

Charter

Board charter and relationship with management

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

ACN 606 555 480

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Attachment 1

Guidelines of the Board of Directors – Independence of Directors

Charter

1 Introduction

1.1 Background

Aventus Retail Property Fund (**Fund**) is a managed investment scheme registered under the Corporations Act 2001. Aventus Capital Limited (the **Company**) is, or will be, the responsible entity of the Fund (**Responsible Entity**).

While the Company is appointed Responsible Entity of the Fund, in general, it is responsible for the management, administration and overall corporate governance of the Fund, in each case including the protection of unitholders' interests, developing strategic direction, establishing goals for management and monitoring the achievement of these goals.

This Board Charter applies to the Board of the Company in its capacity as the Responsible Entity of the Fund.

1.2 Overview of Board Charter

The Board of the Company 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, international best practice and applicable laws.

This Charter includes an overview of:

- Board composition and process;
- the relationship and interaction between the Board and management; and
- the authority delegated by the Board to management and Board Committees.

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 Company and the Fund, create unitholder 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 size

- The Board is appointed by the shareholder(s). Non-executive Directors are engaged through a letter of appointment.
- The Board determines the size and composition of the Board, subject to the terms of the Company's Constitution.
- 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.

2.2 Director independence

- 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.
- The Board only considers Directors to be independent where they are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgment. The Board has adopted a definition of independence that is based on that set out in Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations (3rd edition) (see Attachment 1).

3 Board role and responsibilities

While the Company is appointed Responsible Entity of the Fund, the Board monitors the operational and financial position and performance of the Fund. The Board seeks to ensure that the Fund is managed in a manner that protects and enhances unitholder interests, and to ensure that the Responsible Entity, its Directors, officers and personnel operate in an appropriate environment of corporate governance.

3.1 Board key responsibilities

The key responsibilities/functions of the Board include:

- contributing to and approving management development of strategy for the Fund, including setting performance objectives and approving operating budgets;
- reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance. This includes reviewing procedures to identify the main risks associated with the Responsible Entity and the Fund and the implementation of appropriate systems to manage these risks;
- monitoring performance and implementation of strategy and policy for the Fund;
- approving operating budgets, major capital expenditure, acquisitions and divestitures, monitoring capital management, and approving any transactions or matters in excess of authority levels delegated to management;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting and ensuring compliance with financial reporting requirements;
- approving the declaration of distributions to unitholders in accordance with the Fund constitution;
- developing and reviewing corporate governance principles and policies; and
- performing such other functions as are prescribed by law or are assigned to the Board.

3.2 Directors

- 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 the Company's interests or interest of the unitholders of the Fund (as the case may be).
- 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.

3.3 Best interests

While the Company is the Responsible Entity of the Fund, its Directors (when acting as directors of the Responsible Entity of the Fund) must act in the best interests of unitholders and, if there is a conflict between the interests of unitholders and the interests of the Company, the Directors must give priority to the interests of unitholders.

4 Delegation of duties and powers

4.1 Relationship with management

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

4.2 Role of the fund manager

- The Board may appoint a fund manager to undertake the management function for the Fund.
- The role of the fund manager is to, amongst other things:
 - (1) develop strategic objectives for the Fund for consideration by the Board;
 - (2) implement the Fund strategy and budgets approved by the Board;
 - (3) be primarily responsible for all aspects of the day-to-day running of the Fund, including financial performance, reporting, risk and compliance.

4.3 Delegation to Committees

- The Board may from time to time establish Committees to streamline the discharge of its responsibilities.
- Each standing Committee adopts a formal charter setting out the matters relevant to the composition, responsibilities and administration of the Committee.
- The permanent standing Committees of the Board are the Audit, Risk and Compliance Committee and the Remuneration Committee.

4.4 Conflict of interest

The Board has adopted a conflict of interest policy to assist in the management of conflicts of interest that may arise wholly, or partially, in relation to activities by the Responsible Entity, or its representative in the provisions of financial services business of the Responsible Entity or the representative.

5 Board process

5.1 Meetings

- The Board will meet regularly.
- Periodically, Non-executive Directors will meet without management present.
- Directors will use all reasonable endeavours to attend Board meetings in person.
- The Company's Constitution governs 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 shareholders and unitholders and communicates the Board's position.

5.3 The Company Secretary

- The Company Secretary is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings.
- All Directors will have direct access to the Company Secretary.

Attachment 1

Guidelines of the Board of Directors – Independence of Directors

Part 2 of the Company's Board Charter refers to the '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 members of management (a Non-executive Director) and they:

- are not employed, or been previously employed in an executive capacity by the Company or another group member, and there has been a period of at least 3 years between ceasing such employment and serving on the Board;
- have not within the last three years been a partner, director or senior employee of a provider of material professional services to the Company or another group member;
- have not within the last three years been in a material business relationship (eg as a supplier or customer) with the Company or other group member or an officer of or otherwise associated directly or indirectly someone with such a relationship;
- are not a substantial shareholder of the Company, or officer of, or otherwise associated directly or indirectly with, a substantial shareholder of the Company;
- have no material contractual relationship with the Company or another group member, other than as a Director of the Company or group member;
- 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 interest, business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.