

2019 NOTICE OF MEETING AND EXPLANATORY STATEMENT

25 November 2019



aveatus
GROUP

Notice of Meeting and Explanatory Statement

Annual General Meeting of Aventus Holdings Limited and the Annual General Meeting of the Aventus Retail Property Fund.

**Notice is given that a meeting
of members of Aventus Holdings
Limited (Company) will be held
in conjunction with a meeting of
the unitholders of the Aventus
Retail Property Fund (Fund),
and will be held at:**

Time: 10:00am (AEDT)
Date: Monday, 25 November 2019
Place: Dexus Place
Level 5
1 Margaret Street
Sydney NSW 2000

(AGM or Meeting)

This notice is issued by Aventus Holdings Limited (ABN 40 627 640 180) and Aventus Capital Limited (ABN 34 606 555 480) (ACL) as responsible entity of the Aventus Retail Property Fund.

The directors of AVN have appointed Bruce Carter (Chairman of the AVN board) as Chair of the AGM.

The accompanying Explanatory Statement forms part of this notice of meeting (**Notice**) and should be read in conjunction with it.

Chairman's Letter

21 October 2019

Dear Securityholders,

I am pleased to invite you to the Aventus Group's (AVN) inaugural Annual General Meeting (AGM or Meeting) to be held on Monday, 25 November 2019 at the Dexus Place, 1 Margaret Street, Sydney at 10:00am.

Enclosed is the Notice of Meeting and Explanatory Statement which outlines the formal business of the Meeting and encloses the proxy form.

Securityholders may use the proxy form to appoint a proxy if you are unable to attend in person.

AVN has also released the 2019 Annual Report, which includes the annual financial report. If you have elected to receive a hard copy of the Annual Report, a copy will be enclosed with this Notice.

The Annual Report and the 2019 AVN Sustainability Report are also available on AVN's website at www.ventusgroup.com.au in the Investors section under the Reports and Presentations tab.

The AGM will commence with presentations from Darren Holland, Chief Executive Officer and myself, followed by the formal items of business and time for questions from Securityholders.

Questions may be submitted by using the Question Form at the back of the Notice. A copy of the presentation will also be uploaded to the ASX and AVN's website on the day of the Meeting.

At the conclusion of the meeting, I invite you to join the AVN Board and Leadership Team for light refreshments and we look forward to welcoming you on the day.

Yours sincerely,



Bruce Carter

Chairman

Business of the Meeting

Item 1: Directors' Reports, Auditor's reports and Financial Statements

To receive the Directors' Reports and Financial Statements for the year ended 30 June 2019.

The financial statements for consideration at the AGM consist of the financial statements of AVN for the financial year ended 30 June 2019, the notes to those financial statements, the Directors' Reports, the Directors' Declarations and the auditor's reports including their Independence Statements.

Item 2: Resolutions

To consider, and if thought fit, to pass the following four resolutions (**Resolutions**):

Resolution 1: Election of Bruce Carter as a Director

To consider, and if thought fit, pass the following resolution as an ordinary resolution of the Company:

"That Bruce Carter, who retires in accordance with Rule 9.1 of the Company's Constitution, and being eligible, be re-elected as a Director of the Company."

Resolution 2: Adoption of the Remuneration Report

To consider, and if thought fit, pass the following resolution as non-binding resolution of the Company:

"That the Remuneration Report for the financial year ended 30 June 2019 be adopted."

Resolution 3: Approval of Issue of Restricted Stapled Securities to Darren Holland under the Aventus Group Equity Incentive Plan

To consider and, if thought fit, pass the following ordinary resolution of the Company and the Fund:

"That approval be given for all purposes, to grant to AVN's CEO, Darren Holland, 72,088 Restricted Stapled Securities for FY19 as the deferred component of his Equity Incentive Scheme grant under the Aventus Group Executive Incentive Scheme as set out in the Explanatory Statement to this Notice of Meeting."

Resolution 4: Approval to refresh AVN's 15% Placement Capacity

To consider, and if thought fit, pass the following resolution as an ordinary resolution of the Company and Fund:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Securityholders approve the issue of Stapled Securities on the terms and conditions as set out in the Explanatory Statement."

By Order of the Board



Mary Weaver

Company Secretary
21 October 2019

Notes Related to Voting

Entitlement to vote

For the purposes of the Meeting, persons who are registered as Securityholders at 10:00am AEDT on Saturday 23 November 2019 will be entitled to attend and vote at the Meeting (subject to any voting exclusions).

Voting Procedure

Resolutions 1, 3 and 4 are ordinary resolutions and must be passed by more than 50% of the votes cast by Securityholders entitled to vote on the relevant Resolution.

Resolution 2 is a non-binding resolution.

Voting will be conducted by a poll on all Resolutions set out in this Notice of Meeting.

In a resolution of the Company determined by poll, each Stapled Securityholder (Securityholder) present in person or by proxy has one vote for each fully paid ordinary Stapled Security held.

In a resolution of the Fund determined by poll, each Securityholder present in person or by proxy has one vote for every dollar of the total interest they have. The value of a Securityholder's total interest in the Fund will be calculated by reference to the last sale price of the Stapled Securities on the ASX on Friday 22 November 2019.

Quorum

The quorum for the Meeting is two Securityholders.

Registration

If you plan to attend the AGM, you are requested to arrive at the venue at least 10 minutes prior to the time designated so that the value of your Stapled Securities in AVN may be checked and your attendance noted.

Corporations

In order to vote at the AGM (other than by proxy), a corporation that is a Securityholder may appoint a person to act as its representative. The appointment must comply with sections 250D (for the meeting of the Company) and 253B (for the meeting of the Fund) of the Act. The representative must bring to the Meeting evidence of his or her appointment including any authority under which it has been signed.

Voting by proxy

If you are not attending the Meeting and are entitled to vote on any of the Resolutions, you may appoint a proxy to attend and vote for you. A proxy can be any person and does not need to be a Securityholder. Your proxy can be appointed in respect of some or all of your votes.

A Securityholder that is entitled to cast two or more votes may appoint two proxies and you may specify the proportion or number of votes each proxy may exercise. If you appoint two proxies and fail to specify the proportion or number of votes that each proxy may exercise, each proxy may exercise an equal portion of the votes. A separate form should be used for each proxy appointment.

Voting Exclusion Statement

To ensure that all Securityholders can exercise their right to vote on the Resolutions, a Proxy Form will be made available to all Securityholders with this Notice.

The Proxy Form allows you to appoint a person (including the Chair of the Meeting) of your choice as your proxy. If you return the Proxy Form without naming a proxy, the Chair will be appointed as your proxy.

You can direct your proxy how to vote and the proxy must vote that way. If you direct your proxy how to vote and your nominated proxy does not attend, or attends but does not vote, on a poll on a resolution, the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any directions. If you do not give a direction, your proxy may, subject to any voting exclusions, vote as he or she sees fit.

If the Chairman of the Meeting is your proxy and you do not mark any of the boxes opposite Resolution 2 or 3, then by signing and returning the Proxy Form you will be expressly authorising the Chair of the Meeting to vote as he sees fit in respect of the relevant resolution even though it is connected with the remuneration of the key management personnel (KMP).

The Chair intends to exercise available undirected proxies in favour of all the Resolutions.

To ensure that your vote is cast as you wish, it is recommended that, whoever you appoint as your proxy, you direct your proxy as to how to vote on the Resolutions.

The Proxy Form and the original power of attorney or authority (if any), or a copy of that power or authority which has been notarially certified as a true copy, under which the Proxy Form is signed must be received at least 48 hours before the time for holding the Meeting (i.e. by 10:00am AEDT on Saturday 23 November 2019). Proxies should be lodged in accordance with the instructions set out in the Proxy Form.

If the Proxy Form and authority (if any) under which it is signed is sent by facsimile then the original proxy and authority must be provided to AVN before the time for holding the Meeting or must be produced at the start of the Meeting.

You can lodge your Proxy Form by:

- > **mailing it to:**
Aventus Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia;
- > **delivering it by hand during business hours (Monday to Friday, 9:00 am – 5:00 pm AEDT) to:**
Link Market Services Limited
1A Homebush Bay Drive,
Rhodes NSW 2138;
- > **lodging it online at:**
www.linkmarketservices.com.au; or
- > **faxing it to:** +61 2 9287 0309.

Section 253E of the Corporations Act provides that a responsible entity of a managed investment scheme and its associates are not entitled to vote their interest on any resolutions if they have an interest in the resolution other than as a member, unless the vote is cast as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form.

Resolution 2:

The Company will disregard any votes cast on Resolution 2:

- > in any capacity, by or on behalf of a member of the KMP whose remuneration is disclosed in the Remuneration Report for the year ended 30 June 2019 and their closely related parties (such as close family members and any controlled companies); and
- > as proxy by a member of the KMP at the date of the Meeting and their closely related parties.

unless the vote is cast as a proxy for a person entitled to vote:

- > in accordance with the directions on the proxy form; or
- > by the Chair of the Meeting in accordance with an express authorisation in the proxy form to vote as the proxy decides, even though the resolution is connected with the remuneration of the KMP.

Resolution 3:

In respect of Resolution 3:

- > the Company and the Fund will disregard any votes cast in favour of the Resolution in any capacity, by or on behalf of Darren Holland or any of his associates; and
- > in the case of the Company, the Company will disregard any votes cast as a proxy by a member of the KMP at the date of the Meeting and their closely related parties,

unless the vote is cast as a proxy for a person entitled to vote:

- > in accordance with the directions on the proxy form; or
- > by the Chair of the Meeting in accordance with an express authorisation in the proxy form to vote as the proxy decides, even though the resolution is connected with the remuneration of the KMP.

Resolution 4:

The Company and the Fund will disregard any votes cast in favour of Resolution 4 by or on behalf of Securityholders who participated in the issue or any associates of those Securityholders.

However, votes will not be disregarded on this Resolution if they are cast as proxy for a person entitled to vote:

- > in accordance with the directions in the proxy form; or
- > by the Chair of the Meeting in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Statement

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Securityholders in deciding whether or not to pass the Resolutions.

Item 1

Financial Statements And Reports

In accordance with the *Corporations Act 2001* (Cth) ('**Corporations Act**'), the business of the Meeting will include receipt and consideration of the annual financial report of AVN for the financial year ended 30 June 2019 together with the declarations of the directors, the directors' reports, the Remuneration Report and the auditor's reports.

Neither the Corporations Act nor the Company's constitution requires the Securityholders to vote on the financial statements or the accompanying reports. However, Securityholders will be given the opportunity to raise questions or comments on the financial statements at the AGM. In addition, Securityholders will be given the opportunity to ask AVN's auditor, Ernst & Young, questions relevant to the conduct of the audit, the independence of the auditor in relation to the conduct of the audit, AVN's accounting policies and the preparation and content of the auditor's report.

AVN will not provide a hard copy of AVN's annual financial report to Securityholders unless specifically requested to do so.

Item 2

Resolution 1 – Re-election of Bruce Carter as a Director

In accordance with rule 9.1 of the Company's Constitution, Bruce Carter will retire at the Annual General Meeting and, being eligible, offers himself for re-election.

Bruce Carter was appointed as a director of the Company on 2 August 2018 and has been a Director of ACL (the responsible entity of the Fund) since 22 June 2015.

Bruce has spent over 30 years in corporate recovery and insolvency. Bruce was formerly the managing partner at Ferrier Hodgson Adelaide and prior to that a partner at EY. He was formerly Chair of the South Australian Economic Development Board and a member of the Executive Committee of Cabinet.

Bruce is currently Chair of the Australian Submarine Corporation, Deputy Chair of SkyCity Entertainment Group Limited, a director of the Bank of Queensland Limited and a director of Genesee & Wyoming Inc. He holds a Masters of Business Administration from Heriot-Watt University and a Bachelor of Economics from University of Adelaide. He is a Fellow of both the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.

Bruce is the Chair of the AVN Board, a member of the Audit, Risk and Compliance Committee and a member of the People, Culture and Remuneration Committee.

Bruce is a highly qualified and skilled Director and through his experience, he brings to the Group's Board and Committees specific skills in accounting, finance and capital management, as well as general skills in business management and strategic planning.

Bruce has outlined details of his other commitments to the People, Culture and Remuneration Committee and has acknowledged he has the capacity and time to fulfil his responsibilities as Chair. Additionally, he has attended all Board and Committee meetings held throughout the year.

As a matter of good governance, the Group obtained fresh background checks to Bruce's character, experience, education, criminal record and bankruptcy history. No adverse information was revealed.

As at 30 June 2019, Bruce held 1,189,312 Stapled Securities. If elected the Board considers that Bruce Carter will be an independent director.

Board recommendation

The Board (other than Mr Carter) supports the re-election of Bruce Carter and recommends that Securityholders vote in favour of Resolution 2.

Resolution 2 – Adoption of Remuneration Report

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the Securityholders. However, such a resolution is advisory only and does not bind the company or its directors.

The remuneration report contains:

- > the Group's remuneration governance framework and strategy and the responsibilities of the board and the People, Culture & Remuneration Committee;
- > AVN's remuneration arrangements for the directors and senior management;
- > Outcomes against performance conditions; and
- > Contractual arrangements with executive KMP

The Group is committed to ensuring that the approach to remuneration is reflective of performance and in line with achieving the Group's business strategy.

The board regularly incorporates Securityholder and proxy advisor feedback and is open to continually enhancing the remuneration policy and structure.

The remuneration report is part of the directors' report contained in the annual financial report of AVN for a financial year.

The Chair of the meeting must allow a reasonable opportunity for its Securityholders to ask questions about or make comments on the remuneration report at the Meeting.

Board recommendation

The Board unanimously recommends that Securityholders vote in favour of this non-binding resolution.

A voting exclusion statement applies to this resolution.

Resolution 3: Issue of Restricted Stapled Securities to Darren Holland

In accordance with ASX Listing Rule 10.14, AVN is seeking approval of Securityholders for the grant of Restricted Stapled Securities to Darren Holland as the deferred equity component of his FY19 Equity Incentive Scheme (EIS) grant under the Aventus Group Equity Incentive Plan (the Plan) on the terms set out below.

In October 2018, on the internalisation of the Fund to create the AVN Group, the Board adopted the Plan to deliver sustainable and superior business performance underpinned by the following principles:

- > Remuneration is externally competitive in terms of quantum, mix and design to support the attraction and retention of employees and takes into account the relative size and nature of the Aventus business and its ability to pay and the role and experience of employees.
- > Remuneration comprises fixed and variable remuneration components.
- > The remuneration framework focuses on short-term and long-term performance by setting annual Key Performance Indicators (KPIs) and delivering a material proportion of variable remuneration in equity which will be subject to vesting conditions over 2, 3, and 4 years.
- > The remuneration framework is designed to be simple and transparent.
- > Variable remuneration is delivered via the EIS.
- > Restricted Stapled Securities under the EIS are issued for nil consideration.
- > Participants who have been allocated restricted Stapled Securities will be entitled to dividend, distribution and voting rights on the same basis as other Securityholders.

Other Key Terms of the Plan include:

Cessation of employment

Unless the Board determines otherwise:

- > if Darren Holland's employment is terminated for cause, misconduct, or gives notice of his resignation, he will not be entitled to receive any EIS award for the performance period in which he ceases employment and any unvested restricted Stapled Securities will be forfeited; and
- > if Darren Holland ceases employment for any other reason, he will be entitled to a pro-rated EIS award for the performance period in which he ceases employment (based on performance achieved against the performance conditions and the time served during the performance period). In this case the EIS award may be paid fully in cash (at the normal payment date). Any unvested restricted Stapled Securities granted will continue to be restricted until the original vesting dates.

Change of control

Unless the Board determines otherwise, restricted Stapled Securities will vest in full upon a change of control.

Clawback

The Board may claw back restricted Stapled Securities granted under the EIS in certain circumstances (e.g. gross misconduct, material misstatement, fraud or where in the Board's opinion performance that led to cash payments / equity being awarded is later determined to have been incorrectly measured or not sustained)

The following KPIs and weightings applied to the FY19 EIS Offer to Darren Holland as set out in the FY19 Remuneration Report:

Financial KPIs			Non-financial KPIs	
Funds from Operations	Securityholder Return	Cost Control	People & culture	Board discretion
30%	30%	15%	15%	10%

Darren Holland's FY19 EIS grant is as follows taking into account the satisfaction of the performance hurdles as summarised in the FY19 Remuneration Report:

FY19 EIS	FY19 EIS Cash component (50%)	FY19 EIS Deferred Equity Component (50%)
\$380,625	\$190,313	\$190,313 divided by \$2.64 (VWAP) = 72,088 Restricted Stapled Securities

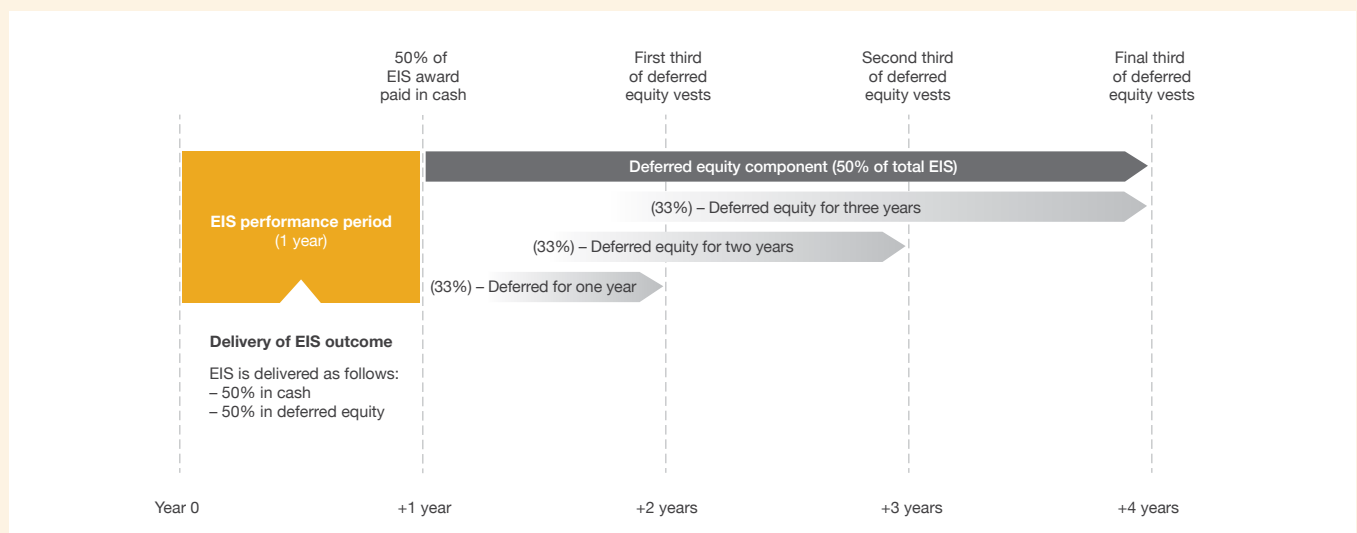
If Securityholder approval is obtained, the Deferred Equity Component of Darren Holland's incentive of 72,088 Restricted Stapled Securities will be issued in accordance with the rules of the Plan and the terms of the grant shortly after the conclusion of the Meeting, and in any event no later than 12 months of the Meeting.

A Restricted Stapled Security allocated in respect of the FY19 EIS Offer is a stapled security comprising one unit in the Fund and one fully paid ordinary share in the Company subject to Disposal Restrictions until the relevant the Vesting Date.

On each applicable vesting date (see below), subject to continued employment, the relevant portion of Restricted Stapled Securities will vest and Darren Holland will be free to deal with the Stapled Securities (subject to compliance with the AVN Securities Trading Policy).

Restricted Stapled Securities will vest in three tranches, each vesting date being the day following the release of full-year results for the first, second and third financial years immediately following the Performance Period and therefore:

- > **Tranche 1:** 33.33% of the Restricted Stapled Securities will vest approximately one year after the Allocation Date;
 - > **Tranche 2:** 33.33% of the Restricted Stapled Securities will vest approximately two years after the Allocation Date; and
 - > **Tranche 3:** 33.34% of the Restricted Stapled Securities will vest approximately three years after the Allocation Date,
- provided Darren Holland is employed until the relevant vesting date (subject to the cessation of employment provisions set out above) and the Board has not determined that a "clawback" of any Restricted Stapled Securities is required:



Additional information required by the ASX Listing Rules

In relation to the Plan:

- > Mr Holland is the only Director entitled to participate in the Plan;
- > there is no loan scheme in relation to the scheme;
- > no grant of securities under the Plan has previously been approved; and
- > if approval is given by Securityholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.

Board Recommendation

The Board (other than Mr Holland) unanimously recommends that Securityholders vote in favour of this recommendation. A voting exclusion statement applies to this resolution.

Resolution 4: Approval to refresh AVN's 15% Placement Capacity

On 30 August 2019, AVN announced that it issued 8,317,616 fully paid Stapled Securities at an issue price of \$2.35 per Stapled Security through a DRP Underwriting Agreement with Macquarie Capital (Australia) Limited.

On 24 September 2019, AVN announced that it had entered into DRP Underwriting Agreement with Macquarie Capital (Australia) Limited.

Resolution 4 seeks Securityholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Stapled Securities (**Ratification**).

ASX Listing Rule 7.1 provides that a listed entity must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period without Securityholder approval.

ASX Listing Rule 7.4 provides that where a listed entity in general meeting ratifies a previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach the 15% limit set out in ASX Listing Rule 7.1) those securities will be deemed to have been made with Securityholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying these issues, the Stapled Securities referred to above will no longer be counted towards the 15% limit set out in ASX Listing Rule 7.1. This will enable AVN to retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Stapled Securityholder approval.

Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

30 August 2019 Issue

1. 8,317,616 Stapled Securities were issued;
2. The issue price was \$2.35 per Stapled Security;
3. The Stapled Securities issued were all fully paid ordinary Stapled Securities in the capital of AVN issued on the same terms and conditions as AVN's existing Stapled Securities;
4. The Stapled Securities were issued to existing institutional, sophisticated and strategic Securityholders. None of these subscribers are related parties of AVN; and
5. The funds raised from this issue are being used for the repayment of debt and funding the development pipeline.

October 2019 Issue

1. Stapled Securities to the value of \$19,667,812.70 were issued;
2. The issue price was calculated using a 10 day volume average weighted price (VWAP) in the period between 3 October 2019 to 16 October 2019;
3. The Stapled Securities issued were all fully paid ordinary Stapled Securities in the capital of AVN issued on the same terms and conditions as AVN's existing Stapled Securities;
4. The Stapled Securities were issued to existing institutional, sophisticated and strategic Securityholders. None of these subscribers are related parties of AVN; and
5. The funds raised from this issue are being used for the repayment of debt and funding the development pipeline.

Board Recommendation

The Board unanimously recommends that Securityholders vote in favour of this recommendation.

A voting exclusion statement applies to this resolution.