

AVENTUS GROUP

CORPORATE GOVERNANCE STATEMENT



The Aventus Group is committed to maintaining a high standard of corporate governance through the operation of its policies, relationships, systems and processes.

The establishment of the corporate governance framework for the Aventus Group has been guided by the Corporate Governance Principles and Recommendations (3rd Edition) published in July 2014 by the ASX Corporate Governance Council, (ASX Corporate Governance Principles).

This document is issued by: 25 September 2018
Aventus Holdings Limited (ACN 627 640 180) and
Aventus Capital Limited (ACN 606 555 480) as responsible entity of the
Aventus Retail Property Fund



The Aventus Group comprises Aventus Holdings Limited (**AHL**) and Aventus Capital Limited (**ACL**) as the responsible entity for Aventus Retail Property Fund (the **Fund**).

AHL 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 (AVN)**.

The Boards of AHL and ACL have common Directors and meet concurrently.

In this Statement:

AHL and ACL in its capacity as responsible entity of the Fund are collectively referred to as **Aventus**

Aventus and its controlled entities are collectively referred to as the **Aventus Group or AVN**

The Boards of AHL and ACL are collectively referred to as the **Board**.

The establishment of the corporate governance framework for the Aventus Group has been guided by the Corporate Governance Principles and Recommendations (3rd Edition) published in July 2014 by the ASX Corporate Governance Council, (ASX Corporate Governance Principles).

This statement and relevant corporate policies can be found at: www.ventusgroup.com.au

This statement is current as at 1 October 2018.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

RECOMMENDATION 1.1

A listed entity should:

- *disclose the respective roles and responsibilities of the board and management; and*
- *those matters expressly reserved to the board and those delegated to management.*

The Board is responsible for the management, administration and overall corporate governance of the Group, in each case including the protection of securityholders' interests, developing strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board has adopted a 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, international best practice and applicable laws.

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 the Group, create Securityholder value and engender the confidence of the investment market.

The Charter is reviewed by the Board as required, and at least annually.



The key functions of the Board are 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.

Further, 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; and
- performing such other functions as are prescribed by law or nominated by the Board from time to time.

Directors may delegate their powers as they consider appropriate. However, ultimate responsibility for strategy and control rests with the Board.

All matters not specifically reserved for the Board and necessary for the day-to-day management of AVN are delegated to management and the Board has approved the delegated authority limits for management.



RECOMMENDATION 1.2

A listed entity should:

- *undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and*
- *provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

AVN will ensure that appropriate checks are undertaken before it appoints a person, or puts forward to security holders a new candidate for election, as a director.

These will include checks as to the person's character, experience, education, criminal record and bankruptcy history.

The following information about a candidate standing for election or re-election as a director will be provided to securityholders to enable them to make an informed decision on whether or not to elect or re-elect the candidate:

- biographical details, including their relevant qualifications and experience and the skills they bring to the Board;
- details of any other material directorships currently held by the candidate;

In the case of a candidate standing for election as a director for the first time:

- any material adverse information revealed by the checks the entity has performed about the director;
- details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its securityholders generally; and
- if the board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect;

In the case of a candidate standing for re-election as a director:

- the term of office currently served by the director; and
- if the Board considers the director to be an independent director, a statement to that effect; and
- a statement by the Board as to whether it supports the election or re-election of the candidate.



RECOMMENDATION 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

All directors have written agreements which include the following:

- the term of appointment;
- the time commitment envisaged in the role and committee functions;
- remuneration, including superannuation entitlements;
- the requirement to disclose directors' interests and any matters which may affect the director's independence;
- the requirement to comply with key corporate policies, including the entity's code of conduct and its trading policy;
- the entity's policy on when directors may seek independent professional advice at the expense of the entity (which generally should be whenever directors, especially non-executive directors, judge such advice necessary for them to discharge their responsibilities as directors);
- indemnity and insurance arrangements;
- ongoing rights of access to corporate information; and
- ongoing confidentiality obligations.

All senior executives have written contracts which contain the following:

- a description of their position, duties and responsibilities;
- the person or body to whom they report;
- the circumstances in which their service may be terminated (with or without notice); and
- any entitlements on termination.

RECOMMENDATION 1.4

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Board must approve the appointment or removal of a Company Secretary and the Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board, including:

- advising the board and its committees on governance matters;
- monitoring that board and committee policy and procedures are followed;
- coordinating the timely completion and despatch of board and committee papers;
- ensuring that the business at board and committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of directors.



RECOMMENDATION 1.5

A listed entity should:

- *have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*
- *disclose that policy or a summary of it; and*
- *disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:*
 - *the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or*
 - *if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.*

The Board will approve a Diversity Policy that enables measurable objectives to be set for achieving gender diversity and to assess annually from the end of FY19 both the objectives and AVN's progress in achieving them.

A copy of the policy will be available on the Aventus website.

RECOMMENDATION 1.6:

A listed entity should:

- *have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and*
- *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Board considers that annual reviews of its performance are necessary for the enhancement of the Board's effectiveness and the Board Charter sets out annual review process.

Performance reviews will be undertaken and cover the activities of the Board and each of its Committees.

The Board will undertake an initial review of the Board's performance at the end of FY19.



RECOMMENDATION 1.7

A listed entity should:

- *have and disclose a process for periodically evaluating the performance of its senior executives; and*
- *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

Aventus has a performance management system to provide senior executives with clear performance objectives.

Each executive has key performance indicators that include company financial and people and culture measures. In addition each executive has role specific key performance measures.

Key performance measure are approved by the Board and cascaded to the executives by the Chief Financial Officer.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

RECOMMENDATION 2.1

The board of a listed entity should have a nomination committee which:

- *has at least three members, a majority of whom are independent directors; and*
- *is chaired by an independent director, and*
- *disclose:*
 - *the charter of the committee;*
 - *the members of the committee; and*
- *at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- *if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.*

As the Board has 3 members who are independent, it undertakes the nominations function and will consider and manage:

- board succession planning generally;
- induction and continuing professional development programs for directors;
- the development and implementation of a process for evaluating the performance of the board, its committees and directors;
- the process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
- the appointment and re-election of directors; and
- ensuring there are plans in place to manage the succession of the CEO and other senior executives.

RECOMMENDATION 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

AVN Board Skills Matrix

Specific	General
Accounting	Business Management
Finance & Capital Management	Strategic Planning
Property & Asset Management	Risk Management
Fund Management	Work Health & Safety

The Board considers that it has the appropriate mix of skills and experience to enable it to discharge its responsibilities.

RECOMMENDATION 2.3

ASX Recommendation 2.3 – A listed entity should disclose:

- the names of the directors considered to be independent directors; and*
- if a director has an interest, position, association or relationship that may cause doubt about the independence of a director, but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and*
- the length of service of each director.*

The Board is comprised of five directors, three of whom are independent, including an independent Chairman. The Directors bring relevant experience and skills to the Board, including business and industry knowledge, financial management and corporate governance experience.

The following Directors meet the criteria to be classified as independent:

Bruce Carter (Chairman and Non-Executive Director) – appointed 22 June 2015 as a director of ACL and appointed as a director of AHL on 2 August 2018

Robyn Stubbs (Non-Executive Director) – appointed 30 September 2015 as a director of ACL and appointed as a director of AHL on 2 August 2018

Kieran Pryke (Non-Executive Director) – appointed 30 September 2015 as a and appointed as a director of AHL on 2 August 2018

The other directors are:

Darren Holland, the CEO & Managing Director of the Group and an Executive Director of ACL – appointed 22 June 2015 as a director of ACL and a director of AHL on 1 October 2018

Brett Blundy (Non-Executive Director) is the representative of BB Retail Capital – appointed 30 September 2017 as a director of ACL and a director of AHL on 1 October 2018



Nico van der Merwe is the Alternate Director for Brett Blundy

RECOMMENDATION 2.4

A majority of the board of a listed entity should be independent directors.

The Group Board is comprised of 5 directors, 3 of whom are considered independent by reference to the following factors.

No independent director of AVN:

- is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the entity or any of its child entities;
- is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the entity or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- is a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the entity;
- has a material contractual relationship with the entity or its child entities other than as a director;
- has close family ties with any person who falls within any of the categories described above; or
- has been a director of the entity for such a period that his or her independence may have been compromised.

RECOMMENDATION 2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

The Group satisfies this recommendation as the Chair of the Aventus Group is Mr Bruce Carter, and the CEO & Managing Director is Mr Darren Holland.



RECOMMENDATION 2.6

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

AVN will develop a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

The Board will regularly review whether the directors as a group have the skills, knowledge and familiarity with the entity and its operating environment where gaps are identified, consider what training or development could be undertaken to fill those gaps.

Where necessary, AVN will provide resources to help develop and maintain directors' skills and knowledge. This includes ensuring directors have a sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the entity's financial statements and ongoing briefings on developments in accounting standards.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

ASX Recommendation 3.1 – A listed entity should:

- (a) establish a code of conduct for its directors, senior executives and employees; and*
- (b) disclose that code or a summary of it.*

The Group is committed to a high level of integrity and ethical standards in all business practices. Directors, senior executives and employees of AVN must conduct themselves in a manner consistent with current community and Group standards and in compliance with all relevant legislation.

The Code of Conduct outlines how the Group expects its representatives to behave and conduct business in the workplace on a range of issues. It includes legal compliance and guidelines on appropriate ethical standards.

The objective of the Code of Conduct is to:

- provide a benchmark for professional behaviour throughout the Group;
- support the Group's business reputation and corporate image within the community; and
- make directors and employees aware of the consequences if they breach the policy.

Directors, Senior Executives and employees of APG are trained regularly on matters relating to ethical behaviour in the workplace.



PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

RECOMMENDATION 4.1

The board of a listed entity should have an audit committee which:

- *has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and*
- *is chaired by an independent director, who is not chair of the board, and*

Disclose:

- *the charter of the committee;*
- *the relevant qualifications and experience of the members of the committee; and*
- *in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.*

The Board has established an Audit, Risk and Compliance Committee (ARCC) to oversee the quality and integrity of accounting, audit, financial and risk management practices for AVN. The ARCC is comprised of only independent directors, and is chaired by an independent director who is not the Chairman of the Board.

The Board has developed a charter which sets out the Committee's role, responsibilities, and composition, structure and membership requirements.

As stated in its Charter, the Committee's key responsibilities and functions are to:

- oversee the relationship with the external auditor and the external audit function generally;
- oversee the preparation of the financial statements and reports to be issued by the Aventus Group;
- oversee the financial controls and systems;
- manage the process of identification and management of risk for the Aventus Group; and
- consider any matters relating to the affairs of the Aventus Group that have been delegated to it by the Board, including Work, Health and Safety (WHS) matters.

The external auditor is invited to ARCC meetings and also meets privately with the ARCC at least twice a year. The ARCC is comprised of independent directors only, all of whom have an appropriate level of financial and property industry expertise. More information on ARCC members, including qualifications and attendance at ARCC meetings, can be found on the Aventus website or in the Directors' Report in the Annual Report.

The Board regularly assesses and has determined that members of the ARCC collectively have an appropriate level of financial and property industry expertise to discharge their responsibilities.

As at 1 October 2018 the members of the ARCC were: Mr Kieran Pryke (Chair), Ms Robyn Stubbs and Mr Bruce Carter.



RECOMMENDATION 4.2

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained, and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board receives a declaration provided in accordance with section 295A of the Corporations Act from the CEO and the CFO for AVN that AVN's financial statements are founded on a sound system of risk management and internal control and that the system is operating in all material respects in relation to financial reporting risks.

RECOMMENDATION 4.3

A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

AVN will hold its first AGM following the completion of FY19.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

RECOMMENDATION 5.1

A listed entity should:

- *have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and*
- *disclose that policy or a summary of it.*

AVN has significant obligations under the *Corporations Act 2001 (Cth)* (Corporations Act) and the Listing Rules of ASX Limited (ASX) to keep the market fully informed of information which may have a material effect on the price or value of AVN's securities.

The Continuous Disclosure Policy has been established to ensure compliance with these requirements, and AVN's obligations by releasing information to the ASX in the form of an ASX release or, where appropriate, through disclosure of other relevant documents (the annual report, results announcements) and, where appropriate, by requesting a trading halt.

Mary Weaver, a Company Secretary of Aventus is the ASX liaison person for AVN.

The Continuous Disclosure Policy is available to view under the 'Corporate Governance' section of AVN's website.



PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITYHOLDERS

RECOMMENDATION 6.1

A listed entity should provide information about itself and its governance to investors via its website.

AVN provides information to Securityholders, including:

- the right for Securityholders to receive an annual report;
- placement on AVN's website of market-sensitive information in the form of ASX announcements;
- placement on AVN's website of distribution and tax information, unit price performance, financial results information including the results webcast, investor presentations; and
- presentations that are required to be lodged with the ASX are on AVN's website.

RECOMMENDATION 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

AVN has approved an Investor Relations Policy to facilitate effective two-way communication with its Securityholders.

The Investor Relations Policy is available to view under the 'Corporate Governance' section of AVN's website.

RECOMMENDATION 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

AVN will disclose the policies and processes it has in place to facilitate and encourage participation at meetings of Securityholders.

RECOMMENDATION 6.4

A listed entity should give Securityholders the option to receive communications from, and send communications to, the entity and its security registry electronically.

AVN Securityholders are able to elect to receive communications from, and send communications to, the entity and its security registry electronically.

In addition to the investor information on the website, other communications include:

- the preparation and release of Annual and Half Year results presentations and financial reports which includes detailed information on various aspects of AVN's business activities and performance;
- a live web-cast of the presentation of annual and half-year results presentations;
- a semi-annual schedule of one-on-one meetings with senior executives and AVN's current and prospective institutional Securityholders;
- participation in institutional investor conferences both within Australia and overseas providing an opportunity for both Australian and Institutional Securityholders to learn about AVN's business activities and also meet with senior executives.



PRINCIPLE 7: RECOGNISE AND MANAGE RISK

RECOMMENDATION 7.1

The board of a listed entity should:

have a risk committee or committees to oversee risk, each of which:

(i) has at least three members, a majority of whom are independent directors; and

(ii) is chaired by an independent director, and disclose:

(iii) the charter of the committee;

(iv) the members of the committee; and

as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(v) if it does not have a risk committee, disclose the fact and the processes it employs for overseeing the entity's risk management framework.

ASX RECOMMENDATION 7.2

The board or a committee of the board should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

Management has implemented a risk management framework under the oversight of the ARCC. The ARCC is responsible for reviewing, and reporting to the Board on, the internal control and risk management systems of AVN and assessing the information presented by management. In addition, the ARCC regularly assesses whether AVN's compliance plan, internal financial control systems, risk management policies, the risk register and risk management systems are adequate.

A Conflicts of Interest & Related Party Transactions Policy has been established for identifying and managing conflicts.

The Policy provides guidance on the management of conflicts of interest requires that:

- related party transactions be identified and conducted on arm's length terms;
- related party transactions be tested by reference to whether they meet market standards; and
- decisions about transactions between related parties be made by independent members of the Board or Investment Committees (where they have been appointed).



AVN has also established protocols for the Board in identifying and managing conflicts, including:

- Board members must declare their interests as required under the Corporations Act, ASX Listing Rules and other general law requirements;
- Board members with a material personal interest in a matter are not to be present at a Board meeting during the consideration of the matter and subsequent vote unless the Board (excluding the relevant Board member) resolves otherwise; and
- Board members with a conflict not involving a material personal interest may be required to absent themselves from the relevant deliberations of the Board.

The Policy is available to view under the 'Corporate Governance' section of AVN's website.

AVN also has a policy for dealing with actual, apparent or potential conflicts of interest.

Personal conflicts that might arise generally for Directors and staff are covered by the Code of Conduct referred to earlier in this Statement.

RECOMMENDATION 7.3

A listed entity should:

- *disclose that it has an internal audit function, how the function is structured and what role it performs; or*
- *if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.*

Although the Group does not have a designated internal audit function, throughout the year internal audit tests are conducted to test the adequacy of controls for those risks which are inherently extreme or high. The Company Secretary will report findings to the ARCC.

RECOMMENDATION 7.4

A listed entity should disclose whether it has any material exposure to economic, environmental, and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Group is committed to deliver value to all the stakeholders through the adoption and implementation of sustainable policies, strategies and practices in our corporate activities and by continuously improving building performance, providing greater transparency over our operations and committing to high standards of corporate governance.

To achieve this end, the Group will strive to:

- maximise the performance and efficiency of portfolio assets to function at optimal levels;
- provide timely, clear and consistent disclosures, and engage with key stakeholders; and
- commit to high standards of corporate governance by upholding best practices in the areas of board management and risk governance

The Group is committed to reporting annually to our stakeholders from FY19.



PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

RECOMMENDATION 8.1

The board of a listed entity should:

- *have a remuneration committee which:*
- *has at least three members, a majority of whom are independent directors; and*
- *is chaired by an independent director,*

and disclose:

- *the charter of the committee;*
- *the members of the committee; and*
- *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.*

RECOMMENDATION 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

ACL has established a Remuneration Committee on the following terms:

- only non-executive directors;
- a minimum of 3 members;
- a majority of independent directors; and
- an independent director as chair.

The Board may appoint additional directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

Non-committee members, including members of management, may attend all or part of a meeting of the Committee at the invitation of the Committee chair.

A Company Secretary, or his or her delegate, must attend all Committee meetings as minute secretary.



The responsibilities of the Committee are as follows:

- Review major changes and developments in the remuneration policies, superannuation arrangements, personnel practices and industrial relations for the Company and the Fund.
- Review and recommend to the Board the remuneration arrangements for the Chairman and the non-executive directors of the Board, including fees, travel and other benefits.
- Liaise with members of the Group in relation to setting of short-term and long-term incentives and recommend performance conditions for senior management to realise the strategy of the Fund and its objectives.
- Approving the appointment of remuneration consultants for the purposes of the *Corporations Act 2001 (Cth)*.
- Be satisfied that the Committee, the Board and management have available to them sufficient information and external advice to ensure informed decision making regarding remuneration.
- Review and facilitate stakeholder engagement in relation to the Company's remuneration policies and practices.
- In discharging its responsibilities, the Committee must have regard to the following policy objectives:
 - to ensure the Company's remuneration structures are equitable and aligned with the interests of the Company, its shareholders, Securityholders of the Fund and having regard to relevant Company policies;
 - to attract and retain skilled non-executive directors;

The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder or Securityholder approvals which are necessary to obtain.

The Board will, once in each year, review the membership and charter of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

RECOMMENDATION 8.3

A listed entity which has an equity based remuneration scheme should:

- *have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- *disclose that policy or a summary of it.*

The Board has adopted a Securities Trading Policy which regulates the manner in which directors, senior executives and staff involved in the management of AVN can deal in securities. The Policy specifies the periods in which personal trading is permitted, the restrictions that apply to directors and senior executives, and the procedures for obtaining prior clearance for trading during a trading window. Staff compliance with the Policy is monitored under APG's risk management framework. The Policy is subject to annual review by the Board, and has been lodged with the ASX.

The Securities Trading Policy is available to view under the 'Corporate Governance' section of AVN's website.

