



# BOARD CHARTER

## Board of Directors

### General

This document sets out the main principles adopted by the Board of the Company in order to implement and maintain a culture of good corporate governance both internally and in its dealings with outsiders.

The Board of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The matters set out in this document are subject to the *Corporations Act*, the Constitution and the ASX Listing Rules.

The purposes of preparing and disclosing the matters set out in this document are to:

- (i) formalise procedures to ensure the Company and the Board act in a transparent and appropriate manner in both its internal and external dealings;
- (ii) ensure that appropriate checks, balances and procedures are in place to monitor the operations of the Company and those charged with its management; and
- (iii) provide a transparent method for shareholders to evaluate the performance of the Company from a corporate governance perspective.

In preparing and implementing this Board Charter, the Company and the Board are mindful of the Corporate Governance Principles and Recommendations.

### Functions, Powers and Responsibilities of the Board

Generally, the powers and obligations of the Board are governed by the *Corporations Act* and the general law.

Without limiting those matters, the Board considers itself to be responsible for the following:

- (i) Ensuring compliance with the *Corporations Act*, ASX Listing Rules and all other relevant laws;
- (ii) Developing, implementing and monitoring operational and financial targets for the Company;
- (iii) Appointment of appropriate staff, consultants and experts to assist in the Company's operations, including the selection and monitoring of a chief executive officer;
- (iv) Ensuring appropriate financial and risk management controls are implemented;
- (v) Approving and monitoring financial and other reporting;
- (vi) Setting, monitoring and ensuring appropriate accountability for directors' and senior managers' remuneration;
- (vii) Establishing and maintaining communications and relations between the Company and third parties, including its shareholders and ASX;
- (viii) Implementing appropriate procedures to monitor performance of the Board in implementing its functions and powers;

- (ix) Oversight of the Company including its framework of control and accountability systems to enable risk to be assessed and managed;
- (x) Input into and final approval of Management's development of corporate strategy and performance objectives;
- (xi) Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (xii) Monitoring Management's performance and implementation of strategy and ensuring appropriate resources are available;
- (xiii) Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- (xiv) Approval of the annual budget; and
- (xv) Liaising with the Company's external auditors.

### **Structure of the Board**

The structure of the Board is determined in accordance with the following principles:

- (i) to aim for, so far as is practicable given the size of the Company and its operational requirements for the time being, a majority of the Board being Independent Directors;
- (ii) to aim for, so far as is practicable given the size of the Company and its operational requirements for the time being, the appointment of a chairperson who is an Independent Director;
- (iii) to aim for, so far as is practicable given the size of the Company and its operational requirements for the time being, a chairperson who is not the Managing Director or chief executive officer; and
- (iv) to have at least three directors.

In assessing the independence of directors, the Company has regard to Principle 2 of the Corporate Governance Principles and Recommendations and, generally, will regard an Independent Director as a non-executive director (that is, not a member of management) who:

- (i) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (ii) within the last three years has not been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment;
- (iii) within the last three years has not been a principal of a material professional advisor or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- (iv) is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and
- (v) has no material contractual relationship with the Company or another group member other than as a director of the Company.

In an effort to ensure that the Board comprises members with a broad range of experience, expertise and skills relevant to the Company, the Board may establish a Nomination Committee if required.

### **The Chairperson**

The Chairperson is responsible for leadership of the Board, for efficient organisation and conduct of the Board's meetings and the briefing of all Directors in relation to issues arising. The Chairperson is responsible for arranging Board performance evaluation and, with the Chief Executive Officer/Managing Director, is also responsible for shareholder communications.

## **Chief Executive Officer/Managing Director**

The Chief Executive Officer or Managing Director is responsible for conducting the affairs of the Company under delegated authority from the Board and implementing the policies and strategies set by the Board. In carrying out his/her responsibilities, the Chief Executive Officer or 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 position and operating results.

The Chief Executive Officer or Managing Director (together with the Chief Financial Officer, if there is one, or other person who performs that function) are required to declare in writing to the Board each year that the financial records have been properly maintained and that the financial statements and notes of the Company for the financial year give a true and fair view of the financial position and performance of the consolidated entity and comply with relevant accounting standards.

The Chief Executive Officer or Managing Director (together with the Chief Financial Officer, if there is one, or other person who performs that function) is required to assure the Board in writing each year that the declaration provided in accordance with section 295A of the *Corporations Act* is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

## **Corporate Ethics**

The Company has adopted a separate Corporate Ethics Policy which has been agreed to by each member of the Board, setting out, in addition to these principles, the obligations of integrity and honesty required of each member of the Board and their obligations with respect to trading in securities in the Company and disclosure to the ASX.

In addition to the Corporate Ethics Policy, the Company also adheres to the following statement of principles and responsibilities with respect to both its internal dealings with employees and consultants, and external dealings with shareholders and the community at large.

## **Corporate Code of Conduct**

### **Introduction**

This code of conduct sets out the standards which the Board, management and employees of the Company are encouraged to comply with when dealing with each other, shareholders, and the broader community.

### **Commitment of the Board and Management to Corporate Code of Conduct**

The Board and Management approve and endorse this code of conduct.

The Board and Management encourage all staff to consider the principles of the code and use them as a guide to determine how to respond when acting on behalf of the Company.

### **Responsibilities to Shareholders and the Financial Community Generally**

The Company aims:

- (i) to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders and other stakeholders;
- (ii) comply with systems of control and accountability which the Company has in place as part of its corporate governance; and
- (iii) to act with honesty, integrity and fairness.

### **Responsibilities to Clients, Customers and Consumers**

The Company is to comply with all statutory and common law requirements which affect its business.

### **Employment Practices**

The Company will employ the best available staff with skills required to carry out their roles.

The Company will ensure a safe work place and maintain proper occupational health and safety practices commensurate with the nature of the Company's business and activities.

### **Responsibility to the Community**

The Company will recognise, consider and respect legal requirements impacting upon its operations and comply with all applicable legal requirements.

The Company will act with honesty, integrity and fairness in all dealings with the community.

### **Responsibility to the Individual**

The Company recognises and respects the rights of individuals and to the best of its ability will comply with the applicable legal rules regarding privacy, privilege and confidential information.

The Company will maintain the confidentiality of the Company's and our shareholders', customers' and suppliers' information unless required to be disclosed by law.

### **Obligations Relative to Fair Trading and Dealing**

The Company will deal with others in a way that is fair and will not engage in misleading or deceptive practices or conduct.

### **Conflicts of Interest**

The Board, Management and employees must not involve themselves in situations where there is a real or apparent conflict between their interest as individuals and the interest of the Company. Where a real or apparent conflict of interest arises the matter should be immediately brought to the attention of the Chairperson, in the case of a Board member, or the Managing Director or Chief Executive Officer, in the case of a member of Management who is not a director, or an immediate supervisor in the case of any other employee, so that it may be considered and dealt with in an appropriate manner.

### **Compliance with the Code**

Any breach or non-compliance with this code is to be reported directly to the Chairperson or, if he is unavailable, another director.

### **Periodic Review of Code**

The Board will monitor compliance with the code and will review the terms of the code at regular intervals. Suggestions for improvements or amendments to the code can be made to the Company Secretary at any time.

### **Code of Conduct for employees (and contractors)**

The Company shall ensure that the above principles are implemented and adopted by employees and contractors of the Company by importing the following principles into the terms of such engagements:

- (i) To actively promote the highest standards of ethics and integrity in carrying out their duties for the Company;
- (ii) Disclose any actual or perceived conflicts of interest of a direct or indirect nature of which they become aware and which they believe could compromise in any way the reputation or performance of the Company;
- (iii) Respect confidentiality of all information which is acquired in the course of the Company's business and which is not then in the public domain and not disclose or make improper use of such confidential information to any person unless specific authorisation is given for disclosure or disclosure is legally mandated;
- (iv) Deal with the Company's customers, suppliers, competitors and each other with the highest level of honesty, fairness and integrity and to observe the rule and spirit of the legal and regulatory environment in which the Company operates;
- (v) Protect the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company and that no property, information or position belonging to the Company or opportunity arising from these are used for personal gain or to compete with the Company;

- (vi) The Company is committed to the ideal of equal employment opportunity and to providing a workplace that is free of harassment and discrimination. To this end the Company will observe the rule and spirit of the legal and regulatory environment in which the Company operates;
- (vii) Report any breach of this code of conduct, and the Company will treat such reports made in good faith with respect and in confidence.

## **Selection of External Auditor and rotation of Audit Engagement Partner**

### **Responsibility**

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company.

### **Selection Criteria**

#### *Mandatory criteria*

Candidates for the position of external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period. Further the successful candidate must have arrangements in place for the rotation of the audit engagement partner on a regular basis.

#### *Other criteria*

Other than the mandatory criteria mentioned above, the Board may select an external auditor based on criteria relevant to the business of the Company such as experience in the industry in which the Company operates, references, cost and any other matters deemed relevant by the Board.

### **Review**

The Audit and Risk Management Committee will review the performance of the external auditor on an annual basis.

## **Committees**

One of the functions of the Board is to form and monitor any special purpose Committees considered necessary or desirable to better implement this Corporate Governance Charter.

As at the date of adoption of this Corporate Governance Charter, the Board has determined to establish the following Committees for this purpose:

- (i) An Audit & Risk Management Committee.