURE B – Non-audit services general classifications

Permitted non-audit services

Category	Description	Service
Category 1 Audit Related Services	Services that are required by legislation or contract to be provided by the external auditor.	<ul style="list-style-type: none"> • ASIC consultation, including review of correspondence relating to filings; • Audits of acquired businesses (opening balance sheet audits); • Audits of financial statements and transactions that are used by lenders or filed with government and regulatory bodies and other reports of a similar nature; • Compliance letters, agreed-upon procedures, reviews and similar reports based on audited financial statements, financial information or the role of the external auditor; • Assistance in the interpretation of accounting principles or new or revised accounting standards; and • Provision of training and technical material in relation to application of accounting principles.
Category 2 Other related services	Services where using the auditor provides efficiency due to their existing knowledge of the business. These include fees for other assurance and agreed-upon-services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the external auditor or another firm.	<ul style="list-style-type: none"> • Tax compliance services (income and indirect taxes) • Review of trust and company tax returns with associated review letters • Review of fringe benefits tax (FBT) returns with associated review letters • Review of tax attribution managed investment trust (AMIT) components of quarterly and annual securityholder distributions; and • Other services as approved by ARMC and in accordance with this Policy.
Category 3 Other non-related services	Services where the external auditor firm could provide the works, but the audit work is not related to the task, and other providers could also complete the services.	<ul style="list-style-type: none"> • General consulting work; • Regulatory administrative services; and • Other services as approved by ARMC and in accordance with this Policy.

Prohibited non-audit services

Category	Description	Service
Category 4 Prohibited services	Services where there is no level of safeguards that can be applied, which can reduce the perceived or actual threat to the external auditor's independence to an acceptable level. These are prohibited services.	<ul style="list-style-type: none"> • Bookkeeping or other similar services related to the accounting records or financial statements of Waypoint REIT; • Managerial responsibilities, including acting in or participating in a decision-making capacity or acting as an employee or advocate of Waypoint REIT; • providing appraisals, valuation and fairness opinions; • providing design or implementation services for financial information systems including internal controls over financial reporting and accounting records; • providing advice on deal structuring and related documentation; • providing strategic tax advice; • providing services that are remunerated through a "success fee" structure; • providing internal audit outsourcing services; • providing human resources and recruitment services; • providing IT systems services; • acting as a broker dealer, promoter or underwriter; • acting as a trustee, executor or administrator of trust or estate; • providing legal and expert services unrelated to the audit; and • providing any other services that the ARMC determines (by regulation or for other reasons) is impermissible.