

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

AVJennings Limited

ABN/ARBN

44 004 327 771

Financial year ended:

30 June 2021

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: [www.avjennings.com.au/about us/investor centre/corporate governance](http://www.avjennings.com.au/about-us/investor-centre/corporate-governance)

The Corporate Governance Statement is accurate and up to date as at *[insert effective date of statement]* and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 27 August 2021

Name of authorised officer
authorising lodgement:

Carl Thompson, Company Secretary

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: www.avjennings.com.au/about us/investor centre/corporate governance .	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “[www.entityname.com.au/corporate governance/charters/](http://www.entityname.com.au/corporate-governance/charters/)”).

⁵ If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) 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</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) 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</p> <p>(B) 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.</p> <p>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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: www.avjennings.com.au/about us/investor centre/corporate governance.</p> <p>and we have disclosed the information referred to in paragraph (c) in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(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.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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</p> <p>(b) 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.</p>	<p><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at: www.avjennings.com.au/about-us/investor-centre/corporate-governance</p> <p>and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement and in the Director's Report contained in our 2021 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent in our Corporate Governance Statement and, where applicable, the information referred to in paragraph (b) in our Corporate Governance Statement</p> <p>and the length of service of each director at: in the Directors Report, which is contained in our 2021 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: www.avjennings.com.au/about-us/investor-centre/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: www.avjennings.com.au/about-us/investor-centre/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> www.avjennings.com.au/about-us/investor-centre/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) 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; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: www.avjennings.com.au/about us/investor centre/corporate governance</p> <p>and the information referred to in paragraphs (4) and (5) at: the Directors Report section of the Company's 2021 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>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.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>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.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: www.avjennings.com.au/about us/investor centre/corporate governance (as part of our Shareholder Communication Policy)	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: www.avjennings.com.au/about us/investor centre/corporate governance	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders in our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: www.avjennings.com.au/investor-centre/corporate-governance</p> <p>and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement and Directors Report section of the Company's 2021 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) 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 governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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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.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks in our Corporate Governance Statement. and, if we do, how we manage or intend to manage those risks in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: www.avjennings.com.au/about us/investor centre/corporate governance</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in our Corporate Governance Statement and the Director's Report section of the Company's 2021 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) 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</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it in our Corporate Governance Statement and the Director's Report section of the Company's 2021 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Corporate Governance Statement *For the year ended 30 June 2021*

This Corporate Governance Statement indicates AVJennings Limited's ("AVJennings, the Company") conformance with the Australian Securities Exchange's ("ASX") Corporate Governance Council's, "Corporate Governance Principles and Recommendations" (4th Edition), as required by the ASX Listing Rules.

The AVJennings Corporate Governance Statement is structured with reference to the ASX recommendations and discloses, where the Board considers the recommendations to be appropriate benchmarks for AVJennings' corporate governance practices, the extent to which it follows the recommendations. In compliance with the "if not, why not" regime, areas of non-compliance are disclosed under the relevant principle, with an explanation as to why a recommendation has not been followed and what, if any, alternative practices have been adopted. All corporate practices within this Report were in place for the entire year unless otherwise indicated. This Statement refers to documents that support AVJennings' Corporate Governance framework and it is posted on the Investors-Corporate Governance section on the Company's website: www.avjennings.com.au.

Principle 1: Lay Solid Foundations for Management and Oversight

Role of Board and Management

The ASX Corporate Governance Council Principles and Recommendations require AVJennings to disclose the respective roles and responsibilities of the Board and management and matters expressly reserved for the Board and those delegated to management. The roles and responsibilities of AVJennings' Board, Board Committees and senior management have been established through Board approved Charters, which have been operational throughout the period and are disclosed on its website at www.avjennings.com.au.

Key accountabilities and matters reserved for the Board include:

- Ensuring that AVJennings is financially sound and meets its regulatory, prudential and other requirements, and has appropriate financial reporting practices;
- Approval of a strategic plan, which is designed to meet stakeholders' needs and manage business risk. The Board is actively involved in developing and approving the strategic plan;
- Approval of initiatives and strategies designed to ensure the continued growth and success of the entity;
- Approval of, and implementation of, operating plans and budgets by management and monitoring of progress against budget
 - This includes the establishment and monitoring of key performance indicators (both financial and non-financial) for all significant business processes;
 - The establishment of committees or management reporting mechanisms and policies to manage and report on regulatory requirements such as occupational health and safety;
 - The establishment of financial delegations by the Board, applying to management and staff;
 - The review and ratification of systems of risk management and internal compliance and control, codes of conduct and legal compliance;
 - The approval of and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures; and
 - The approval and monitoring of financial and other reporting.

- The establishment of appropriate Board Committees to advise, review and approve management actions to ensure they are in line with company policy;
- To select and appoint (and if appropriate, remove from office) the Chief Executive Officer and determine his/her conditions of service; and
- To ratify the appointment and removal of senior executive positions and determining whether the terms and conditions (including remuneration) are appropriate.

To assist it in carrying out its responsibilities, the Board has established several standing Board Committees of its members. Director appointments to Board Committees are by formal resolutions of the Board. The Chairman of each Committee reports on any matters of substance at the next full Board Meeting. Membership of Board Committees and attendance at Board and Committee meetings is tabulated in the *Director's Report* section of AVJennings' 2021 Annual Report.

The Board Committees are:

- Audit Committee
- Nominations Committee
- Remuneration Committee
- Investments Committee
- Risk Management Committee (incorporating the Occupational Health, Safety and Environment sub-committee)

Responsibility for the day-to-day operation and administration of AVJennings and the entities it controls is delegated by the Board to the Chief Executive Officer, assisted by his direct reports. The Board ensures that the Chief Executive Officer is appropriately qualified and experienced to discharge his responsibilities and has in place procedures to assess his performance.

The Chief Executive Officer is accountable to the Board for the authority that is delegated to the Chief Executive Officer and reports routinely to the Board on AVJennings' progress on achieving its short, medium and long terms plans.

The Board has also approved financial delegations and personnel delegations which cover specific areas of delegated responsibility to the Chief Executive officer and senior management.

Appointment of New Directors

The Board has established a Nominations Committee, which is charged in the terms of its Charter with the review of Board composition, recommending the appointment or removal of directors and assisting in identifying, interviewing and recruiting candidates for appointment as Directors. As part of its role, the Nominations Committee ensures that appropriate background checks are performed before Directors are appointed to the Board. When putting forward to shareholders a candidate for election as a Director, AVJennings provides shareholders with all material information in its possession relevant to a decision on whether or not to elect that candidate as a Director.

All persons who are invited and agree to act as a Director of AVJennings do so by a formal letter of consent. AVJennings has a written agreement with each of its Directors and senior executives, setting out the terms of their appointment.

Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board, including advising on governance matters, monitoring that Board policies and procedures are followed, coordinating all Board business, including meetings, agendas, Board papers and minutes, and monitoring the completion of actions arising from Board meetings. The Company Secretary is also responsible for lodgements with relevant regulators, management of dividend payments

and/or dividend reinvestment plan allotments and management of the relationship between shareholders and the share registry.

Directors have access to the Company Secretary at all times.

Diversity

In accordance with the ASX recommendations, the Board has established a Diversity Policy and has set measurable objectives to achieve its goals on diversity. The Diversity Policy is available for viewing on the Company's website at www.avjennings.com.au.

AVJennings' approach to diversity, measurable objectives it has set and progress towards achieving these objectives, together with details of the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board, are shown in the attached Diversity Report.

Board and Committee Performance Evaluation

The Nominations Committee Charter provides that the Committee should establish a performance evaluation process and evaluate the performance of the Board and its Committees at least annually. In October 2020, through the Nominations Committee, the Directors reviewed the performance of the whole Board and Board Committees. The review considered each Director's expertise, skill and experience, along with their understanding of AVJennings' business, preparation for meetings, relationships with other Directors and management, awareness of ethical and governance issues, and overall contribution. The outcomes of the review were discussed and considered by all the Directors and the conclusion was that the Board and each of the Board Committees were operating effectively.

AVJennings experienced a challenging year with the ongoing effects of the COVID-19 pandemic being felt throughout FY21. Despite the constraints imposed by intermittent lockdowns in Australian States where it operates and New Zealand, the Company was able to generate strong results. Prudent capital management, the scaling back of building activity and a cautious approach to acquisitions in the early phases of the pandemic allowed the Company to ensure it retained a strong balance sheet. As a result, the Company was well placed to scale up operations as market conditions improved during the course of FY21. The Board, together with the Risk Management Committee, provided good oversight of management's actions in dealing with safety concerns, as well as operational initiatives required in response to the pandemic crisis.

Senior Executive Performance Evaluation

The roles and responsibilities of the Chief Executive Officer and senior management are established through key performance objectives. They are assessed against those objectives on an annual basis, or more frequently if that is considered necessary.

The Remuneration Committee monitors the performance of the Chief Executive Officer. It also monitors the performance of the Chief Financial Officer and the Company Secretary in consultation with the Chief Executive Officer. The Chief Executive Officer assesses the performance of senior management and these assessments are reviewed by the Remuneration Committee. During the reporting period, an evaluation of the Chief Executive Officer and senior executives has taken place, with the Board pleased with their performance. The FY21 result represented good performance by the management team in difficult circumstances.

Principle 2: Structure the Board to be Effective and Add Value

Composition of the Board

AVJennings' Constitution and Section 201A of the Corporations Act 2001 stipulate that a public company must have at least three Directors.

The Board has adopted guidelines concerning its composition, which are disclosed in the Board Charter. For the time being, the Board has determined that there shall be at least five Directors, increasing where additional expertise is required.

Nominations Committee

The Board has a Nominations Committee, which during the year comprised three Independent Directors, Messrs B G Hayman (Chairman), R J Rowley, B Chin and one Non-Executive Director, Mr S Cheong. The Board is of the view that the Committee, which consists entirely of Non-Executive Directors and with an independent majority, is structured appropriately to perform its functions.

The Nominations Committee Charter sets out its role, responsibilities, composition, structure, membership requirements and guidelines and is posted on the Corporate Governance section of AVJennings' website. Details of the number of meetings held and attendance at the meetings during the financial year are disclosed in the *Directors Report* section of AVJennings' 2021 Annual Report.

The Nominations Committee assists the Board in identifying, evaluating and recommending candidates to the Board, having regard to the relevant skills, experience, personal attributes, diversity, availability and time commitments required of new Directors. The Committee may make use of external consultants if that is deemed appropriate.

Board Structure and Skills

The Board seeks to achieve a balance in its structure to best reflect the needs of the Company at any particular time. Appointment to the Board will be dependent on candidates demonstrating an appropriate breadth of experience in a field of expertise that is relevant to the ongoing supervision of AVJennings' affairs. A Board skills matrix has been developed and is used to assess the skills and experience available on the Board and to identify gaps in skills, if any. Development of strategy and policy, financial literacy, industry experience, skills and experience in banking and finance, risk management, compliance oversight, sales and commercial are some of the desirable attributes identified in the matrix and these are collectively available on the Board.

Director Independence

The Board includes both Executive and Non-Executive Directors with a majority of Non-Executive Directors. The Non-Executive Directors include both independent and non-independent Directors. As at 30 June 2021, the Board comprised of nine Directors, with six of the eight Non-Executive Directors, namely Messrs Jerome Rowley, Bruce Hayman, Bobby Chin, Teck Poh Lai, Philip Kearns and Ms Lisa Chung being independent, as determined in accordance with the ASX guidelines on independence.

The other two Non-Executive Directors, namely Mr Simon Cheong (Chairman) and Mr Boon Leong Tan represent SC Global Developments Pte Ltd, a substantial shareholder, but have no involvement in the operational management of the Company.

The Managing Director/Chief Executive Officer, Mr Peter Summers, is an Executive Director.

Messrs Bruce Hayman and Bobby Chin have been Directors of AVJennings since 18 October 2005. Mr Jerome Rowley has been a Director of AVJennings since 22 March 2007. They have no involvement in the operational management of the Company and after giving due consideration to the matters and relationships listed in the ASX guidelines on independence, the Board has determined that their status as independent Directors has not been compromised.

Directors are required to ensure that they immediately advise the Board of any relevant, new or changed relationships, to enable the Board to consider and determine the materiality of those relationships.

The *Directors' Report* section of AVJennings' 2021 Annual Report provides a brief description of each Director's qualifications, experience, length of service, special responsibilities and status as Executive, Non-Executive or Independent Director.

Chairman

The Chairman of the Board is selected by the full Board. The current Chairman of the Board, Mr Simon Cheong, is also Chairman of the Board of a substantial shareholder, SC Global Developments Pte Ltd and is not considered an Independent Director. The Board believes that notwithstanding Mr Cheong's role as an officer of a substantial shareholder, AVJennings was best served with his acting as Chairman due the strength of his skills, business contacts, acumen as well as his experience and commitment to that role. The roles of Chairman and Chief Executive Officer are exercised by different individuals.

Director Induction and Education

New Directors are inducted individually on AVJennings' financial, strategic, operational and risk management positions, the culture and values of the Company and meeting arrangements. Directors have access to Company records and information through the Company Secretary and other relevant senior officers. They receive regular detailed reports on financial and operational aspects of AVJennings' business and may request elaboration or explanation of those reports at any time.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Directors also have the right to seek independent professional advice at the Company's expense. Prior approval of the Chairman is required but this may not be unreasonably withheld. Any advice obtained is made available to the Chairman.

Principle 3:

Instil a Culture of Acting Lawfully, Ethically and Responsibly

Our purpose is straightforward: "Housing Matters. Community Matters." This is achieved through our people who live our values, which include integrity, accountability, customer focus, safety and teamwork.

Code of Conduct

AVJennings is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The AVJennings Code of Conduct sets out the behaviour required of all Board members, senior management, employees and contractors throughout the period. The content of the Code is integrated into management practices and forms part of the terms of employment of all AVJennings employees. The Code, which is disclosed on the AVJennings' website, provides a mechanism for employees to report breaches of the Code without fear of retribution. Senior management deals with breaches of the Code and monitors compliance. The Company Secretary and the Chief Executive Officer report to the Board and the Audit Committee on various aspects of Code compliance.

Conflicts of Interest

Directors are required to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. All Directors are required to disclose to the Board details of transactions which may create a conflict of interest for them in the decisions placed before the Board, in accordance with the *Corporations Act 2001*.

Directors do not participate in discussions and abstain from voting on any decisions in which they have, or may be perceived to have, a material personal interest.

Whistleblower Policy

AVJennings' Whistleblower policy is disclosed in the Investor Centre/Corporate Governance section of its website www.avjennings.com.au. The Policy provides a framework for reporting, investigating and responding to issues where unlawful, unethical or improper conduct or practices are observed or reported. The Policy also provides protection for individuals reporting matters of concern in good faith, either anonymously or otherwise.

Fraud and Corruption Prevention Policy

AVJennings' Fraud and Corruption Prevention policy, in conjunction with the Whistleblower Policy and Code of Conduct, aim to raise awareness of fraud and its prevention in AVJennings' business. The Policy provides guidance on reporting suspected fraud and how investigation of that report will proceed. All material breaches of the Fraud and Corruption Prevention Policy are reported to the Board through the Audit Committee.

Principle 4: Safeguard the integrity in Corporate Reports

Audit Committee

The AVJennings Audit Committee comprises three Independent Directors, Mr B Chin (who is a Chartered Accountant and is also the Chairman of the Committee), Mr R J Rowley and Mr Teck Poh Lai. The Chairman of the Committee is a different individual to the Chairman of the Board. The qualifications of members and their attendance at meetings during the financial year are provided in the *Directors Report* of the AVJennings' 2021 Annual Report.

The Audit Committee Charter sets out its role, responsibilities, composition, structure and membership requirements and is posted on the Investor Centre - Corporate Governance section of AVJennings' website, www.avjennings.com.au

All other members of the Board are invited to attend Audit Committee meetings as observers and in a non-voting capacity. The Chief Executive Officer, Chief Financial Officer, Company Secretary and External Auditor are also invited to attend. The Audit Committee papers, including the minutes of the previous Committee Meetings, are sent to all Board members and other invitees. The Internal Auditor attends Audit Committee meetings at the discretion of the Committee and it is usual for the Internal Auditor to attend Committee meetings.

The Committee meets at least three times during the year and the Chairman of the Committee is available to report on or answer questions about the Committee's conclusions and recommendations to the Board. As disclosed in the *Directors' Report* section of AVJennings' 2021 Annual Report, the Committee held three meetings during the year.

Audit Governance

AVJennings has a policy on the provision of auditing and related services. The Committee is satisfied with the independence of the External Auditor. AVJennings' External Auditor, Ernst & Young, has provided the Audit Committee with half yearly and annual certification of its continued independence, in accordance with the requirements of the *Corporations Act 2001*.

The Committee typically meets privately with the External Auditor on an annual basis without management in attendance, to discuss any matters that the Committee Members or Auditor believe should be discussed privately. The last such meeting took place as part of the August 2021 Committee meeting.

Financial Report and CEO/CFO Declarations

The Board receives regular reports about the financial condition and operational results of AVJennings throughout the year. In relation to the half year and annual financial statements, Senior Management is required to sign off on the systems and processes within their area of responsibility. This procedure supports the Managing Director and Chief Financial Officer in their certification to the Board in effect stating that:

- AVJennings' financial statements comply with the appropriate accounting standards and give a true and fair view, in all material aspects, of its financial position and performance; and
- the opinion has been formed on the basis of a sound system of risk management and internal compliance and control, which is operating effectively,

During the 2021 financial year, the Board received declarations and statements referred to above in relation to the half year ending 31 December 2020 and the full year ending 30 June 2021.

Principle 5: Make Timely and Balanced Disclosure

Continuous Disclosure Policy

A continuous disclosure regime operates throughout the Group. AVJennings has in place a formal disclosure policy, contained within the Shareholder Communication Policy, to ensure matters that a person could reasonably expect to have a material effect on the share price are announced to the ASX and Singapore Exchange (SGX) in a timely manner. This policy has been formally communicated to all relevant staff. The Company Secretary is the nominated Continuous Disclosure Officer. The Board is advised of any notifiable events. The Board approves, or is advised of, all releases that are made to the ASX and the SGX. The Shareholder Communication Policy and all announcements made by AVJennings are posted in the "Investor" section of the Company's website www.avjennings.com.au.

The policy addresses:

- Compliance with continuous disclosure obligations;
- Maintenance of confidentiality where appropriate;
- Timely and factual release of information where appropriate;
- Clarity and balance in reporting; and
- Equal and timely access to information.

Multiple levels of review exist for disclosures that are not subject to external audit, to ensure factual accuracy and completeness. These include verification and substantiation of information by individual contributors, as well as verification and approval by senior management and the Board prior to release to the market. All Directors receive copies of AVJennings' ASX and SGX market announcements and they are also posted on its website www.avjennings.com.au.

Principle 6: Respect the Rights of Shareholders

Shareholder Communication

AVJennings endeavours to keep its Shareholders fully informed of matters likely to be of interest to them. The Shareholder Communication Policy outlines the process through which AVJennings will endeavour to ensure timely and accurate information is provided equally to all shareholders. Information is communicated to shareholders through:

- Reports to the ASX, SGX and the press;

- Half and full year profit announcements;
- Annual Reports;
- Investor briefings and information provided to analysts (which are released to the ASX and SGX prior to being provided to the analysts);
- Continuous disclosure to the ASX pursuant to the ASX Listing Rules and notification of the same information to the SGX; and
- Posting all the above and any other notifications made by AVJennings to Shareholders, on its website.

AVJennings' website – www.avjennings.com.au has a section titled “Investor Centre” with sub sections on:

- Previous Annual Reports and Half Yearly Reports;
- AVJennings' share price on the ASX- provided by a link to the ASX web site;
- Announcements made to the ASX and SGX;
- Copies of investor presentations;
- Corporate Governance Charters and Policies including a Shareholder Communication Policy;
- Terms and conditions of the Company's Dividend Reinvestment Plan; and
- Media releases.

Investor Relations

AVJennings engages with its institutional investors, research analysts and individual investors on a scheduled (release of half and full year results) and ad-hoc basis (at other times during the year). The Board places importance on these interactions as it allows the Company to articulate its strategy and also to receive feedback from investors on its strategy, financial performance and governance. Advance notification of scheduled teleconference/webinar results briefings are provided to shareholders via an announcement on the ASX and SGX. Presentation slides relating to the briefings are lodged with the ASX and SGX prior to the briefings.

Meetings of Shareholders

In accordance with changes to the *Corporations Act* to deal with the COVID-19 pandemic, the Annual General Meeting (AGM) for 2020 was held via a webinar. All Shareholders were encouraged to attend online or by telephone and for the first time, depositors on AVJennings' Singapore register were able to follow the meeting in real time. Details of arrangements and information on how to join, were provided to shareholders well before the meeting. The virtual meeting was hosted by Link Market Services, AVJennings' Australian Share Registry. Similar arrangements will be made for the 2021 AGM, with the ongoing effects of the pandemic still being felt and intermittent lockdowns being imposed by State Governments in Australia.

At the Annual General Meeting, the Chairman encourages questions and comments from Shareholders and seeks to ensure the Meeting is managed to give the maximum number of Shareholders an opportunity to participate. In the interests of clarity, questions on operational matters may be answered by the Chief Executive Officer or another appropriate member of senior management. The External Auditor attends the AVJennings' Annual General Meeting and is available to respond to questions about the conduct of the audit and the preparation and content of the Independent Audit Report. All resolutions at AVJennings' General Meetings are decided by a poll.

Shareholders can also contact the Company and the share registry via the contact details provided on AVJennings' website.

Principle 7: Recognise and Manage Risk

The Board has ultimate responsibility for risk management, compliance and control functions across the Group. These functions are aligned with the Company's strategy and business objectives.

The Company has in place internal controls intended to identify and manage significant business risks. These include the review of development proposals and the management of their ongoing performance. Management prepares the Risk Management Plan and the Board is responsible for reviewing and approving it.

Risk Management Committee

The Board has established a Risk Management Committee, which incorporates a sub-committee responsible for occupational health, safety and environmental matters. The Risk Management Committee Charter sets out its role, responsibilities, composition, structure and membership requirements and is posted on the Corporate Governance section of AVJennings' website. The Committee comprises four Independent Directors Mr R J Rowley (Chairman), Mr B G Hayman, Mr Philip Kearns and Ms Lisa Chung (appointed 1 June 2021). It generally meets both formally and on an ad-hoc informal basis as circumstances require and met more frequently during the year in response to the COVID-19 pandemic crisis. In particular, the Committee oversaw initiatives undertaken and proposed by senior management, from both a safety and operations perspective, in response to the crisis. The Committee is supported by the Managing Director/Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and the Company Secretary. The Risk Management Committee is responsible for identifying and considering new risks and for monitoring management's implementation of the Risk Management Plan, taking the Internal Auditor's review into account.

AVJennings' assets and main potential liabilities are insured under a comprehensive insurance program which is reviewed annually.

AVJennings also has an Investments Committee comprising two Non-Executive Directors, Messrs S Cheong and B L Tan and four Independent Directors, Messrs B G Hayman, R J Rowley, T P Lai and P Kearns. The Committee considers all proposals for major land development acquisitions and disposals that are over monetary limits delegated to management. It also conducts a pre-commencement review and ongoing project reviews during the life of all development projects.

Review of Risk Management Framework

The Board meets in the second quarter of each calendar year to review the strategic direction of AVJennings and to consider initiatives and strategies designed to ensure its continued growth and success. At this meeting, the Board also reviews the Company's risk management framework to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks it faces and to ensure it is operating within the risk appetite set by the Board. The Board met in June 2021 to review, assess and set AVJennings' strategic objectives for the next three years.

Subject to review and recommendation from the Risk Management and Audit Committees, the Board approves the Annual Risk Management Plan.

Internal Audit

AVJennings' internal audit function is overseen by the Audit Committee. The Committee is responsible for reviewing the adequacy of the annual internal audit scope and detailed plan, the appropriateness of the structure and competencies of the internal audit department, all major issues noted in the Internal Auditor's reports, the independence of the internal audit process and performance of the Internal Auditor. The Internal Auditor has direct access to the Audit Committee on all matters of control of business risk, audit and accounting. The Committee and the Chief Executive Officer may also request the Internal Auditor to perform special audits whenever the case arises. The Committee meets privately with the Internal Auditor at least once per year.

Risks related to the Company's Property Development Business

Property Market Risk – These include fluctuations in general economic conditions globally and locally, resulting in changes in prevailing market conditions such as a sustained downturn in property markets,

change in consumer sentiment, reduced demand for AVJennings' product and reduction in the value of its land bank. The Board and management seek to minimise these adverse impacts by monitoring markets in which AVJennings operates on an ongoing basis, adopting strategies to minimise adverse impact, regularly reviewing the value of its land bank, monitoring competitor activity and tailoring commercial decisions (such as land acquisition, volume of work etc) to the forecast commercial environment.

Regulatory Risk – AVJennings' operations span five States in Australia and New Zealand. Legislation and regulations governing its activities vary in each state. AVJennings is dependent on various State Regulatory Bodies and Councils granting the requisite licenses and approvals required for it to carry on its business. Changes and developments in legislation, regulation and policy in the jurisdictions in which it operates, land resumptions by government authorities and major infrastructure projects may impact AVJennings' operations. Developing relationships with regulatory bodies, making representations through various industry groups of which AVJennings has membership and having processes to expeditiously deal with issues, including staff with specialised skills and knowledge in town planning, building regulation and other related disciplines, are some of the measures used to mitigate potential risks.

Operational Risk – These include impact on profitability as a result of delays or non-completion of Company projects, legal proceedings arising from operations leading to losses and delays, dependence on key personnel and loss of such personnel affecting AVJennings' results and operations. The Company has processes in place to monitor and assess project performance on an ongoing basis. Management is required to provide quarterly reports to the Board on ongoing and potential legal issues, so that the impact of such issues, if any, can be monitored and managed. Development and maintenance of an inclusive group culture, recognition systems, compensation and benefit arrangements, training and development are some of the measures used to retain high calibre management and staff to address these risks.

Financial Risk – Variations in interest rates and inflation impacting AVJennings' earnings, the inability to obtain funding to finance current and future development activities, potential uninsured losses or under-insurance and changes in commodity prices resulting in increased cost of works, fluctuations in exchange rate and foreign currency risk which could result in a loss, counterparty risks such as purchaser or other third party defaults, insolvencies or financial distress, which could lead to reduced financial liquidity or loss are some of the risks AVJennings faces. Some of the ways in which the Board seeks to mitigate these risks include increasing and diversifying its sources of funding (along with the established multi-currency Medium Term Note issuance program), insuring the company's assets, main potential liabilities and personnel under a comprehensive insurance program tailored to AVJennings' business activities and entering into fixed or guaranteed maximum price construction and supply contracts to mitigate fluctuations in prices.

Environmental Risk – Changes in climatic conditions affecting AVJennings' business activities (including adverse weather conditions), soil and water contamination or runoff from project land and the presence of previously unidentified threatened flora and fauna species on project land (which may influence the amount of land available for development) are some of the risks the Board seeks to manage in this area. Management is required to provide regular reports on potential environmental issues affecting development projects under their purview, so that any potential adverse impact can be assessed and managed. Work is also done to minimise any adverse effect on the environment through environmental management plans and other measures, including use of efficient design, planning and procurement practices.

Workplace Health and Safety Risks - Accidents at work sites resulting in claims and penalties are potential risks AVJennings faces in this area. These are managed by the implementation of stringent workplace health and safety practices, education and training of employees in safe work methods (initiatives such as safe work month, workshops, tool box meetings and similar mechanisms) and regular review and monitoring.

Construction Activity Related Risks – These include the inability of sub-contractors to perform their work in accordance with their obligations, defective work and latent defects arising from incorrect design or poor workmanship, liquidated damages for late delivery, cost overruns and professional liability claims arising from allegations of negligence. AVJennings has in place guidelines for the engagement of suitably

licensed and insured sub-contractors and trades people and, to the extent possible, also has in place indemnity insurance to cover any potential claims.

The COVID-19 crisis had a significant impact on AVJennings' operations in FY21, with the impacts continuing to be felt in FY22. The effect of the crisis, particularly on employment, consumer confidence and the ability and willingness of customers to transact, is a significant risk to AVJennings.

**Principle 8:
Remunerate Fairly and Responsibly**

Remuneration Committee

The Board has established a Remuneration Committee to review and determine, among other things, remuneration policies and packages applicable to any Executive Director, the Company Secretary and direct reports to the Chief Executive Officer. It also reviews remuneration of senior managers of AVJennings and the remuneration policies of the Company. The Committee meets at least annually and its Charter is available on AVJennings' website under the Investor Centre-Corporate Governance Section. The Committee met several times to consider proposals to adjust remuneration arrangements for FY20 in response to the COVID-19 crisis as well as to adjust remuneration structures for FY21 in response to the impact of the pandemic crisis.

These arrangements included:

- a reduction in fees payable to Non-executive Directors of 20% for the period 1 May – 31 July 2020;
- a reduction in the consultancy fee payable to SC Global of 20% for the period 1 May – 31 July 2020;
- agreement of executives to cancel the STI payments in respect of FY20
- agreement of executives in June 2020 to cancel Service Rights due to vest in July 2020;
- agreement of executives in June 2020 to cancel Performance Rights due to be tested for vesting in September 2020; and
- leave management arrangements with executives and office-based staff, which extended up to the end of calendar year 2020.

The Committee consists of two Independent Directors, Messrs T P Lai (Chairman) and Mr B G Hayman and one Non-Executive Director Mr S Cheong. The Board is of the view that the Committee, which consists entirely of Non-Executive Directors, is structured appropriately to perform its functions in reviewing the remuneration of Company executives and staff.

The Committee reviews and reports to the Board on:

- Conditions of service and remuneration of the Chief Executive Officer and his direct reports;
- Performance of the Chief Executive Officer;
- Remuneration of the Chief Financial Officer and the Company Secretary;
- Remuneration policies for the Company, which include the performance review of all employees, senior management and Board members;
- Proposals for reward initiatives;
- Other related matters as directed by the Board.

The Chief Executive Officer attends meetings of the Remuneration Committee by invitation when required to report on, and discuss, senior management performance and remuneration matters. He is excluded from Committee deliberations relating to his position.

The Committee is empowered to seek external professional advice on any matter within its terms of reference.

Remuneration of Directors and Senior Executives

Director's fees paid to Non-Executive Directors and Independent Non-Executive Directors are determined by the Board, and are within the aggregate limits approved by Shareholders. The Independent Non-Executive

Directors currently receive fees paid by AVJennings. The Committee has available to it data on fees paid to independent directors by a wide range of Companies. The remaining two Non-Executive Directors do not receive fees, however AVJennings pays a consulting fee to the substantial Shareholder, SC Global Developments Pte Ltd. Occasionally special exertion fees are paid to a specific non-executive Director to compensate for a task the Board has requested of the Director. These types of arrangements are very infrequent. The amount of the special exertion fee is commensurate with the task the Director is asked to perform and is set on the basis of applicable market compensation for such tasks.

Senior managers of AVJennings receive a balance of fixed and variable (at risk) remuneration. The proportions vary at different levels within the Company, reflecting the capacity of the senior managers to influence the overall outcome of AVJennings' operations and returns to Shareholders. The at risk income (if any) paid to executives are based on a review of individual executive performance as well as AVJennings' overall financial performance.

AVJennings' LTI Plan Rules prohibit executives from entering into arrangements to protect the value of unvested LTI awards. This prohibition includes entering into hedging arrangements in relation to the Company's shares.

AVJennings' Remuneration Report is set out on pages 34 to 48 of the *Directors' Report* section of the Company's 2021 Annual Report.

AVJennings Limited

2021 Diversity Annual Report

This Diversity Annual Report of AVJennings Limited (“AVJennings”) is issued in compliance with ASX Corporate Governance Council Principles and Recommendations.

Approach to Diversity

AVJennings aims to embed equity and diversity principles in its work practices and organisational environment. To ensure that these practices remain appropriate and foster an inclusive environment, AVJennings annually reviews its workforce diversity profile, its policies and any relevant external developments.

To enhance efficiency and productivity, employment decisions such as selection, promotion and training are made based on merit rather than personal attributes (gender, race, marital status, age and other characteristics (which can vary based on the jurisdiction)). AVJennings also actively takes steps to eliminate discriminatory behaviour and harassment in the work place.

Responsibility for Diversity

Employees at all levels of employment are responsible for the creation and implementation of a diverse, inclusive and tolerant workplace, and for elimination of discriminatory practices.

The Board is responsible for monitoring the development and implementation of diversity initiatives, policies and practices. The Board reports annually on these matters.

Diversity Targets

This report reflects AVJennings’ focus during the reporting period on the reporting on gender diversity as required under the ASX Corporate Governance Council Principles and Recommendations.

Measurable Objective		Progress	Response
1.	At least one female Board Director		One (1) female Board Director of eight (8) as at the reporting date.
2.	At least one female Senior Management Member		Two (2) female Senior Management Members of nine (9), including the CEO, as at the reporting date.
3.	Non-Discriminatory Recruitment		The Company’s Recruitment, Selection and Appointment to Role policies reflect our position on diversity. All recruitment, internal and external, identifies that AVJennings is an Equal Opportunity Employer.
4.	Non-Discriminatory Selection		Selection is based on merit and the recruitment process requires that the Selection Advisory Committee (Interview Panel) comprise both genders. External recruitment suppliers, where applicable, are requested to provide a balanced short list. During the reporting period, 28% of all new hires were female (40% to 60% in previous two reporting periods).

Measurable Objective		Progress	Response
5.	Data Collection		<p>Diversity information is sought from employees when they commence employment. It is provided on a voluntary basis and includes information on disability, ethnic origin and proficiency in languages other than English. The diversity statistics are based primarily on this data. During the reporting period, all employees had the opportunity to review and update their profile. Data collection is an ongoing process.</p> <p>Data that is collected is reviewed and action taken as appropriate. During the reporting period, with a focus on gender diversity, female participation was reviewed across the different job families in the business, pay equity and female attrition rates.</p>
6.	Workplace Gender Equality Agency (WGEA) Reporting		<p>2021 report submitted to WGEA was reviewed by the Board.</p> <p>Women accounted for 48.4% of employees as at 31 March 2021 (March 2020 48.8%).</p>
7.	No Cultural Impediments		No impediments identified during reporting period.

KEY:  met or above target  on track to meet target  below target

As at 30 June 2021, women accounted for 45.5% of total current permanent employees and the proportion of women at various levels of the Company was:

Level and Role

	% Female 2021	% Female 2020
Non-executive Director	12%	12%
Senior Management Team	22%	25%
Company	45.5%	49%