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# Corporate Governance Statement

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 (Aventus)**.

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 **Aventus**.

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 (4th Edition) published in February 2019 by the ASX Corporate Governance Council, (ASX Corporate Governance Principles).

This statement and relevant corporate policies can be found at: [www.ventusgroup.com.au](http://www.ventusgroup.com.au)

This statement is current as at 22 September 2020.

## Principle 1 – Lay solid foundations for management and oversight

**A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.**

### Recommendation 1.1

A listed entity should have and disclose a board charter setting out:

- > the respective roles and responsibilities of its 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 Aventus 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 Aventus 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:

- > 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.

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 Aventus 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 director or senior executive or putting someone forward for election as a director; and
- > provide securityholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Aventus will ensure that appropriate checks are undertaken prior to appointing a person, or puts forward to Securityholders a new candidate for election, as a director.

These checks 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:
  - confirmation that the entity has conducted appropriate checks into the candidate's background and experience;
  - if those checks have revealed any information of concern, that information;
  - details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual Securityholder or other party; 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 and a summary of the reasons why.

## 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 and senior executives have written agreements with the Aventus Group. All non-executive directors have written agreements which include the following:

- > the requirement to disclose the director's interests and any matters which could affect the director's independence;
- > the requirement to comply with key corporate policies, including the entity's code of conduct, its anti-bribery and corruption policy and its trading policy;
- > the requirement to notify the entity of, or to seek the entity's approval before accepting, any new role that could impact upon the time commitment expected of the director or give rise to a conflict of interest;
- > 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.

## 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 and disclose a diversity policy;
- > through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
- > disclose in relation to each reporting period:
  - the measurable objectives set for that period to achieve gender diversity;
  - the entity's progress towards achieving those objectives; and
  - either:
    - > the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (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.

If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.

Aventus approved an initial Diversity and Inclusion Policy in March 2019 that enabled the creation of measurable objectives to be set for achieving gender diversity in the composition of its Board, Senior Executives and workforce. This Policy is being revised to meet the ASX revised governance principles and will be available on the website from October 2020.

The Aventus People, Culture and Remuneration Committee will review our Diversity and Inclusion Policy on an annual basis.

Currently, the Aventus' measurable objectives and progress are:

1. Develop a diverse succession plan process to focus on future pipeline for key roles and develop internal successors within the Group - in progress.
2. Talent selection and hiring practices are non-discriminatory and are based on individual merit - met.
3. Annual review of remuneration strategy to ensure that reward is based on merit and is equitable - met.
4. Increase female representation at management (currently > 50%), leadership team (senior executive level, currently 50%) and board level (currently 20%), diversity consideration for all new appointments and a 50% aspirational target for leadership team - met.
5. Develop and review the People scorecard at each Committee meeting -met.

### 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 are undertaken and cover the activities of the Board and each Committee annually.

The Board has completed its review for FY20.

### Recommendation 1.7

A listed entity should:

- (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
- (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

Aventus has a performance management system to provide senior executives with clear annual performance objectives and a process for evaluating their performance.

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 measures are approved by the Board.

## Principle 2 – Structure the board to add value

The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively 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
  - > 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

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.

The Aventus Board has 4 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.

The Board considers that it has the appropriate mix of skills and experience to enable it to discharge its responsibilities as set out below:

Specific	General
Accounting and Tax	Business Management
Finance & Capital Management	Strategic Planning
Property & Asset Management	Risk Management
Funds Management	Work Health & Safety
Acquisitions	Technology and Process Improvement
Executive Leadership	Sustainability
Retail	Corporate Governance
Development	

### 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, four 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

Ray Itaoui (Non-Executive Director) – appointed as a director of ACL and AHL on 29 May 2020

**The other director is:**

Darren Holland, the CEO 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

**The following directors resigned during FY20:**

Brett Blundy (Non-Executive Director) resigned on 12 May 2020

Nico van der Merwe (the Alternate Director for Brett Blundy) resigned on 12 May

## Recommendation 2.4

A majority of the board of a listed entity should be independent 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 independence of Directors and examples of interests, positions and relationships that may raise issues, 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

The Board is comprised of 5 directors, 4 of whom are considered independent.

Mr Itaoui joined the Board on 29 May 2020. Mr Itaoui is a substantial holder in Aventus and holds approximately 5% of the issued securities of the Group. The Board considered this criterion as set out in the Corporate Governance Principles and Recommendations upon appointment and it was determined that Mr Itaoui's interest would not preclude him from acting as an independent director.

## 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 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.

Aventus has 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 regularly reviews 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, Aventus 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: Instil a culture of acting lawfully, ethically and responsibly.

### Recommendation 3.1

A listed entity should articulate and disclose its values.

Aventus has approved the values and purpose of the Group, and these are included in the Annual Report and Code of Conduct.

### Recommendation 3.2

A listed entity should:

- > have and disclose a code of conduct for its directors, senior executives and employees; and
- > ensure that the board or a committee of the board is informed of any material breaches of that code.

The Aventus Group is committed to a high level of integrity and ethical standards in all business practices. Directors, senior executives and employees of Aventus 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 Aventus 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 Aventus Group;
- > support the Aventus 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 team members are trained regularly on matters relating to ethical behaviour in the workplace.

### Recommendation 3.3

A listed entity should:

- > have and disclose a whistleblower policy; and
- > ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

Aventus team members are encouraged to speak up about any unlawful, unethical or irresponsible behaviour within the organisation through our whistleblower policy.

The Board or a Committee of the Board are to be informed of material incidents reported under the Aventus Whistleblowing Policy.

The Board of Aventus approved the Aventus Whistleblowing Policy in June 2019.

### Recommendation 3.4

A listed entity should:

- > have and disclose an anti-bribery and corruption policy; and
- > ensure that the board or a committee of the board is informed of any material breaches of that policy.

The Board considers that the giving bribes or other improper payments or benefits to public officials is a serious criminal offence and can damage a listed entity's reputation and standing in the community.

The Board or a committee of the board should be informed of any material incidents of bribery or corruption, as they may be indicative of issues with the culture of the organisation.

The Group's policy on anti-bribery and corruption policy forms part of the Aventus Code of Conduct.

## Principle 4: Safeguard integrity in corporate reporting

**A listed entity should have appropriate processes to verify the integrity of its corporate reports.**

### 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 Group has established an Audit, Risk and Compliance Committee (ARCC) to oversee the quality and integrity of accounting, audit, financial and risk management practices for Aventus. 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 22 September 2020 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 Aventus that the Aventus Group'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 should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

All periodic corporate reports are audited or reviewed by an external auditor.

The Aventus Group's auditors will be available to answer questions from Securityholders in relation to the financial statements and audit processes at the annual general meetings.



## Principle 5: Make timely and balanced disclosure

**A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.**

### Recommendation 5.1

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

The Aventus Group 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 Aventus' securities.

The Continuous Disclosure Policy has been established to ensure compliance with these requirements, and Aventus' 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, is the ASX liaison person for the Aventus Group.

## Principle 6: Respect the rights of Securityholders

**A listed entity should provide its Securityholders with appropriate information and facilities to allow them to exercise their rights as Securityholders effectively.**

### Recommendation 6.1

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

Aventus provides information to Securityholders, including:

- > the right for Securityholders to receive an annual report;
- > placement on the Aventus website of market-sensitive information in the form of ASX announcements;
- > placement on the Aventus 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 the Aventus website.

### Recommendation 6.2

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

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

The Aventus Investor Relations Policy is available to view under the 'Corporate Governance' section of Aventus' 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 Securityholders.

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

The Continuous Disclosure Policy is reviewed periodically and available to view under the 'Corporate Governance' section of the Aventus website.

### Recommendation 5.2

A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

The Company Secretary ensures that the board has timely visibility of the nature and quality of the information being disclosed to the market and the frequency of such disclosure.

### Recommendation 5.3

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

Aventus will release all substantive investor and analyst presentations prior to any presentations.

### Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of Securityholders are decided by a poll rather than by a show of hands.

All resolutions at annual general meetings of the Aventus Group are decided by a poll.

### Recommendation 6.5

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

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 Aventus' business activities and performance;
- > a live conference call of the presentation of annual and half-year results presentations;
- > a semi-annual schedule of one-on-one meetings with the CEO and senior leaders and Aventus' 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 Aventus' business activities and also meet with senior leaders.

## Principle 7: Recognise and Manage Risk

**A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.**

### Recommendation 7.1

The board of a listed entity should:

- > have a risk committee or committees to oversee risk, each of 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; or
    - > 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 Aventus and assessing the information presented by management. In addition, the ARCC regularly assesses whether Aventus' 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).

Aventus 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 Aventus' website.

Aventus 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 Aventus 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 environmental or social risks and, if it does, how it manages or intends to manage those risks.

The Aventus 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 Aventus 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 FY20 ESG Report is available at [www.ventusgroup.com.au](http://www.ventusgroup.com.au) at the Reports and Presentations section under the Investor Tab.

## Principle 8: Remunerate fairly and responsibly

**A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for Securityholders and with the entity's values and risk appetite.**

### 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.

Aventus has established the People, Culture and Remuneration (PRC) 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 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.

The PRC Committee Charter is available to view under the 'Corporate Governance' section of Aventus' website.

As at 22 September 2020 the members of the ARCC were: Ms Robyn Stubbs (Chair), Mr Ray Itaoui and Mr Bruce Carter.

### 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 team involved in the management of Aventus 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. Team 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 at [www.ventusgroup.com.au](http://www.ventusgroup.com.au) under the 'Corporate Governance' section of the Aventus Group's website.