

Charter

Audit, Risk and Compliance Committee Charter

Aventus Capital Limited (as the responsible entity
for the Aventus Retail Property Fund)

ACN 606 555 480

Adopted by the Board on 26 October 2015

Committee Charter

1 Background

This Charter sets out the responsibilities, structure and composition of the Audit, Risk and Compliance Committee (**Committee**) of the Board of Aventus Capital Limited in its capacity as the responsible entity (**Responsible Entity**) of the Aventus Retail Property Fund (**Fund**).

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 Fund operates, to be able to effectively discharge the Committee's responsibilities.

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

3 Role & Responsibilities

3.1 Overview

The Committee's key responsibilities and functions are to:

- (a) oversee the Responsible Entity's relationship with the Fund's external auditor and the external audit function generally;
- (b) oversee the preparation of the Fund's financial statements and reports;
- (c) oversee the Responsible Entity's financial controls and systems in respect of the Fund;
- (d) manage the process of identification and management of risk for the Fund; and
- (e) consider any matters relating to the affairs of the Fund that have been delegated to it by the Board.

3.2 Audit

3 Role & Responsibilities

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

- the reporting of financial information, including in relation to the Responsible Entity'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 Fund's external auditors, the Board and management of the Fund.

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

- (a) Review the Responsible Entity's corporate and financial reporting and disclosure processes and make recommendations to the Board in relation to the adequacy of those processes.
- (b) Review the Fund's 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 Fund, as a basis for recommendation to and adoption by the Board.
- (c) Receive and review reports of the external audit of the Fund's financial statements.
- (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 Fund's 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 Fund.
- (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.
- (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 Fund'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 Fund's financial report.

3.3 Risk management and compliance

3 Role & Responsibilities

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;
- 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 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 Responsible Entity'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 Responsible Entity's business continuity plans.
- (e) Evaluating the adequacy and effectiveness of the Responsible Entity's identification and management of the Fund's 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 Fund's and Responsible Entity'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 Responsible Entity's financial and operational risk management policies and the risk appetite that is appropriate for the Fund.
- (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 Fund's and Responsible Entity'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 Fund's or Responsible Entity's internal controls.

Relationship with the external auditor

- (j) Monitoring compliance with the Responsible Entity'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 the Responsible Entity has in place for the Fund for completeness and accuracy.
- (m) Reviewing the procedures the Responsible Entity has in place to ensure the Fund's and Responsible Entity'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 Responsible Entity's internal control framework.
- (p) Reviewing the Responsible Entity'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 Responsible Entity's legal, regulatory and ethical compliance programs.

4 Relationship with the external auditor

The Committee provides a link between the Fund's 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 Fund'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 Responsible Entity's or Fund'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.