

AUSTRALIAN VINTAGE LIMITED

BOARD CHARTER

Introduction

The following sets out in general terms the division of responsibilities between the Board of Directors of Australian Vintage Limited (**Company**) and the Executive Committee (**Management**).

In general terms Management is responsible for day to day operations and management of the Company, whereas the Board is responsible for strategic and directional decision making and oversight.

This Board Charter is in addition to any principles identified in the Company's Corporate Governance Statement.

Board Responsibilities

Other than in exceptional circumstances the Board is responsible for:

1. demonstrating leadership;
2. defining the Company's purpose;
3. approving the Company's statement of values and Code of Conduct to underpin the desired culture within the Company;
4. oversight of the Company;
5. oversight of control and accountability systems and ensuring the implementation of such systems;
6. appointing the Chair of the Board;
7. ratification of the appointment of, and where appropriate the removal of, the Chief Financial Officer;
8. appointment of and where appropriate, removal of, the Chief Executive Officer;
9. as appropriate review the scope of the general functions and tasks of the Chief Executive Officer and Chief Financial Officer;
10. ratification of the appointment of, and where appropriate the removal of, the Company Secretary;
11. input into and final approval of Management's development of corporate strategy;
12. input into and final approval of Management's development of strategic and performance objectives;
13. overseeing Management in its implementation of the Company's strategic objectives, instilling of the Company's values and performance generally;

14. overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
15. satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects Management to operate;
16. satisfying itself that an appropriate framework exists for relevant information to be reported by Management to the Board;
17. whenever required, challenging Management and holding it to account;
18. satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
19. monitoring the effectiveness of the Company's governance practices;
20. ratification and review of systems of:
 - internal compliance and control;
 - codes of conduct;
 - legal compliance; and
 - monitoring the performance of Management:
 - implementation of strategy and ensuring that appropriate financial, management and other resources are available to the Company to implement strategies and management of the Company;
 - approval of annual budget and oversight of its implementation;
 - approval of major capital expenditure in accordance with the capital expenditure policies;
 - monitoring the progress of major capital expenditure and capital management;
 - identifying and implementation of acquisitions and divestitures;
 - approval of and monitoring of financial and other corporate reporting systems, including the external audit; and
 - oversight of communication with stakeholders (including the shareholders):
 - establishment of Board Committees for the purposes of better management and implementation of the Board's roles;
21. annually review board performance in accordance with the Company's Board Performance Measurement policy; and

22. any other responsibilities identified in the Company's Corporate Governance Statement, policies and committee charters.

Management's Responsibilities

Management is responsible for:

1. the management and operation of the Company on a day to day basis;
2. implementing the Company's strategic objectives;
3. instilling and reinforcing the Company's values;
4. operating within the values, Code of Conduct, budget and risk appetite set by the Board;
5. providing the Board with accurate, timely and clear information on the Company's operations, financial performance, compliance with material legal and regulatory requirements and any conduct which is materially inconsistent with the values or Code of Conduct of the Company, to enable the Board to perform its responsibilities; and
6. all other aspects of the management of the Company which are not reserved to the Board or Board committees.

Chair's Responsibilities

The Chair of the Board is responsible for:

1. leading the Board;
2. facilitating the effective contribution of all Directors;
3. promoting constructive and respectful relations between Directors and between the Board and Management;
4. approving Board meeting agendas; and
5. ensuring that adequate time is available at Board meetings for discussion of all agenda items, including strategic issues.

Directors' Appointments

Term

Directors are appointed in accordance with the relevant provisions of the Constitution of the Company.

Time Commitment

Directors are expected to devote sufficient time to the performance of their duties to fulfil the expectations and needs of the Company for the discharging of their responsibilities as Directors under the Corporations Act and under this Board Charter (including their responsibilities and requirements of them as members of Committees of the Board).

Remuneration and Expenses

Non executive Directors will be paid in cash in line with a resolution passed at the Company's Annual General Meeting dated 25th November, 2009.

In addition, reasonable expenses incurred in the performance of Directors' duties are reimbursed to Directors.

Retirement Allowances

There are no retirement allowances for Directors of the Company (excluding those which have accrued to former Directors of a subsidiary).

Ethical Behaviour

Directors are required to behave at all times in an ethical manner and in accordance with the ethical behaviour requirements set out in the Company's Code of Conduct.

Disclosure of Directors Interests

Directors are required to disclose to the Company their interests in any contracts or relations whatsoever with the Company which may have an impact on their independence or the performance of their duties on an impartial and independent basis.

Share Trading Policy

Directors are required to comply with the Company's policies in respect of trading of securities in the Company as set out in the Securities Trading Policy of the Company.

Access to Independent Professional Advice

Directors are entitled to have access to reasonable independent professional advice, paid for by the Company, when a Director judges that such advice is necessary for them to discharge their responsibility as a Director.

Directors and Officers Insurance

The Company will maintain a Directors and Officers Insurance Policy providing indemnification to Directors up to a reasonable sum in connection with the performance of their responsibilities as Directors.

Confidentiality

Directors are required to comply with the confidentiality requirements set out in the Code of Conduct and their Director Letter of Appointment.

Constitution

Directors are required to comply with the conditions of the Company's Constitution.

Board Committees

Directors are required to comply with any directions and duties of any Board committee of which they are a member.