

17 June 2016

Investment Management Agreement – Summary

Australian Unity Investment Real Estate Limited
(ABN 86 606 414 368, AFSL 477434) as Responsible Entity of
Australian Unity Office Fund (ARSN 113 369 627)
114 Albert Road, South Melbourne, VIC, 3205

The following is a summary of the Investment Management Agreement.

Australian Unity Investment Real Estate Limited ABN 86 606 414 368 ('AUIRE') has entered into an investment management agreement ('Investment Management Agreement') under which Australian Unity Funds Management Limited ABN 60 071 497 115 ('AUFML') was appointed as the provider of investment management services to AUIRE as Responsible Entity upon AUIRE becoming the Responsible Entity of the Fund.

INVESTMENT AND FUNDS MANAGEMENT SERVICES

Under the Investment Management Agreement, AUFML is engaged to provide a number of services including:

Investment Management Services

The Investment Manager will be accountable for the overall performance of the Fund, responsible for:

- developing and implementing Fund strategies;
- Fund budgets;
- quarterly Distributions;
- half yearly and annual statutory reports;
- financial management and regulatory reporting requirements;
- changing property allocation where necessary to optimise investment returns;
- optimising debt and equity levels to enhance investment performance;
- managing the Unitholder register; and
- reporting to key stakeholders about Fund strategy and performance.

Fund analyst services

- providing analytical and commercial input to the Fund strategy and investment guidelines;
- complying with AFSL and regulatory requirements;
- producing Fund budgets, monthly reforecasts scenario analysis and financial data for use in investor reporting;
- providing analysis and input into the effect of acquisition and/or disposal; and
- major lease deals and major items of capital expenditure on the Fund forecast; and
- providing analysis on the optimal debt and equity level to enhance investment performance.

Transactional services:

- identifying and establishing Fund transaction strategies;
- optimising transaction outcomes and minimising transaction risk and liability;
- providing feasibility modelling and reporting for potential transactions;
- arranging for technical, legal and valuation consultants for due diligence management;
- providing timely notifications for continuous disclosure requirements;
- continuing to review and assess market opportunities and identify suitable assets that will optimise transaction strategies.

Fund accounting services:

- management of tax and accounting;
- compliance with business practices, work, health and safety and risk management;
- management reporting (including preparing NTA estimates, unit pricing, distribution statements, performance reports and forecasting);
- preparing statutory reporting;
- preparing tax returns and estimates;
- CGT calculations and annual unitholder tax statements;
- responsible for all Unitholder correspondence via Investment Manager.

Term and termination

The term of the Investment Management Agreement will be for 10 years (unless extended by agreement between the parties). Following this initial term, the Investment Management Agreement automatically extends for a further 5 years unless terminated in accordance with its termination provisions.

Following the initial term, AUIRE as Responsible Entity may terminate the Investment Management Agreement upon the giving two years' notice to AUFML. If AUIRE is removed as the Responsible Entity and replaced by an entity which is not a related party of AUFML, the Investment Management Agreement automatically terminates. The Investment Management Agreement can also be terminated if either party is the subject of an insolvency event, change of control or is in breach of the Investment Management Agreement.

Fees and expenses

Under the Investment Management Agreement, AUFML is entitled to be paid:

- in consideration for the provision of the management services an annual fee equal to 95% of the Base Fee that the Responsible Entity is entitled to receive under the Constitution for the provision of its services to the Fund ('AUFML Management Fee'). This equates to 0.57% per annum of the Fund's Gross Asset Value (as at Allotment); and
- a fee for accounting services of \$140,000 per annum for the first year. This fee is adjusted upwards by CPI each year after the first year.

To the extent the investment management fee is paid to AUFML, the Responsible Entity will reduce the Base Fee it takes out of the Fund. The fees listed above are payable monthly in arrears. AUFML is entitled to be reimbursed for all reasonable expenses properly incurred in the performance of services, including all taxes and amounts it pays to third parties for which it is also separately indemnified.

Warranties

Under the Investment Management Agreement, AUIRE warrants that it has the power and necessary legal authorisations to enter into and perform the Investment Management Agreement, and that the services provided under the Investment Management Agreement are properly delegated to AUIRE on behalf of the Fund. AUFML warrants that it has and will at all times have the skill, facilities, capacity and sufficient competent staff to perform the duties and obligations under the Investment Management Agreement.

Indemnities

Under the Investment Management Agreement, each party indemnifies the other party for any claims and liability incurs which arises out of the performance of the services under the Investment Management Agreement, except to the extent that such a claim is cause or contributed to any negligence, misconduct, breach of the Investment Management Agreement or dishonesty of the indemnified party.