

AVENTUS GROUP

BOARD CHARTER



Adopted on 25 September 2018

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Aventus Holdings Limited (ACN 627 640 180) and
Aventus Capital Limited (ACN 606 555 480) as responsible entity of the
Aventus Retail Property Fund

BOARD CHARTER



1 INTRODUCTION

1.1 BACKGROUND

Aventus Capital Limited (**ACL**) is the responsible entity for Aventus Retail Property Fund (the **Fund**).

Aventus Holdings Limited is wholly owned on behalf of Securityholders of AVN (**AHL**).

Aventus Holdings Limited was created on the internalisation and stapling of the AHL and the Fund where each share on issue in Aventus Holdings Limited was stapled to a unit in the Fund to create the **Aventus Group**.

This Charter sets out the composition, role, responsibilities and delegations of the Boards of AHL and ACL in its capacity as responsible entity for the Fund.

The Boards of AHL and ACL have common Directors and meet concurrently, and are therefore collectively referred to as the **Board** for the purpose of this Charter.

In this Charter, AHL, ACL in its capacity as responsible entity of the Fund are collectively referred to as Aventus and **Aventus** and its controlled entities are collectively referred to as the **Aventus Group**.

1.2 OVERVIEW OF THE BOARD CHARTER

The Board has adopted this Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance and applicable laws.

This Charter includes an overview of:

- Board composition and process; and
- the relationship and interaction between the Board, Board Committees and management.

The Board Charter and the charters adopted by the Board for its standing Committees have been prepared and adopted on the basis that strong corporate governance can add to the performance of Aventus, create securityholder value and engender the confidence of the investment market.

This Charter is to be reviewed by the Board as required and at least annually.

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2 BOARD COMPOSITION

2.1 BOARD COMPOSITION AND SIZE

- The Board, together with the Remuneration and Nomination Committee, determines the size and composition of the Board, subject to the terms of the Constitutions of AHL and ACL.
- It is intended that the Board should comprise a majority of independent Non executive Directors and comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.
- The Board, together with the Remuneration and Nomination Committee, will review the skills, experience, expertise and diversity represented by Directors on the Board and determine whether the composition and mix remain appropriate for the Aventus Group's strategy. The Board and Remuneration and Nomination Committee will have regard to this review when considering Board succession planning.

2.2 DIRECTOR INDEPENDENCE AND TENURE

- The Board only considers a Director to be independent where he or she is free of any interest, position, association or relationship that might influence, or might reasonably be perceived to influence, in a material respect his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of Aventus and its securityholders generally.
- The Board has adopted a definition of independence based on that set out in Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations (3rd edition) (see Attachment 1).
- The Board does not believe that it should establish an arbitrary limit on tenure. While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight in Aventus and its operation and, therefore, an increasing contribution to the Board as a whole. Accordingly, tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a Director in the context of the overall Board process.
- The Board regularly reviews the independence of each Non-executive Director in light of information relevant to this assessment as disclosed by each Non executive Director to the Board.

3 BOARD ROLE AND RESPONSIBILITIES

3.1 BOARD ROLE

The Board's role is to:

- represent and serve the interests of securityholders by overseeing and appraising the Aventus Group's strategies, policies and performance. This includes overseeing the financial and human resources Aventus has in place to meet its objectives and reviewing management performance;
- protect and optimise the Aventus Group's performance and build sustainable value for securityholders in accordance with any duties and obligations imposed on the Board by law and the Constitutions of AHL and ACL and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and monitor compliance with the Aventus Group's values and governance framework (including establishing and observing high ethical standards); and
- ensure securityholders are kept informed of the performance of Aventus and major developments affecting its state of affairs.

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3.2 BOARD RESPONSIBILITIES

The responsibilities of the Board include:

- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the Chief Executive Officer (CEO) and the CEO's direct reports;
- contributing to and approving management development of corporate strategy, including setting performance objectives and approving operating budgets;
- reviewing, ratifying and monitoring systems of risk management, internal control and legal compliance. This includes reviewing procedures to identify the main risks associated with Aventus Group's businesses and the implementation of appropriate systems to manage these risks;
- monitoring corporate performance and implementation of strategy and policy;
- developing and reviewing the Aventus Group's values and corporate governance policies (including in respect of diversity and the measurable objectives for achieving diversity) and monitoring corporate culture, setting the tone from the top;
- approving major capital expenditure, acquisitions and divestitures, and overseeing capital management, including approving dividend payments;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- approving financial reports, profit forecasts and other reports required at law or under the ASX Listing Rules to be adopted by the Board;
- ensuring securityholders are kept informed of the Aventus Group's performance and major developments affecting its state of affairs;
- evaluating, at least annually, the performance of the Board, its Committees and individual Directors in accordance with the process set out in Attachment 2; and
- performing such other functions as are prescribed by law or nominated by the Board from time to time.

3.3 DIRECTOR RESPONSIBILITIES

- Directors will act at all times with honesty and integrity and will observe the highest standards of ethical behaviour.
- Directors will ensure that no decision or action is taken that has the effect of prioritising their personal interests over Aventus Group's interests.
- Directors will be expected to participate in all induction and orientation programs and any continuing education or training arranged for them.
- The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chair.

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4 DELEGATION OF DUTIES AND POWERS

4.1 DELEGATION TO COMMITTEES

- The Board from time to time establishes Committees to streamline the discharge of its responsibilities.
- The Board adopts a formal charter for each standing Committee setting out the matters relevant to the composition, responsibilities and administration of the Committee.
- The permanent standing Committees of the Board are the Remuneration and Nomination Committee and the Audit and Risk Committee.
- The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis.

4.2 DELEGATION TO MANAGEMENT

- While the Board retains ultimate responsibility for the strategy and performance of Aventus, the day-to-day operation of the Aventus Group is conducted by, or under the supervision of, the CEO as directed by the Board.
- The Board approves corporate objectives for the CEO to work towards and, jointly with the CEO, develops the duties and responsibilities of the CEO.
- The management team (being the CEO and other officers to whom the management function is properly delegated by the CEO):
 - is responsible for implementing strategic objectives, plans and budgets approved by the Board; and
 - is accountable to the Board for matters within its delegated authority.
- Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.
- Directors are entitled to request additional information at any time when they consider it appropriate.

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5 BOARD PROCESS

5.1 MEETINGS

- The Board will meet regularly and Directors will use all reasonable endeavours to attend Board meetings in person or via video.
- Periodically, Non-executive Directors will meet without Executive Directors or management present.
- The Constitutions of AHL and ACL govern the regulation of Board meetings and proceedings.

5.2 THE CHAIR

- The Board will appoint one of its members to be Chair.
- It is intended that the Chair should be an independent Non executive Director.
- The Chair represents the Board to the securityholders and communicates the Board's position.

5.3 THE COMPANY SECRETARY

- The Board will appoint at least one Company Secretary who is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, and all statutory and other filings.
- The Company Secretary is accountable to the Board on all matters to do with the proper functioning of the Board.
- All Directors will have direct access to the Company Secretary.

ATTACHMENT 1



Guidelines of the Board of Directors – Independence of Directors

Without limiting the Board's discretion, the Board has adopted the following guidelines to assist in considering the independence of Directors. In general, Directors will be considered to be 'independent' if they:

- are not employed in an executive capacity by Aventus or another group member, or, if they have been previously employed in an executive capacity by Aventus or another group member, there has been a period of at least 3 years between ceasing such employment and serving on the Board;
- have not within the last 3 years been a partner, director or senior employee of a provider of material professional services to Aventus or another group member;
- have not within the last 3 years been in a material business relationship (eg as a supplier or customer) with Aventus or other group member or an officer of or otherwise associated directly or indirectly someone with such a relationship;
- are not a substantial securityholder of Aventus, or officer of, or otherwise associated directly or indirectly with, a substantial securityholder of Aventus;
- have no material contractual relationship with Aventus or another group member, other than as a director of Aventus;
- do not have close family ties with any person who falls within any of the categories described above;
- have not been a director of the entity for such a period that his or her independence may have been compromised; and
- are free from any other interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Aventus and its securityholders generally.

MATERIALITY THRESHOLDS

The Board will consider the materiality of the Directors' interests, position, association or relationship for the purposes of determining 'independence' on a case by case basis, having regard to both quantitative and qualitative principles. Without limiting the Board's discretion in this regard, the Board has adopted the following guidelines:

- The Board will determine the appropriate base to apply (eg revenue, equity or expenses), in the context of each situation.
- In general, the Board will consider a holding of 5% or more of Aventus' securities to be material.
- In general, the Board will consider an affiliation with a business which accounts for less than 5% of the relevant base to be immaterial for the purposes of determining independence. However, where this threshold is exceeded, the materiality of the particular circumstance with respect to the independence of the particular director should be reviewed by the Board.
- Overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the director's ability to act in the best interests of Aventus.

ATTACHMENT 2



Performance evaluation process in relation to the Board and its Committees

- On an annual basis, Directors will provide written feedback in relation to the performance of the Board, its Committees and individual Directors against a set of agreed criteria.
- Each Committee of the Board will also be required to provide feedback in terms of a review of its own performance.
- Where appropriate to facilitate the review process, assistance may be obtained from third party advisers.
- Feedback will be collected by the Chair of the Board, or an external facilitator, and discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board or its Committees.
- In the case of the Chair of the Board's performance, feedback will be collected by Chair of the Audit and Risk Committee or an external facilitator.
- The Chief Executive Officer will also provide feedback from senior management in connection with any issues that may be relevant in the context of the Board performance review.

