

Board Charter



1 The Board Function: Board Charter

The Board Charter summarises the role and responsibility of the Board of the Company. The roles and responsibilities of the Board will evolve as the Company moves forward. A regular review of the balance of responsibilities will ensure that the division of the functions remains appropriate to the needs of the Company. The Board Charter broadly addresses each of the ASX Principles and Recommendations in sequence.

1.1 The Board's key objectives are to:

1.1.1 increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders; and

1.1.2 ensure the Company is properly managed.

1.2 The Board has primary responsibility to shareholders for the welfare of the Company by guiding and monitoring the business and the affairs of the Company and determining the vision and objectives of the Company.

1.3 The Company recognises the importance of the Board in providing a sound base for good corporate governance in the operations of the Company.

1.4 The Board must at all times act honestly, fairly and diligently in all respects in accordance with the law applicable to the Company.

1.5 The Board will at all times act in accordance with all relevant Company policies.

1.6 Each of the directors, when representing the Company, must act in the best interests of shareholders of the Company and in the best interests of the Company as a whole.

1.7 The Board is responsible for the following matters:

1.7.1 ensuring the Company's conduct and activities are ethical and carried out for the benefit of all its stakeholders;

1.7.2 development of corporate strategy, implementation of business plans and performance objectives;

1.7.3 reviewing, ratifying and monitoring systems of risk management, codes of conduct, internal control system and legal and regulatory compliance;

1.7.4 the appointment of the Company's Managing Director, Chief Executive Officer (or equivalent), Chief Financial Officer, Company Secretary and other senior executives;

1.7.5 monitoring senior executives' performance and implementation of strategy;



- 1.7.6 determining appropriate remuneration policies;
 - 1.7.7 allocating resources and ensuring appropriate resources are available to management;
 - 1.7.8 approving and monitoring the annual budget, progress of major capital expenditure, capital management, and acquisitions and divestitures; and
 - 1.7.9 approving and monitoring financial and other reporting.
- 1.8 The Chairman is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's business. The Chairman should facilitate the effective contribution of all directors and promote constructive and respectful relations between directors and between the Board and management of the Company. The Chairman is responsible for briefing directors on issues arising at Board meetings and ultimately is responsible for communications with shareholders and arranging Board performance evaluation.
- 1.9 The Managing Director or Chief Executive Officer is responsible for running the affairs of the Company under delegated authority from the Board. In carrying out his or her responsibilities the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.
- 1.10 The Company Secretary is responsible for monitoring the extent that Board policy and procedures are followed, and coordinating the timely completion and despatch of Board agendas and briefing material. All directors are to have access to the Company Secretary.
- 1.11 The Chairman and/or the Managing Director are responsible for reviewing the performance of each executive at least once every calendar year with reference to the terms of their employment contract, in accordance with the Company's Board Evaluation Policy.
- 1.12 The Company will ensure that the Board will be of a size and composition that is conducive to making appropriate decisions and be large enough to incorporate a variety of perspectives and skills in accordance with the Company's Diversity Policy, and to represent the best interests of the Company as a whole rather than of individual shareholders or interest groups. It will not, however, be of such a size that effective decision-making is hindered.
- 1.13 The Company will regularly review whether each non-executive director is independent and each non-executive director should provide to the Board all information that may be relevant to this assessment, in accordance with the Company's Policy for Assessment of Independence and Policy for Independence of Professional Advice.
- 1.14 The Board will establish a Nomination Committee pursuant to the Nomination Committee Charter.
- 1.15 In support of their candidature for directorship or re-election, non-executive directors should provide the Nomination Committee with details of other commitments and an indication of time available for the Company. Prior to appointment or being submitted for re-election non-executive directors should



specifically acknowledge to the Company that they will have sufficient time to meet what is expected of them. Re-appointment of directors is not automatic.

- 1.16 The Board will implement an induction program to enable new directors to gain an understanding of:
- 1.16.1 the Company's financial, strategic, operational and risk management position;
 - 1.16.2 the rights, duties and responsibilities of the directors;
 - 1.16.3 the roles and responsibilities of senior executives; and
 - 1.16.4 the role of any Board committees in operation.
- 1.17 Directors will have reasonable access to continuing education to update and enhance their skills and knowledge, including education concerning key developments in the Company and in the industries in which the Company's business is involved.
- 1.18 The Board has the right to obtain all information from within the Company which it needs to effectively discharge its responsibilities.
- 1.19 Senior executives are required on request from the Board to supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.
- 1.20 The Board will adopt and implement the Company's Code of Conduct to promote ethical and responsible decision making by directors, management and employees. The Code embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of stakeholder opportunity.
- 1.21 The Board is responsible for ensuring that training on the Code of Conduct is provided to staff and officers of the Company.
- 1.22 The Board is responsible for making advisers, consultants and contractors aware of the Company's expectations set out in the Code of Conduct.
- 1.23 The Board will adopted and implement the Company's Share Trading Policy in relation to trading in the Company's securities by directors, senior executives and employees.
- 1.24 The Board is responsible for ensuring that the Share Trading Policy is brought to the attention of all affected persons and for monitoring compliance with the policy.
- 1.25 The Board will establish an Audit and Risk Management Committee pursuant to the Audit and Risk Management Committee Charter.



- 1.26 The Audit and Risk Management Committee's mandate is to review the integrity of the Company's financial reporting, oversee the independence and competence of the external auditors and review management's implementation of the Company's risk management policies. Members of the Audit and Risk Management Committee are directors of the Company appointed by the Board and the committee is structured as follows:
- 1.26.1 consists only of non-executive directors unless the Chairman is an executive director in which case it may include the Chairman;
 - 1.26.2 is chaired by a non-executive director who is not Chairman of the Board; and
 - 1.26.3 has at least three members (or less, if there are less than three non-executive directors appointed to the Board).
- 1.27 The Board will adopt and implement a Continuous Disclosure Policy for ensuring timely and accurate disclosure of price-sensitive information to shareholders through the ASX, and ensuring that:
- 1.27.1 all investors have equal and timely access to material information concerning the Company including its financial position, performance, ownership and governance; and
 - 1.27.2 Company announcements are subjected to a vetting and authorisation process designed to ensure they:
 - (a) are released in a timely manner;
 - (b) are factual;
 - (c) do not omit material information; and
 - (d) are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.
- 1.28 The Board will be committed to open and accessible communication with holders of the Company's shares and other securities. Disclosure of information and other communication will be made as appropriate by mail or email.
- 1.29 The Company's website will also be used to provide additional relevant information to security holders. The Board considers the following to be appropriate features for the Company's website:
- 1.29.1 placing the full text of notices of meeting and explanatory material on the website;
 - 1.29.2 providing information about the last 3 years' press releases or announcements plus at least 3 years of financial data on the website; and
 - 1.29.3 providing information updates to security holders on request by email.



- 1.30 The Company is committed to improving shareholder participation in general meetings. In order to achieve that objective, the Board will adopt the Shareholder Communication Policy with the objective of improving shareholder participation through the design and content of notices and through the conduct of meetings.
- 1.31 The Board has established an Audit and Risk Management Committee pursuant to the Audit and Risk Management Committee Charter, whose mandate is to review the integrity of the Company's financial reporting, oversee the independence and competence of the external auditors and review management's implementation of the Company's risk management policies.
- 1.32 It is the responsibility of the Managing Director or Chief Executive Officer to create, maintain and implement risk management and internal control policies for the Company, subject to review by the Audit and Risk Management Committee and ultimately the Board.
- 1.33 The Managing Director or Chief Executive Officer must report to the Audit and Risk Management Committee on a half yearly basis regarding the design, implementation and progress of the risk management policies and internal control systems.
- 1.34 The Board will review the effectiveness of implementation of the risk management system and internal control system at least annually.
- 1.35 When reviewing risk management policies and internal control system the Board should take into account the Company's legal obligations and should also consider the reasonable expectations of the Company's stakeholders, including security holders, employees, customers, suppliers, creditors, consumers and the community.
- 1.36 The Chief Executive Officer (or equivalent) is required annually to state in writing to the Board that the Company has a sound system of risk management, that internal compliance and control systems are in place to ensure the implementation of Board policies, and that those systems are operating efficiently and effectively in all material respects.
- 1.37 The Chief Executive Officer (or equivalent) and Chief Financial Officer (or equivalent) are required by the Company to state the following in writing prior to the Board making a solvency declaration pursuant to section 295(4) of the Corporations Act:
- 1.37.1 that the Company's financial reports contain a true and fair view, in all material respects, of the financial condition and operating performance of the Company and comply with relevant accounting standards; and
 - 1.37.2 that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.
- 1.38 The Board has established a Remuneration Committee pursuant to the Remuneration Committee Charter. The Company's remuneration policy is structured for the purpose of:



- 1.38.1 motivating senior executives to pursue the long-term growth and success of the Company; and
 - 1.38.2 demonstrating a clear relationship between senior executives' performance and remuneration.
- 1.39 The Board's responsibility is to set the level and structure of remuneration for officers (including but not limited to directors and secretaries) and executives, for the purpose of balancing the Company's competing interests of:
- 1.39.1 attracting and retaining senior executives and directors; and
 - 1.39.2 not paying excessive remuneration.
- 1.40 Executive directors' remuneration should be structured to reflect short and long-term performance objectives appropriate to the Company's circumstances and goals.
- 1.41 Executive directors' and senior executives' remuneration packages should involve a balance between fixed and incentive-based pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.
- 1.42 Non-executive directors' remuneration should be formulated with regard to the following guidelines:
- 1.42.1 non-executive directors should normally be remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or equity, usually without participating in schemes designed for the remuneration of executives;
 - 1.42.2 non-executive directors should not be provided with retirement benefits other than superannuation.
- 1.43 No director may be involved in setting their own remuneration or terms and conditions and in such a case relevant directors are required to be absent from the full Board discussion.



2 The Board Function: Policy for Assessment of Independence

- 2.1 If a director's independence status changes this should be disclosed and explained to the market in a timely fashion.
- 2.2 The Company will endeavour to ensure that it has a majority of independent directors at all times, subject to the right of shareholders in general meeting to elect and remove directors.
- 2.3 The Chairman should be a non-executive director who is independent. The Chairman should not be the Chief Executive Officer of the Company. The Chairman's other positions should not be such that they are likely to hinder the effective performance of their role of Chairman of the Company.
- 2.4 All directors – whether independent or not - should bring an independent judgement to bear on Board decisions. Non-executive directors are encouraged to confer regularly without management present. Their discussions are to be facilitated by the Chairman, if he or she is independent or the deputy Chairman. Non-executive directors should inform the Chairman before accepting any new appointments as directors.
- 2.5 To facilitate independent decision making, the Board and any committees it convenes from time to time may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chairman, individual directors may seek independent professional advice, at the expense of the Company, on any matter connected with the discharge of their responsibilities.



3 The Board Function: Board Evaluation Policy

- 3.1 The Board considers the evaluation of its own and senior executive performance as fundamental to establishing a culture of performance and accountability throughout the entire Company at all levels of employment and engagement.
- 3.2 The Board considers the ongoing development and improvement of its own performance as critical input to effective governance.
- 3.3 The Board undertakes an annual evaluation of its effectiveness as a whole. The Chairman reviews the individual performance of each Board member annually.
- 3.4 The basis of the review is on goals that are set with reference to corporate requirements and any areas for improvement which have been identified in previous reviews. The Board does not endorse the reappointment of a director who is not satisfactorily performing the role.
- 3.5 All senior executives of the Company are subject to an annual performance evaluation. Each year, senior executives establish a set of performance targets with her or his superior. These targets are aligned to overall business goals and requirements of the position.
- 3.6 An informal assessment of progress is carried out each half year. A full evaluation of the executive's performance against the agreed targets takes place once a year. This will normally occur in conjunction with goal setting for the coming year. Since the Company is committed to continuous improvement and the development of its people, the results of the evaluation form the basis of the executive's development plan. Performance pay components of executives' packages are dependent on the outcome of the evaluation amongst other issues such as compliance with the Company's Diversity Policy and any key performance indicators linked to the Company's success in implementing the Diversity Policy.
- 3.7 The Company is committed to continuing development of its directors and executives. Any director wishing to undertake either specific directional training or personal development courses is expected to approach the Chairman for approval of the proposed course.



4 The Board Function: Policy for Independence of Professional Advice

- 4.1 Board members are entitled to seek independent professional advice (including but not limited to legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out below:
- 4.2 A director must seek the prior approval of the chairman, providing details of:
- 4.2.1 the nature of the independent professional advice;
 - 4.2.2 the likely cost of seeking the independent professional advice; and
 - 4.2.3 details of the independent adviser he or she proposes to instruct.
- 4.3 The chairman may prescribe a reasonable limit on the amount that the Company will contribute towards the cost of obtaining such advice.
- 4.4 All documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the Company and to the director in his or her personal capacity. However, the right to advice does not extend to advice concerning matters of a personal or private nature, including for example, matters relating to the director's contract of employment with the Company (in the case of an executive director) or any dispute between the director and the Company.