



Astro Japan Property Group - ARCC Charter

Astro Japan Property Trust
ARSN 112 799 854

Astro Japan Property Management Limited
ABN 94 111 874 563

Astro Japan Property Group Limited
ABN 25 135 381 663

15 December 2010

1. Objectives

This Charter sets out the basis upon which each Board has established an Audit, Risk & Compliance Committee (**Committee**) pursuant to the Constitutions of each of Astro Japan Property Management Limited (**Responsible Entity**), which company is the responsible entity of the Astro Japan Property Trust (**Trust**), and Astro Japan Property Group Limited (**AJCo**).

The objective of the Committee is to assist the Board in discharging its responsibilities. The specific role and responsibilities of the Committee are set out in this Charter. The Committee has been established to undertake the following activities:

- (a) assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control relating to all matters affecting the Astro Group's financial performance and the audit process relating to the Astro Group;
- (b) implement and supervise the risk management framework for the Astro Group; and
- (c) assist the Board to discharge its responsibilities under the Compliance Plan adopted by the Responsible Entity for the Trust (Compliance Plan), and to monitor compliance with laws and regulations applicable to the Astro Group.

In this Charter:

Astro Group means Astro Japan Property Management Limited, Astro Japan Property Trust, Astro Japan Property Group Limited and their controlled entities.

Board means the Board of Directors of each of Astro Japan Property Management Limited and Astro Japan Property Group Limited.

Directors mean the members of the Board.

2. Authority

The Audit, Risk & Compliance Committee has authority to conduct or authorise investigations into any matters within its scope of responsibility. It is empowered to:

- (a) retain outside counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation;
- (b) seek any information or explanations it requires from employees — all of whom are directed to cooperate with the Committee's requests — or external parties; and
- (c) meet with the Astro Group's officers, internal or external auditors (with or without management present) or outside counsel as necessary.

3. Specific responsibilities

In order to fulfil its responsibilities to the Board, the Committee will:

3.1 Financial Audit & Reporting

(a) Financial Statements

- Review the financial statements of the Astro Group for the half year and full year, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting policies and principles.

- Receive and consider in connection with the half year and full year financial statements the Senior Executive's and Financial Controller's letter of representation to the Board in respect of financial reporting for the Astro Group, including a declaration in respect of those matters described in section 295A of the Corporations Act, and the adequacy and effectiveness of the risk management, internal compliance and control systems for the Astro Group and the process and evidence the Senior Executive and Financial Controller adopted to satisfy themselves on these matters.
- Review the financial sections of the Astro Group's annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- Review with management and the external financial auditors the results of the financial audit of the Astro Group.

(b) Internal Control

- Review the effectiveness of the internal controls regarding all matters affecting the Astro Group's financial performance and financial reporting, including information technology security and control.
- Review the scope of internal and external auditors' review of internal control, review reports on significant findings and recommendations, together with management's responses, and recommend changes from time to time as appropriate.

(c) Internal Audit

- Review with management and the internal auditor, the charter, plans and activities of the internal audit activity.
- Meet with the internal auditor to review reports and monitor management response.
- Meet separately with the internal auditors, when necessary, to discuss any matters that the Committee or internal auditors believe should be discussed privately.
- Review the effectiveness of the internal audit activity.
- Ensure there are no unjustified restrictions or limitations on the internal auditor, and review and provide recommendations to the Board in relation to the appointment, replacement or dismissal of the internal auditor.

(d) External Financial Audit

- Recommend to the Board the appointment and removal of the external financial auditors of the Astro Group and review the terms of engagement.
- Review the external financial auditors' proposed audit scope and approach.
- Meet with the external financial auditors to review reports, and meet separately, at least once a year, to discuss any matters that the Committee or external financial auditors believe should be discussed privately without the presence of management.
- Establish policies as appropriate in regards to independence of the external financial auditors.
- Review and confirm the independence of the external financial auditors by obtaining statements from such auditors on relationships between the external financial auditors and any member of the Astro Group, including non-audit services, and discussing the relationships with the external financial auditors.

- Review the performance of the external financial auditors, and consider the re-appointment and proposed fees of the external financial auditors and, if appropriate, conduct a tender of the audit. Any subsequent recommendation following the tender for the appointment of an external financial auditor will be put to the Board and then if a change is approved it will be put forward to the Astro Group's securityholders for their approval if such approval is required.

3.2 Risk Management

- Consider the overall risk management framework for the Astro Group and review its effectiveness in meeting sound corporate governance principles, and keep the Board informed of all significant business risks of the Astro Group.
- Review with management the system for identifying, managing, and monitoring the key risks of the Astro Group.
- Obtain reports from management on the status of any key risk exposures or incidents.

3.3 Compliance

- Monitor to what extent the Responsible Entity complies with the Trust's Compliance Plan and report on its findings to the Board.
- Report to the Board:
 - any breach of the Corporations Act involving the Astro Group;
 - any breach of the Constitution of any member of the Astro Group,
 of which the Committee becomes aware or that it suspects.
- Report to the Board if the Committee is of the view that a member of the Astro Group has not taken, or does not propose to take, appropriate action to deal with a breach of the Corporations Act or its Constitution.
- Assess at regular intervals whether the Compliance Plan is adequate, report to the Board on the assessment and make recommendations to the Board about any changes that the Committee considers should be made to the Compliance Plan.
- Obtain regular updates from management and the Astro Group's compliance manager regarding compliance matters.
- Review the effectiveness of the system for monitoring compliance with laws and regulations affecting the Astro Group and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the findings of any examinations by regulatory agencies.
- Review the process for communicating the code of conduct to the Astro Group's personnel, and for monitoring compliance with the code.

3.4 Reporting and Other Responsibilities

(a) Reporting Responsibilities

- Regularly report to the Board about Committee activities, issues, and related recommendations.

- Provide an open avenue of communication between internal audit, the external financial auditors, the Compliance Plan auditors and the Board. For the purpose of supporting the independence of their function, the external financial auditors, the Compliance Plan Auditors and the internal auditor have a direct line of reporting access to the Committee.
- Report annually to the Astro Group's securityholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by law or the ASX Listing Rules.
- Review any other reports the Astro Group issues that relate to Committee responsibilities.

(b) Other Responsibilities

- Perform other activities related to this Charter as requested by the Board.
- Institute and oversee special investigations as needed.
- Confirm annually that all responsibilities outlined in this Charter have been carried out.

4. Composition

- (a) The Committee will comprise a minimum of two and a maximum of six directors.
- (b) All members must be independent non-executive Directors who are financially literate. At least one member must have expertise in financial reporting.
- (c) The Board may appoint or replace members to or from the Committee by resolution. Members of the Committee may withdraw from membership by written notice to the Chairman of the Board.
- (d) The Board will nominate the Chairman of the Committee from time to time (who shall not be the Chairman of the Board).

5. Procedural requirements

- (a) The Committee will meet as required but not less than four times a year.
- (b) A quorum of the Committee will comprise two members, although all members are expected to attend (either in person or by conference call or similar means) and participate.
- (c) If the Chairman is absent from a meeting and no acting Chairman has been appointed, the members present may choose one of them to act as Chairman for that meeting.
- (d) Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.
- (e) The Committee may seek such independent legal, accounting or other professional advice or assistance from any external parties as it may consider necessary or desirable to fulfill its objectives, at the reasonable expense of the Astro Group.
- (f) Following each meeting the Chairman will report to the Board on any matter that should be brought to the Board's attention, and on any recommendation of the Committee that requires Board approval or action.
- (g) Minutes of meetings of the Committee will be prepared for approval by the Committee and circulated to the members of the Board.

- (h) The Company Secretary will provide such assistance as may be required by the Chairman in relation to preparation of the agenda, minutes or papers for the Committee.
 - (i) As necessary or desirable, the Chairman may invite members of management, including the head of internal audit and representatives of the external financial auditors, the Compliance Plan auditor or other external advisors, to be present at meetings of the Committee.
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6. Annual review

The Committee will prepare and provide to the Board annually:

- (a) a self-evaluation of its performance against its Charter, goals and objectives;
- (b) recommended goals and objectives for the coming year; and
- (c) recommended changes or improvements to its Charter if necessary.

The annual review may be done by way of an oral report to the Board by the Chairman of the Committee.

7. Revisions of this Charter

The Committee is responsible for review of the effectiveness of this Charter and the operations of the Committee and to make recommendations to the Board of any amendments.