

CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS POLICY

September 2018

1 Purpose

Mirvac Group has implemented this Policy to mitigate the risk of regulatory breaches and to prescribe expected standards of conduct to ensure Mirvac Group complies with:

- its fiduciary duties, including to act in the best interests of securityholders;
- the Corporations Act 2001 (Cth) (Corporations Act)¹; and
- the ASX Listing Rules.

For the purposes of this Policy, Mirvac Group means Mirvac Limited (**ML**) and Mirvac Funds Limited (**MFL**) as responsible entity of Mirvac Property Trust and their controlled entities.

2 Background

2.1 Application

This Policy applies to all Mirvac employees, directors (both executive and non-executive), contractors, labour hire employees, suppliers, apprentices and work experience students (collectively, “**Workplace Participants**” or “**you**”).

This Policy is to be read in conjunction with the:

- Code of Conduct
- Fraud, Bribery and Corruption Policy
- Deed of Co-operation²
- Employee Residential Property Purchase Terms and Conditions
- Asset Allocation Policy
- Leasing Conflict Policy
- Open Line Policy
- Workplace Participant’s contract of employment or services agreement

Other documents may also apply to the management of conflicts of interest such as the documents that apply to a joint venture or fund.

2.2 What is a Conflict of Interest?

A conflict of interest arises where:

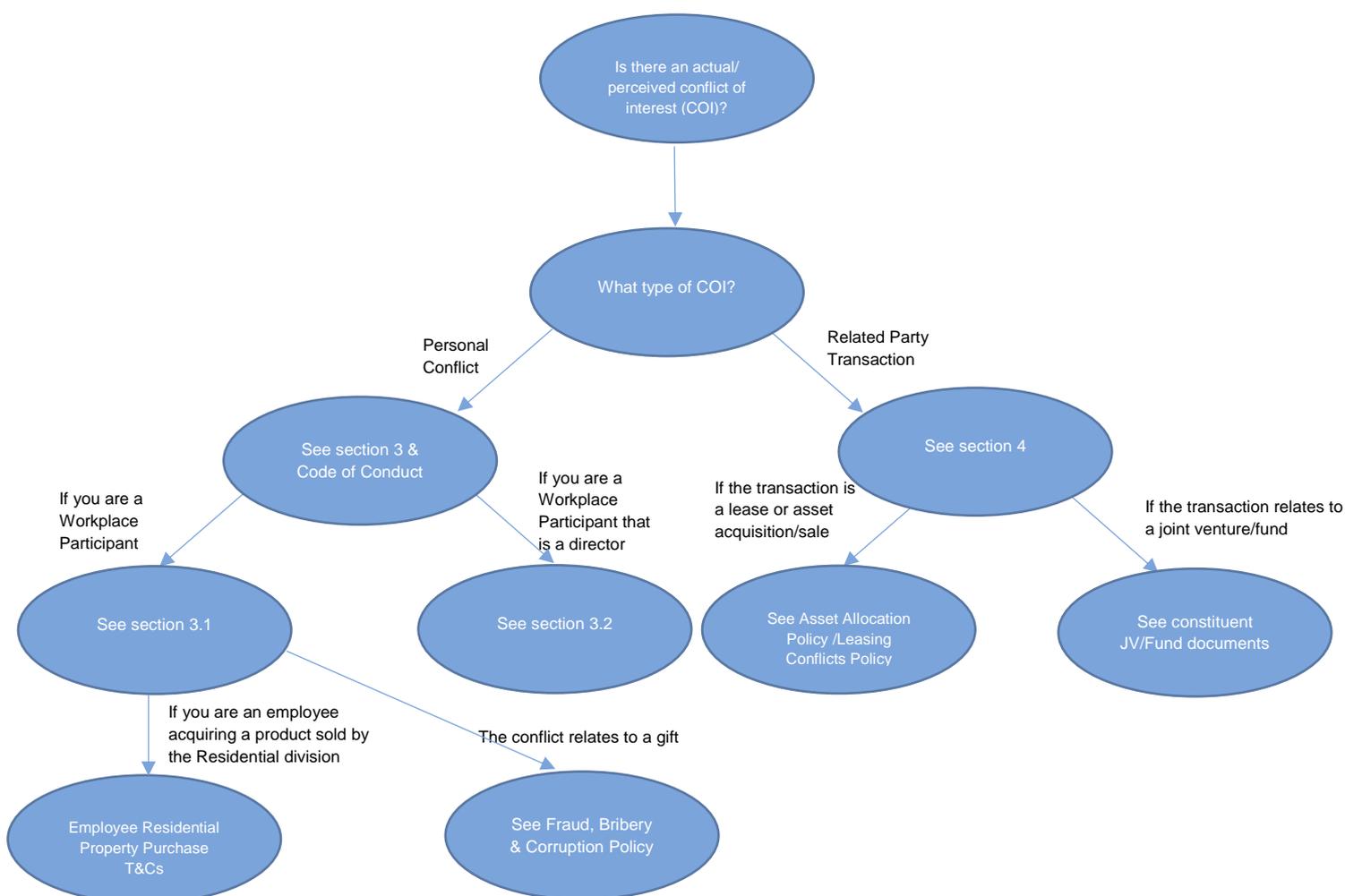
¹ section 912A(1)(aa) requires a financial services licensee to have in place adequate arrangements for the management of conflicts of interest. See Related Party Transactions below for more information.

² This document was approved by stapled securityholders in 2005 at the time that the stapling of units in MPT and shares in ML occurred, and generally allows the Mirvac Entities to act in the best interests of the stapled group as a whole.

- (a) the interests of a Workplace Participant actually or potentially conflict from those of a Mirvac Entity (see the Personal Conflicts section below); or
- (b) the interests of a Mirvac Entity are inconsistent with the interests of the person to whom that Mirvac Entity is providing a service or where a Mirvac Entity owes a duty to a third party that is inconsistent with a duty that it owes to the Mirvac Group (see the Related Party Transactions section below).

Where it is unclear whether a matter constitutes a conflict of interest or not, advice should be sought as soon as practicable from Group Compliance. Where practicable, this advice should be in writing.

How a conflict of interest is managed will depend on the type of conflict of interest. The below diagram summarises the conflict management process set out in the Policy.



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Policy Authorised by: Mirvac Board on 17 September 2018

Policy Maintained by: Mirvac Legal and Compliance

Version Number: 6.0

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3 Personal Conflicts of Interest

3.1 Personal Conflicts of Interest – Workplace Participant

Workplace Participants should ensure that any personal relationships with third parties, clients or suppliers do not influence or prejudice their obligations to Mirvac Group or its customers.

All Workplace Participants are required to understand conflicts of interest, how they may arise and what should be done when a conflict is identified. Group Compliance will require that all employees conduct training at least annually on this Policy.

Examples of a personal conflict of interest can include where a Workplace Participant:

- (or a friend or family member) has a personal interest in a business decision involving Mirvac. This may include awarding a service contract to a family member or friend;
- uses its position at Mirvac for personal gain or for the personal gain of a family member, friend or other party. This may include where a Project Developer can influence decisions relating to a residential apartment he/she has contracted to acquire;
- uses Mirvac's systems and equipment for personal gain. This may include using Mirvac's systems as part of secondary employment;
- is an employee and has another job outside Mirvac that conflicts with Mirvac's business;
- joins the board, or become a director, of another company;
- receives a financial benefit from a business decision that involves Mirvac including where you have a direct or indirect ownership interest in the beneficiary of the transaction; or
- is involved in any personal relationship (including any consensual, romantic or sexual relationship) with another Workplace Participant which may give rise to an actual or potential conflict of interest.

If you become aware of an actual or perceived conflict of interest, you must disclose the conflict of interest as soon as possible. Disclosure is to be made by the Workplace Participant emailing Group Compliance at conflicts@mirvac.com and their direct line manager.

The email by the Workplace Participant must set out:

- Sufficient detail in order for Group Compliance to properly assess whether or not the circumstances present an actual or potential conflict of interest;
- A proposal for how any perceived or actual conflict is to be managed (**Conflict Management Proposal**). For example, will the Workplace Participant be removed from any involvement in the tender with the conflicted party?
- How the arrangements for the management of the conflict are to be monitored or evidenced. For example, will the line manager ensure that the Workplace Participant is excluded from negotiations with the conflicted party?

Other examples as to how a conflict of interest may be managed include:

- clear disclosure concerning the conflict;
- abstaining from voting on, making or influencing decisions or proposals;
- withdrawing from discussion or relevant proposals;

- having access restricted to information relating to the conflict; and/or
- having access denied to sensitive documents or confidential information relating to the conflict.

The Workplace Participant must not be involved in a transaction subject to the notification until Group Compliance has provided written confirmation of agreement to the Conflict Management Proposal.

Where a conflict of interest relates to a material transaction or may affect the reputation of Mirvac Group, Group Compliance must seek the approval of a member of the Mirvac Group Executive Leadership Team (**ELT**) prior to agreement to any Conflict Management Proposal.

All employees are required to complete an annual declaration of personal conflicts of interest via the completion of the “Declaration of Interest” link found on the Group Compliance hubsite. Selected employees may be required to complete the “Declaration of Interest” disclosure on a more frequent basis. Any conflicts of interest notified to Group Compliance by email on an ad hoc basis must also be included in the disclosure made under the periodic Declaration of Interest disclosure.

The disclosures made via the Declaration of Interest link will form the **Declaration Register** which is maintained by Group Compliance and made available to the Mirvac Group Board, ELT, Audit, Risk & Compliance Committee (**ARCC**) and Mirvac Group external auditors.

Where a personal conflict of interest relates to a Workplace Participant acquiring a residential asset from Mirvac Group, that employee must also comply with the procedures set out in the Employee Residential Property Purchase Terms and Conditions (found on the intranet).

Where a personal conflict of interest relates to a Workplace Participant giving or receiving a gift, the Workplace Participant must also comply with the procedures set out in the Fraud, Bribery and Corruption Policy.

3.2 Personal Conflicts of Interest – Directors

A director of any Mirvac Entity who has an interest in any matter that relates to the affairs of the company should:

- give the other directors notice of the interest unless the interest is exempted (section 191 of the Corporations Act); and
- in the case of a director of a public company (such as Mirvac Limited, Mirvac Funds Limited or Mirvac Funds Management Limited) where the interest is a “**material personal interest**”:
 - not be present while such a matter is being considered at a board meeting; and/or
 - not vote on the matter,

unless allowed to by the disinterested directors or by ASIC (section 195 of the Corporations Act).

A director does not need to give notice of an interest under section 191 if the director has given a standing notice of the nature and extent of the interest and the notice is still effective in relation to the interest.

A material personal interest is an interest that has the capacity to influence the vote of a particular director.

A director of a Mirvac Entity must notify the Group Secretary of any interest that needs disclosure under section 191 of the Corporations Act.

4 Related Party Transactions

A related party transaction is a transaction that involves a Mirvac Entity providing a financial benefit to a Related Party (see definition in section 4.1 below).

The concept of “financial benefit” will be broadly defined for the purposes of this Policy and the following are examples of giving a financial benefit:

- Giving or providing related party finance or property;
- Buying an asset from or selling an asset to a related party;
- Leasing an asset from or to a related party;
- Supplying services to or receiving services from a related party;
- Issuing or allocating securities, or granting an option to a related party;
- Agreeing to an arrangement that benefits the business operations of a related party; and
- Taking up or releasing an obligation of a related party.

4.1 What is a Related Party?

Related parties of the Mirvac Group (**Mirvac Related Parties**) include:

- a) an entity that controls Mirvac Limited or a Mirvac Entity that is a responsible entity (Mirvac Responsible Entity);
- b) the directors (and their immediate family members) of Mirvac Limited, a Mirvac Responsible Entity or any entity referred to in (a);
- c) any entity which is controlled by a related party referred to in (a) or (b) (including a trust or managed investment scheme for which any Mirvac Entity acts in a trustee or responsible entity capacity);
- d) any other person who is a related party of the Mirvac Group prescribed by the Corporations Act. (each a “**Related Party**”).

4.2 Related Party Transactions – Corporations Act

Unless it is an “arm’s length transaction”, a financial benefit can only be given to a Mirvac Related Party when Mirvac Group securityholder approval has been granted and the financial benefit is given within 15 months of such approval.

A transaction will be “arm’s length” where the financial benefit is given on terms that would be reasonable in circumstances where the parties are dealing at arm’s length, or on terms that are less favourable to the related party³.

³ The Corporations Act also provides for a number of other exceptions to the requirement to obtain member approval which apply in certain circumstances. Please contact Group Compliance for more information on the relevant exemptions.

'Arm's length' refers to transactions conducted as if the parties were not related. In general, 'arm's length' terms and conditions will be determined having regard to ASIC Regulatory Guide 76 'Related party transactions' and consistent with the following principles:

- in the case of acquisitions of assets by or from a Mirvac Related Party, by reference to independent valuations of the purchase price and by reference to a sign-off from an external law firm confirming the arm's length nature of the legal terms of the transaction;
- in the case of acquisitions by way of co-investments between Mirvac Related Parties, the terms will be by reference to comparable agreements reached with an unrelated third party vendor;
- in the case of services being provided by a Mirvac Entity to a property portfolio managed or advised by the Mirvac Group, all fees and expenses being charged will require substantiation either by comparison with a range of similarly qualified unrelated service providers (if there is reliable data of comparable transactions) or a review and report by a qualified external party; and/or
- where appropriate or where no other method of determination exists, by reference to the opinion of a suitably qualified independent expert that the terms are fair and reasonable,
- and in each case there is evidence that conflicts of interest were appropriately managed in negotiating and structuring the transaction.

4.3 Related Party Transactions – ASX Listing Rules

In addition to the Corporations Act requirements for related party transactions, under the ASX Listing Rules, Mirvac Group is required to obtain securityholder approval to acquire a substantial asset from, or dispose of a substantial asset to a related party, subsidiary or substantial securityholder. "Substantial asset" means an asset representing 5% or more of the equity interests of Mirvac Group, as set out in the last financial accounts for Mirvac Group. The equity interests are the paid up capital, reserves and accumulated profits or losses of the Mirvac Group⁴.

4.4 How are Related Party Transactions to be managed?

Prior to a related party transaction occurring, the related party transaction must be notified to Group Compliance.

Group Compliance will maintain a Related Party Transactions Register. Before the related party transaction can proceed, Group Compliance must provide a written confirmation that either securityholder approval has been obtained or that a relevant related party exemption applies.

⁴ The ASX Listing Rules provide certain exemptions from the requirement to obtain securityholder approval. Please contact Group Compliance for more information on relevant exemptions.

Where a related party transaction relates to a fund or joint venture, the constituent documents relating to that fund or joint venture may also specify additional requirements for managing the conflict (eg Mirvac representatives may be prohibited from voting on the matter).

In addition, the following principles must be followed for related party transactions.

a) General conduct

Where there is a related party transaction involving a Mirvac Entity, that Mirvac Entity must:

- conduct transactions on an arm's length basis at all times in accordance with the principles outlined in section 4.2;
- have regard to the investment parameters of the particular property portfolio, trust or scheme in relation to which the conflict has been identified; and
- in certain circumstances, avoid the conflict by withdrawing from or suspending the situation or transaction giving rise to the conflict.

b) Fiduciary arrangements

In addition to the general conduct requirements outlined above:

- where a Mirvac Entity is a responsible entity, trustee or manager, it must act in the best interests of the members of the relevant trust or scheme for which it acts as the trustee, responsible entity or manager or where a Mirvac Entity provides services to a client as a fiduciary, it must act in the best interests of the client for which it provides services to; and
- if a conflict exists between the interests of the members of a registered managed investment scheme and the interests of the Mirvac Responsible Entity, the relevant Mirvac Entity must give priority to the members' interests; and in exercising its powers and carrying out its duties, each Mirvac Entity is required to comply with requirements of the Corporations Act and ASIC Regulatory Guidance relating to the duties of responsible entities.

c) Property Transactions

All proposed property transactions are managed in accordance the following decision making process:

- All potential, actual or perceived conflicts of interest and related party transactions identified in relation to the proposed transaction must be set out in the relevant committee papers. If the conflict or related party involves a public company (or an entity the public company controls) or a registered managed investment scheme, the following considerations (consistent with ASIC Regulatory Guide 76 'Related party transactions') must be set out in the papers:
 - how the terms of the overall transaction compare with those of any comparable transactions on an arm's length basis;
 - the nature and content of the bargaining process;
 - the impact of the transaction on the company or registered managed investment scheme;

- any other options available to the entity; and
 - any expert advice received by the entity.
- The relevant committee must consider each proposed transaction in light of the investment objectives and guidelines for each property portfolio as well as the agreed business, budget and/or asset plans. The relevant committee must ensure that all property transactions involving Mirvac Related Parties will be transacted on commercial arm's length terms in accordance with the principles outlined in section 4.2 above.
- In the case of an actual conflict of interest, the affected Mirvac Entities must implement appropriate information barriers or confidentiality protocols to preserve the confidentiality of any confidential information of the parties and to ensure that the interests of relevant stakeholders' (for example, clients to which a Mirvac Entity provides services to or unitholders/members of a trust or registered managed investment scheme of which a Mirvac Entity is the trustee or the responsible entity) are adequately represented.
- If approved by the relevant committee, the committee will submit the proposed transaction for final approval by the board of the relevant Mirvac Entity, if required, or it will be approved under a Delegation of Authority from board to management.
- All property transactions entered must be documented including evidence of the arm's length nature of the transaction unless the Deed of Co- operation is relied upon.
- The decision makers must also have regard to the procedures set out in the Asset Allocation Policy /Leasing Conflicts Policy where relevant.

d) Co-ownership Arrangements

Mirvac Entities may purchase property on a co-ownership basis with third parties or with other Mirvac Entities or investment vehicles managed or advised by Mirvac Entities.

Where the Mirvac Entity participates in a co-ownership arrangement in more than one capacity (such as the manager for more than one portfolio within the arrangement):

- it must fulfil each of its roles diligently and with due care; and
- direct all co-owner participants to obtain their own independent advice including (but not limited to) accounting, taxation, legal and valuation advice;

e) When is a Mirvac Entity to disclose a related party transaction?

Each Mirvac Entity must ensure that its clients are adequately informed about any material conflict that may affect the provision of its services to them so that its clients are able to assess the nature and extent of the conflict and make informed decisions about how the conflict may affect the services being provided.

The relevant Mirvac Entity must ensure that the disclosures:

- are written, timely, prominent and meaningful to its clients;
- will occur before the service is provided so that the client will always have time to assess the effect of the conflict on the service or transaction; and
- refer to the actual service the relevant Mirvac entity is providing at the time.

5 Policy Maintenance and Review

Mirvac Group Compliance is responsible for ensuring that this Policy is reviewed at least every two years.

6 Approval

This policy was approved and adopted by the Mirvac Group Board on 17 September 2018.