

AVENTUS GROUP

AUDIT, RISK AND COMPLIANCE COMMITTEE CHARTER



Adopted by the Board on 25 September 2018

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

COMMITTEE CHARTER

1 BACKGROUND

Aventus Capital Limited (**ACL**) is the responsible entity for Aventus Retail Property Aventus Group (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 Aventus Group where each share on issue in Aventus Holdings Limited was stapled to a unit in the Aventus Group to create the **Aventus Group**.

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

This Charter sets out the responsibilities, structure and composition of the Audit, Risk and Compliance Committee (**Committee**) of the BoardAventus Group .

2 MEMBERSHIP OF THE COMMITTEE

The Committee should consist of:

- only non executive directors;
- a majority of independent directors;
- an independent chair, who is not chair of the Board; and
- a minimum of 3 members of the Board.

The Board may appoint additional non executive 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 and the external auditor may attend meetings of the Committee at the invitation of the Committee chair.

It is intended that the members of the Committee between them should have the accounting and financial expertise, and a sufficient understanding of the industry in which the Aventus Group operates, to be able to effectively discharge the Committee's responsibilities.

The Company Secretary must attend all Committee meetings as minute secretary.

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3 ROLE & RESPONSIBILITIES

3.1 OVERVIEW

The Committee's key responsibilities and functions are to:

- (a) oversee the relationship with the external auditor and the external audit function generally;
- (b) oversee the preparation of the financial statements and reports to be issued by the Aventus Group;
- (c) oversee the financial controls and systems;
- (d) manage the process of identification and management of risk for the Aventus Group; and
- (e) 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.

3.2 AUDIT

The Committee's primary roles in relation to the audit function of the Aventus Group are to review and make recommendations to the Board in relation to:

- the reporting of financial information for the Aventus Group, including in relation to ACL's obligations under its Australian Financial Services Licence;
- the appropriate application and amendment of accounting policies; and
- the appointment, independence and remuneration of the external auditor.

The Committee also provides a link between the s external auditors, the Board and management of the Aventus Group.

The following are intended to form part of the normal procedures for the Committee's audit responsibility:

- (a) Review the corporate and financial reporting and disclosure processes and make recommendations to the Board in relation to the adequacy of those processes.
- (b) Review the financial statements for accuracy, for adherence to accounting standards and policies, and to ensure they reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Aventus Group, as a basis for recommendation to and adoption by the Board.
- (c) Receive and review reports of the external audit of the financial statements to be issued by the Aventus Group.
- (d) Review and make recommendations to the Board in relation to the appropriateness of the accounting policies, judgements and choices adopted by management in preparing the financial reports.
- (e) Ensure that procedures are in place designed to verify the existence and effectiveness of accounting and financial systems and other systems of internal control which relate to financial risk management of the Aventus Group.
- (f) Review and make recommendations to the Board in relation to the scope and adequacy of the external audit.
- (g) Review the effectiveness of the annual audit, placing emphasis on areas where the Committee or the external auditors believe special attention is necessary.
- (h) Review the performance, independence and objectivity of the external auditors.

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- (i) Review the procedures for selection and appointment of the external auditors and for the rotation of external audit engagement partners.
- (j) Assume responsibility for the appointment, compensation, the terms of engagement and other contractual terms of the external auditors.
- (k) Develop and oversee the implementation of the Aventus Group's policy on the engagement of the external auditor to supply non audit services and ensure compliance with that policy.
- (l) Provide advice to the Board as to whether the Committee is satisfied that the provision of non audit services is compatible with the general standard of independence, and an explanation of why those non audit services do not compromise audit independence, in order for the Board to be in a position to make the statements required by the *Corporations Act 2001 (Cth)* to be included in the financial reports to be issued by the Aventus Group.

3.3 RISK MANAGEMENT AND COMPLIANCE

The Committee's specific functions with respect to risk management and compliance are to review and report to the Board that:

- the Committee has, at least annually, reviewed the Responsible Entity's risk management framework to satisfy itself that it continues to be sound and effectively identifies all areas of potential risk;
- adequate policies and processes have been designed and implemented to manage identified risks, including WHS risks;
- a regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies; and
- proper remedial action is undertaken to redress areas of weakness.

The Committee's specific functions with respect to WHS are to:

- oversee and review the effectiveness of the WHS framework;
- make recommendations to the Board on any major issues arising from management reports to the Committee;
- monitor compliance with WHS policies;
- review reports on WHS performance and risk areas, including the assurance activity undertaken in respect of WHS; and
- review investigations of significant WHS incidents, the root cause of the incidents and actions to prevent the recurrence of these incidents.

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The following are intended to form part of the normal procedures for the Committee's risk and compliance responsibilities:

- (a) At least annually, reviewing the risk management policy.
- (b) Evaluating the adequacy and effectiveness of the management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for management of balance sheet risks.
- (c) Evaluating the adequacy and effectiveness of the Aventus Group's financial and operational risk management control systems by reviewing risk registers and reports from management and external auditors.
- (d) Evaluating the structure and adequacy of the Aventus Group's business continuity plans.
- (e) Evaluating the adequacy and effectiveness of the Aventus Group's identification and management of the economic, environmental and social sustainability risks and its disclosure of any material exposures to those risks.
- (f) At least annually, evaluating and making recommendations to the Board in relation to the structure and adequacy of the Aventus Group's insurance program having regard to the insurable risks associated with its investments.
- (g) Reviewing and making recommendations to the Board on the strategic direction, objectives and effectiveness of the financial and operational risk management policies and the risk appetite that is appropriate for the Aventus Group.
- (h) Overseeing the establishment and maintenance of processes to ensure that there is:
 - an adequate system of internal control, management of business risks and safeguard of assets; and
 - a review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control.
- (i) Evaluating the Aventus Group's exposure to fraud, overseeing investigations of allegations of fraud or malfeasance and making recommendations to the Board in relation to any incident involving fraud or other break down of the Aventus Group's internal controls.
- (j) Monitoring compliance with ACL's Australian Financial Services Licence requirements under the *Corporations Act 2001 (Cth)*, the constitution and the compliance plan for the Fund.
- (k) Reviewing the compliance plan for the Fund from time to time to ensure adequate protection for unitholders and for compliance with the *Corporations Act 2001 (Cth)*.
- (l) Reviewing the main corporate governance practices in place for the Aventus Group for completeness and accuracy.
- (m) Reviewing the procedures in place to ensure the Aventus Group's compliance with laws and regulations (particularly those which have a major potential impact on the Fund).
- (n) Reviewing the procedures in place to ensure compliance with insider trading laws, continuous disclosure requirements and other best practice corporate governance processes (including requirements under the ASX Listing Rules, Corporations Act and AASB requirements).
- (o) Advising the Board on the appropriateness of significant policies and procedures relating to financial processes and disclosures and reviewing the effectiveness of the internal control framework.
- (p) Reviewing the Aventus Group's policies and culture with respect to the establishment and observance of appropriate ethical standards.
- (q) Reviewing and discussing with management and the external auditors the overall adequacy and effectiveness of the Aventus Group's legal, regulatory and ethical compliance programs.

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4 RELATIONSHIP WITH THE EXTERNAL AUDITOR

The Committee provides a link between the external auditor and the Board and has the responsibility to review and make recommendations to the Board in relation to the appointment and removal of the external auditor and to review the terms of its engagement.

5 RIGHTS OF ACCESS AND AUTHORITY TO MANAGEMENT AND AUDITORS

The Committee has rights of access to management and to the Aventus Group's auditors without management present, and rights to seek explanations and additional information from both management and auditors.

6 REVIEW

The Board will, at least 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.

7 ADMINISTRATIVE MATTERS AND PROCEDURES

The proceedings of the Committee will be conducted in accordance with provisions set out in Attachment 1.

ATTACHMENT 1



ADMINISTRATIVE MATTERS AND PROCEDURES

MEETINGS

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will normally meet quarterly.

QUORUM

The quorum is at least 2 members.

CONVENING AND NOTICE OF MEETING

Any member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee. Notice will be given to every member of the Committee, of every meeting of the Committee. However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

RIGHTS OF ACCESS AND AUTHORITY

The Committee may seek the advice of the Aventus Group's auditors, solicitors or such other independent advisers, consultants or specialists as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.

MINUTES

Minutes of meetings of the Committee must be kept by the Company Secretary and, after approval by the Committee chair, be presented at the next Board meeting. All minutes of the Committee must be entered into a minute book maintained for that purpose and be open at all times for inspection by any director.

REPORTING

It is intended that a report of the actions of the Committee and a copy of the minutes of the Committee meeting or both will be included in the Board papers for the Board meeting next following a meeting of the Committee.

The Committee chair will, if requested, provide a brief oral report as to any material matters arising out of the Committee meeting. All directors may, within the Board meeting, request information of members of the Committee.

