



Board Charter

Adopted on
22 September 2020

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 Aventus (**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.

2 Board composition

2.1 Board composition and meetings

- > The Board, together with the People, Culture and Remuneration 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 People, Culture and Remuneration 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 People, Culture and Remuneration Committee will have regard to this review when considering Board succession planning.
- > 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.

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 (4th 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.
- > Directors appointed to the Board are initially approved by Securityholders at the first annual general meeting following their appointment and every three years thereafter.
- > 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.

2.3 Access to Independent Advice

- > The Board collectively, and each Director individually, has the right to seek independent professional advice as they consider necessary to fulfil their responsibilities and support independent judgment in decision making, at the Aventus Group's expense, subject to paragraph 2.3(b).
- > It is expected that a Director will consult the Chair before obtaining advice and the policy of the Board is that external advice will be made available to all Directors unless the Chair agrees otherwise.

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.

3.2 Board responsibilities

The responsibilities of the Board include:

- > demonstrating leadership;
- > defining the entity's purpose and setting its strategic objectives;
- > approving the entity's statement of values and code of conduct to underpin the desired culture within the entity;
- > appointing the Chair and, if the entity has one, the deputy chair and/or the "senior independent director";
- > appointing and replacing the CEO;
- > approving the appointment and replacement of other senior executives and the company secretary;
- > overseeing management in its implementation of the entity's strategic objectives, instilling of the entity's values and performance generally;
- > approving operating budgets and major capital expenditure, acquisitions and divestitures, and overseeing capital management, including approving distribution and dividend payments;
- > overseeing the integrity of the entity's accounting and corporate reporting systems, including the external audit;
- > overseeing the entity's process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have a material effect on the price or value of the entity's securities;
- > satisfying itself that the entity has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the board expects management to operate;
- > satisfying itself that an appropriate framework exists for relevant information to be reported by management to the board;
- > whenever required, challenging management and holding it to account;
- > satisfying itself that the entity's remuneration policies are aligned with the entity's purpose, values, strategic objectives and risk appetite; and
- > monitoring the effectiveness of the entity's governance practices.
- > 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;

- > 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.

Nominations

While the Board has 3 members who are independent, it will also undertake 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.

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.

3.4 Appointment and role of 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 Role of the Chair is to:

- > provide leadership to the Board in respect of its responsibilities and its demonstration of the Group's values, code of conduct and desired culture;
- > monitor the performance of the Board to ensure the effective discharge of its responsibilities;
- > promote constructive challenge and debate between the Board and management and facilitate effective contribution from all Directors;
- > set the Board agenda and annual calendar;
- > represent the Board to the Securityholders and for Board related public communications;
- > seek to ensure that all Directors understand the role of the Board and their own responsibilities as Directors;
- > provide support and mentoring for the CEO in running the business of the Group; and
- > exercise such specific and express powers as are delegated to the Chair by the Board from time to time.

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 the CEO and 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.

4.3 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

A director of Aventus will be characterised and described as independent if he or she is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of Aventus as a whole rather than in the interests of an individual Securityholder or other party.

Without limiting the Board's discretion, the Board has adopted the following factors as set out in the Corporate Governance Principles and Recommendations 4th Edition to assist in considering the examples of interests, positions and relationships that might raise issues about the independence of a director of the entity include, if the director:

- > 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;
- > receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, Aventus;
- > is, or has been within the last three years, in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with Aventus or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
- > is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- > has close personal 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 their independence from management and substantial holders may have been compromised

If there is a change in a Non-Executive Director's interests, positions or relationships that could bear upon their independence, the Non-Executive Director will inform the Board at the earliest opportunity.

The Board will regularly assess the independence of each Non-Executive Director. That assessment will be made at least annually and at or around the time that the Board considers candidates for election or re-election to the Board.

In the case of a change in a Non-Executive Director's interests, positions or relationships, the assessment will be made as soon as practicable after the Board becomes aware of the change.

Materiality considerations

In each case, the materiality of the interest, position or relationship will be assessed to determine whether it might interfere or might reasonably be seen to interfere with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Aventus Group as a whole rather than in the interests of an individual Securityholder or other party.

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.