

IRONGATE

Conflicts of Interest Policy

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Irongate Group

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1 ABOUT THIS POLICY

1.1 Policy statement

This Policy provides an overview of the framework adopted by the RE for managing conflicts of interest where it is acting as responsible entity of each trust that comprises the Fund.

Each trust that comprises the Fund is a registered managed investment scheme which has its primary listing on the JSE and dual primary listing on the ASX.

This Policy sets out key regulatory considerations under Australian law as well as guidance on the RE's processes. In particular, it addresses the requirements of RG 181.

It should be read together with the Related Party Policy.

This Policy incorporates requirements imposed by applicable law. Failure to observe them is not only a breach of RE policy that may lead to disciplinary action up to and including dismissal, but may also constitute a breach of law that could give rise to criminal, civil or administrative sanction by applicable authorities.

The Fund is listed on the JSE and the ASX. As such, this Policy must comply with the requirements of both the JSE and ASX. Where the requirement of one exchange is more stringent than the requirement of another exchange, compliance with the more stringent requirement is required.

If it is not possible to comply with both the JSE LR and the ASX LR, the RE must comply with the rule or requirement of the Main Trading Exchange at the relevant time.

1.2 Defined terms

Act	Corporations Act 2001 (Cth)
AFS licence	Australian financial services licence
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or Australian Securities Exchange, as the context requires.
ASX LR	ASX Listing Rules
Board	The board of directors of the RE
CEO	Chief Executive Officer of the Fund
Conflicts of Interest Register	The RE's conflicts of interest register
Constitution	The constitution of each of IPF I and IPF II (as amended from time to time)
Director	A director of the RE
Fund	IPF I and IPF II
Fund staff	Persons who perform activities on behalf of the RE or the RE Group, including staff, contractors and consultants, who have access to the RE's systems and premises (regardless of whether they utilise that access)
IPF I	Irongate Property Fund I

IPF II	Irongate Property Fund II
IPM	Irongate Property Management Pty Limited
JSE	JSE Limited or Johannesburg Stock Exchange, as the context requires.
JSE LR	JSE Listings Requirements
Main Trading Exchange	Has the meaning given to it in the Constitution.
RE	Irongate Funds Management Limited or any other entity acting as responsible entity of the trusts that comprise the Fund from time to time
RE Group	Any company or other entity that is controlled (directly or indirectly) by the RE as trustee of the trusts that comprise the Fund
RG 181	ASIC Regulatory Guide 181 Licensing: Managing Conflicts of Interest
TAP	Templewater Australia Property Fund I, L.P., Templewater Australia Property Fund I Head Trust and their various sub trusts established or to be established from time to time.

13 Review

This Policy will be reviewed annually to check that it is operating effectively and whether any changes are required to the Policy.

2. KEY REGULATORY CONSIDERATIONS

As the holder of an AFS licence, the RE must comply with section 912A(1)(aa) of the Act, which requires it to have in place adequate arrangements for the management of conflicts of interest which may arise in the provision of financial services as part of its business.

RG 181 defines conflicts of interest as:

“Circumstances where some or all of the interests of people (clients) to whom a licensee (or its representatives) provides financial services are inconsistent with, or diverge from, some or all of the interests of the licensee or its representatives. This includes actual, apparent and potential conflicts of interest”.

RG 181 states that many conflicts can be managed through a combination of internal controls and disclosures. If some conflicts cannot be adequately managed in this way, the RE must avoid the conflict or refrain from providing the affected financial service.

The steps to manage conflicts are:

- identify the conflict;
- record the conflict in the conflicts register;
- evaluate the conflict; and
- take appropriate steps to manage or, if necessary, avoid the conflict.

In addition to conflicts of different interests, there may also be conflicts of duty and interest. For example, circumstances may also arise in the operation of the Fund where the RE’s own interests are in conflict with the interests of the Fund investors. In this case, section 601FC(1)(c) of the Act requires the RE to prefer the interests of the Fund investors to the interests of the RE’s shareholders.

There is also a requirement under ASIC Class Order [CO 13/1409] for the RE as RE of the Fund, and each party to which the RE delegates the holding of scheme property of the Fund, to manage certain conflicts that may arise between the interests of investment decision-makers and the role of those responsible for custody of assets.

3. IDENTIFYING AND EVALUATING A CONFLICT OF INTEREST

The types of conflicts that may arise include:

- related party transactions – in which case the RE and relevant personnel must comply with the Related Party Policy, noting that the opportunity for related party issues to arise in relation to investment management of the Fund, given that the Fund's investment manager, IPM is wholly owned within the Fund's stapled group, is more limited than in the case of an externally managed fund;
- allocation of a property investment opportunity between the Fund and the TAP funds which are managed by IPM, or other funds which the RE, IPM or their related bodies corporate may operate or manage, now or in the future;
- a prospective tenant has two similar properties to choose from, both owned or managed by the RE, IPM or a related body corporate;
- assets are transferred between the Fund and clients or funds operated or managed by the RE, IPM or a related body corporate (other than within the Fund's stapled group);
- a Director has a directorship (other than with the RE) of a company that may have a connection or dealings with the Fund or is otherwise wearing different "hats";
- the sharing of information which may be price sensitive – in which case the RE and relevant personnel must comply with the Confidential Information Policy;
- operational errors, where loss is caused to the Fund investors and remediation is required; and
- investment by the Fund in an asset in which a Director has an interest.

No written rules can anticipate every possible conflict situation. Fund staff must employ common sense and good judgment in responding to situations and in recognising when to seek assistance.

Conflicts may be identified by:

- declarations of interest from Directors, officers, Fund staff or consultants;
- Fund staff bringing the conflict to the attention of management;
- in the course of analysis of transactions in an approval process;
- in the course of ongoing management of property and investment portfolios; or
- through a due diligence process.

Once a conflict has been identified, it must be evaluated to determine the way in which it is to be managed, or if it must be avoided (see paragraph 5 for more details).

4. MAINTAINING THE CONFLICTS REGISTER

All categories of conflicts identified in accordance with this Policy, including potential conflicts, are to be recorded by the compliance function in the Conflicts of Interest Register.

The Conflicts of Interest Register will be updated whenever a new conflict of interest is identified. The compliance function will review the relevant sections of the Conflicts of Interest Register quarterly, as required by the Fund's compliance plan.

5. MANAGING CONFLICTS OF INTEREST

There are three basic mechanisms to manage a conflict, namely controlling, avoiding and disclosing. The appropriate mechanism to manage a conflict will depend on the circumstances and nature of any given conflict.

The compliance function will determine whether it will be sufficient to disclose the conflict and seek consent, whether it should be managed by implementing separate teams, information barriers and other mechanisms such as confidentiality protocols, or if it is so serious that it must be avoided by refraining from or deferring the transaction.

It is the responsibility of all Fund staff involved in the operation, management and administration of the Fund to ensure that any identified conflicts are appropriately managed. In particular, the fund manager of the Fund is responsible for ensuring the appropriate management of day to day conflicts in connection with the Fund.

All Fund staff working on a transaction must consider any conflicts that may arise as a result of the RE's role in the transaction or as a result of their personal involvement in the transaction. In considering this, Fund staff should also consider matters relating to them as individuals such as personal relationships, financial interests or other outside interests.

In relation to conflicts that may arise between the interests of investment decision-makers for the Fund and the role of those responsible for custody of assets (including assets held by trustees of sub trusts of the Fund) the RE has in place:

- written agreements with those trustees setting minimum standards for holding of scheme property of the Fund; and
- separation of roles and reporting lines to ensure that Fund staff responsible for custodial functions are not inappropriately influenced in the performance of those functions, including the verification of title to assets, by personnel with an investment decision-making role,

and in that regard this policy applies, as relevant, to each trustee of the sub trusts of the Fund.

Where a conflict is identified that cannot be avoided or managed through existing conflict management arrangements, the conflict must be escalated in accordance with paragraph 6 of this Policy.

To the extent conflicts of interest arise given IPF II's position as both a manager of a third party fund and as an investor in that fund (for example, any conflicts that may arise from IPF II's position as a manager of, and investor in TAP), the Board will implement protocols under which decision making in relation to conflict matters would be undertaken by separate senior personnel and members of the Board (as necessary).

6. ESCALATION OF CONFLICT ISSUES

Where Fund staff identify a matter, business proposition or process which gives or may give rise to a conflict of interest that may not be currently managed by the established conflicts management framework, this should be escalated to the compliance function. Such conflicts may be related to general business or to a specific deal or transaction. The compliance function will determine whether a matter requires escalation to the CEO.