



AUSTRALIAN VINTAGE LTD

Board Charter

Australian Vintage Limited (ACN 052 179 932) (**AVL** or **Company**)

1. Introduction

The Board of Australian Vintage Limited (**Board**) is responsible for the effective corporate governance of the Company. The role of the Board is to provide overall strategic guidance and leadership for the Company and effective oversight of Management. The Board ensures that the Company's activities comply with its Constitution, from which the Board derives its authority to act, and with legal and regulatory requirements.

This Charter sets out in general terms the division of responsibilities between the Board of Directors of Australian Vintage Limited (**Company** or **AVL**) and the Executive Committee (**Management**), the framework for the operation of the Board as well as the membership of the Board.

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.

2. Board Responsibilities

Other than in exceptional circumstances the Board has the following responsibilities.

2.1 Leadership, Culture and Values

The Board is responsible for:

- (a) demonstrating leadership;
- (b) defining the Company's purpose;
- (c) approving the Company's statement of values and Code of Conduct to underpin the desired culture within the Company, on the advice of the People, Culture and Remuneration Committee Establishing and disclosing the Company's values;
- (d) monitoring compliance with a code of conduct to guide its directors and Management in the practices necessary to maintain confidence in the Company's integrity and to promote adherence to its stated values;



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- (e) periodically reviewing the Company's Whistleblower Policy and Anti-Bribery and Corruption measures, and satisfying itself as to the adequacy of breach reporting procedures to oversee compliance with the relevant policies;
- (f) actively promoting ethical and responsible decision-making and overseeing the system of accountability for unethical practices; and
- (g) oversight of the Company.

2.2 Nomination and Appointment

The Board is responsible for:

- (a) oversight of control and accountability systems and ensuring the implementation of such systems;
- (b) appointing the Chair of the Board and, where appropriate, a Deputy Chair;
- (c) ratification of the appointment of, and where appropriate the removal of, the Chief Financial Officer;
- (d) appointment of and where appropriate, removal of, the Chief Executive Officer;
- (e) as appropriate, reviewing the scope of the general functions and tasks of the Chief Executive Officer and Chief Financial Officer;
- (f) the appointment of, and where appropriate the removal of, the Company Secretary;
- (g) director selection, appointment and re-election practices and pre-appointment screening of candidates;
- (h) recruitment of new directors, including evaluating the balance of skills, knowledge and experience, independence and diversity on the Board and defining recruitment criteria accordingly;
- (i) induction of new directors, evaluation of the independence of directors and allocation of the pool of directors' fees among non-executive directors;
- (j) oversight and conduct of performance evaluation processes and criteria for the Board, its committees and individual directors, including an evaluation of their time commitments;
- (k) evaluating the requirement for continuing professional development programs for directors;
- (l) evaluating the appropriate size for the Board to facilitate its effective functioning;



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- (m) the composition of Board committees; and
- (n) succession planning for the Chair, Board, Chief Executive Officer and senior executives.

2.3 Strategy and Performance

The Board is responsible for:

- (a) input into and final approval of Management's development of corporate strategy;
- (b) input into and final approval of Management's development of strategic and performance objectives;
- (c) overseeing Management in its implementation of the Company's strategic objectives, instilling of the Company's values and performance generally;
- (d) 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;
- (e) 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;
- (f) identifying material exposures to environmental and social risks, and implementing systems and controls to manage those risks;
- (g) satisfying itself that an appropriate framework exists for relevant information to be reported by Management to the Board;
- (h) whenever required, challenging Management and holding it to account;
- (i) satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- (j) monitoring the effectiveness of the Company's governance practices;
- (k) ratification and review of systems of:
 - (i) internal compliance and control;
 - (ii) codes of conduct and whistleblower mechanisms;
 - (iii) legal compliance;
 - (iv) monitoring the performance of Management;
 - (v) implementation of strategy and ensuring that appropriate



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financial, management and other resources are available to the Company to implement strategies and management of the Company;

- (vi) approval of annual budget and oversight of its implementation;
- (vii) approval of major capital expenditure in accordance with the capital expenditure policies;
- (viii) monitoring the progress of major capital expenditure and capital management and approving appropriate delegations of authority;
- (ix) identifying and implementation of acquisitions and divestitures;
- (x) approval of and monitoring of financial and other corporate reporting systems, including the external audit; and
- (xi) oversight of communication with stakeholders (including the shareholders);
- (xii) establishment of Board Committees for the purposes of better management and implementation of the Board's roles, and
- (xiii) annually reviewing board and committee performance in accordance with the Company's Board Performance Measurement policy.

2.4 Audit

The Board is responsible for:

- (a) the appointment, remuneration and monitoring of the external auditor, on the advice of the Audit Committee;
- (b) assessing whether the external auditor's provision of non-audit services impairs or appears to impair their judgment or independence and, if required, developing policies for Board approval to ensure this does not occur; and
- (c) ensuring receipt of the Chief Executive Officer and Chief Financial Officer declaration required pursuant to section 295A of the Corporations Act in relation to financial statements for a financial period.

2.5 Stakeholders and ESG

The Board is responsible for:

- (a) establishing and monitoring policies governing the Company's relationships with other stakeholders and the broader community;
- (b) establishing and maintaining environmental, social, governance,



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employment and occupational, health and safety policies and overseeing compliance with other regulatory and statutory requirements; and

- (c) any other responsibilities identified in the Company's Corporate Governance Statement, policies and committee charters.

3. Management's Responsibilities

Management is responsible for:

- (a) the management and operation of the Company on a day-to-day basis;
- (b) implementing the Company's strategic objectives;
- (c) instilling and reinforcing the Company's values;
- (d) operating within the values, Code of Conduct, budget and risk appetite set by the Board;
- (e) 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
- (f) all other aspects of the management of the Company which are not reserved to the Board or Board committees.

4. Chair's Responsibilities

The Chair should be an independent, non-executive director and should not also perform, or have performed during the preceding three years, the role of Chief Executive Officer of the Company.

The Chair of the Board is responsible for:

- (a) leading the Board;
- (b) facilitating the effective contribution of all Directors;
- (c) promoting constructive and respectful relations between Directors and between the Board and Management;
- (d) approving Board meeting agendas;
- (e) ensuring that adequate time is available at Board meetings for discussion of all agenda items, including strategic issues;
- (f) chairing Board meetings and shareholder meetings;
- (g) overseeing that membership of the Board is appropriately skilled and resourced for the Company's needs;



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- (h) providing mentorship and guidance to the Chief Executive Officer and Management as appropriate;
- (i) reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board; and
- (j) establishing and overseeing the implementation of policies and systems for Board performance review and renewal.

5. Company Secretary

The Company Secretary is appointed by the Board and is accountable to the Board through the Chairman on matters concerning the proper functioning of the Board and corporate governance matters.

The Company Secretary shall be available to all directors and board committees.

The Company Secretary is responsible for:

- (a) organising Board meetings and director attendance;
- (b) monitoring compliance with Board policy and procedures;
- (c) coordinating the completion and despatch of the Board agenda and briefing materials;
- (d) preparing minutes of meetings and resolutions of the Board and committees;
- (e) advising the Board and committees on governance matters including compliance with ASX Listing Rules and Corporations Act requirements, the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations and AICD recommendations;
- (f) assisting in organising and facilitating the induction of new directors; and
- (g) liaising with regulatory authorities as required.

6. Delegations to Committees

The ultimate responsibility for the oversight of the Company's operations rests with the Board. However, the Board may delegate further detailed review to committees or individual directors (having regard to the size and constitution of the Board from time to time), to consider certain issues in further detail and report back to and advise the Board.

The Board will review the composition and effectiveness of any committees on an annual basis. The Board may establish additional committees from time to time to consider matters of special importance.

Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to



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obtain professional or other advice in order to carry out their proper functions effectively. The chairman of each committee will provide a report on its meetings to the Board at the next full Board meeting following a committee meeting.

7. Directors' Appointments

7.1 Board Composition

As the Company is a public company, the Board must be comprised of a minimum of three directors and, in accordance with the Company's Constitution, not more than ten directors. The number of directors and the composition of the Board must at all times be appropriate to allow efficient decision making and the adequate discharge of the Board's responsibilities and duties. A majority of the Board should be comprised of independent directors.

7.2 Term

Directors are appointed in accordance with the relevant provisions of the Constitution of the Company, and pursuant to formal letters of appointment setting out the terms and conditions of the appointment to ensure that directors understand their key responsibilities, the Company's key policies and the Board's expectations.

Directors must retire from office in accordance with the Constitution, the Corporations Act 2001 (Cth.) and ASX Listing Rules. Retiring directors may be eligible for re-election. Before each annual general meeting, the Chairman together with the Company Secretary will determine those directors who are to retire by rotation. The Board will then determine if their re-election will be recommended to shareholders.

Directors are expected to participate in an induction or orientation program on appointment.

7.3 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).

7.4 Independence

All directors – whether independent or not – should bring an independent judgement to bear on all Board decisions.

A director is considered independent by the Company if the director is a non-executive director who is not a member of Management and is free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgment or could reasonably be perceived to do so.



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A director who:

- (a) is a substantial shareholder of AVL or an officer of, or otherwise associated directly with, a substantial shareholder of AVL;
- (b) is employed, or has previously been employed in an executive capacity by the Company, or another group member and there has not been a period of at least three years between ceasing that employment and serving on the Board;
- (c) within the preceding three years, has been a principal of a material professional adviser or material consultant to AVL or another group member, or an employee materially associated with the service provider;
- (d) is a material supplier or customer of AVL or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has a material contractual relationship with AVL or another group member other than as a director of the Company;
- (f) has close personal ties with any person who falls within any of the categories described above; or
- (g) has been a director of the entity for such a period that independence may have been compromised,

will not be considered independent, unless the Board is satisfied on reasonable grounds that the director is independent despite the existence of one or more of these circumstances. The Board will also consider, on an ongoing basis, how the provision of performance-based remuneration to directors, may impact on their independence.

The Board will regularly assess the independence of each director in light of the interests disclosed by them and formally document independence against the above criteria on an annual basis. Each independent director must provide the Board with any relevant information required for this process. The outcome of this assessment will be reflected in the corporate governance statement.

Any change to a director's independent status will be disclosed to the market in a timely fashion.

7.5 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 25 November 2009.

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



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7.6 Retirement Allowances

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

7.7 Legal and 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.

Directors are further required, at all times, to act in accordance with legal and statutory requirements and, in discharging their duties as directors:

- (a) act in good faith and in the best interests of the Company and for a proper purpose;
- (b) act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a public listed company, including applying an independent and enquiring mind to their responsibilities;
- (c) avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
- (d) not make improper use of information gained through their position as a director;
- (e) not take improper advantage of their position as a director;
- (f) notify other directors of a material personal interest when a conflict arises;
- (g) make reasonable enquiries if relying on information or advice provided by others;
- (h) undertake any necessary enquiries in respect of delegates;
- (i) give the Company, ASIC or ASX, as appropriate, all the information required by the Corporations Act and the ASX Listing Rules; and
- (j) not permit the Company to engage in insolvent trading.

7.8 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.

7.9 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



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Company.

7.10 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 and after consultation with the Chair. Generally, this advice will be made available to all directors.

7.11 Access to Management

The directors have complete and open access to Management following consultation with the Chairman and the Chief Executive Officer.

7.12 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.

7.13 Confidentiality

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

7.14 Constitution

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

7.15 Board Committees

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

8. Board Process

8.1 Meetings

All Board meetings will be conducted in accordance with the Company's Constitution and the Corporations Act.

Board meetings are held when determined by the Chairman but no fewer than six meetings must be held each year.

Non-executive Directors may confer at scheduled times without Management being present, to conduct discussions regarding Board and Management issues.

All directors are generally expected to prepare adequately for, attend and participate at each Board meeting. Directors are committed to collective decision-making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the



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directors. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.

Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.

8.2 Circular Resolutions

The Company's Constitution allows for board matters to be dealt with via a Circular Resolution. A majority of directors entitled to vote on the resolution must approve a circular resolution, in writing. Circular Resolutions will be noted in the minutes of the following Board meeting.

8.3 Notice, Agenda and Papers

Unless otherwise agreed or considered necessary by the Chairman, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting papers, will be circulated by the Company Secretary to each Board member and any other individual invited to attend, not less than five days before the meeting. Management is required to provide operational reports and financial information for review by the Board not less than five days prior to each scheduled Board meeting.

9. Board Performance and Publication of Charter

The Board will coordinate a review of its performance, along with the performance of any sub committees established and of individual directors' performance, on an annual basis, or earlier if circumstances dictate. The performance evaluation will have regard to the extent to which it has met its responsibilities in terms of this charter and be used to identify any need for existing directors to undertake professional development needed to perform their functions effectively

The Board is responsible for reviewing this charter and determining its appropriateness to the needs of the Company, on an annual basis. The charter may only be amended by resolution of the Board.

This charter will be available on the Company's website and the key features will be published in the Corporate Governance Statement.

Approved and Adopted: 25 November 2020