

# **BOARD OF DIRECTORS CHARTER**

## ***Background Information***

The Board is elected by the shareholders to represent all shareholders. The Board of Directors has the responsibility for the management and control of the company's business and affairs and may delegate its powers to the appropriate Committees and Managing Director. The Board of Directors will adopt appropriate structures and procedures to ensure that the Board functions independently of management.

## ***Outline***

The company's Constitution will govern the regulation of the meetings and proceedings of the Committee, so far as the Constitution may be applicable.

## ***Structure***

The number of Directors will not be less than three, and will not exceed seven directors, as specified by the company's Constitution.

## ***Chairman of the Board***

The Chairman must be appointed in accordance with the company's Constitution. Due to the small size of the Board as at the date of this Charter, the independent Directors will appoint one of their number as a "lead director" to monitor and report to them on issues falling within the normal scope of a non-executive chairman.

## ***Meetings***

The Board of Directors will meet monthly. Meetings may be held by means of conference call, videoconference or similar communication means, as consented to by all directors, in accordance with section 248D of Corporations Act.

## ***Quorum***

A quorum must consist of two members of the Board of Directors in accordance with the Constitution.

## ***Attendance***

The Chairman of the Board may invite the company management and/or advisers and other parties external to the company to attend meetings as required.

### ***Board Committee***

The Board of Directors may establish Committees to assist in carrying out its responsibilities and to oversee the management of the company. Each committee will develop and adopt a Charter setting out matters relevant to the composition, responsibilities and administration of such Committee, or any other matters that the Board may consider appropriate.

The Board of Directors will review the types of Committees from time to time. As at the date of this Charter, the Board has decided that in the interest of efficiency and due to the small size of the Board that the Board of Directors will function as the Nomination and Remuneration Committee.

There will be a separate Audit Committee.

The Board of Directors will establish appropriate special purpose committees from time to time to consider significant matters. Such committees will have terms of reference agreed by the Board of Directors.

Subject to the approval of the Audit Committee of the Board, an individual director may engage an outside professional adviser at the expense of the company in appropriate circumstances

### ***Secretary***

The Company Secretary will act as Secretary of the Board of Directors and will attend meetings of the Board of Directors as required.

### ***Minutes***

Board and committee papers should be provided to directors at least five days prior to the relevant meeting. Minutes of meetings must be confirmed and signed at the next meeting of the Board of Directors.

### ***Responsibilities of the Board of Directors***

- oversee the conduct of the Company's business to evaluate whether the business is being properly managed and conducted in an honest and ethical manner;
- ensure that adequate procedures are in place to identify the principal risks of the company's business and delegate the implementation of appropriate systems to manage these risks to Board Committees and management;
- select, appoint, evaluate the performance of, determine the remuneration of, plan for the successor of, and removal of the Managing Director;
- ensure that adequate plans and procedures are in place for succession planning, including appointing, training and monitoring of senior management performance;

- adopt a strategic planning process and review the company's financial objectives and major corporate plans and actions;
- perform other functions as prescribed by law, or assigned to the Board to maximise shareholders' value.

The Board of Directors may delegate the above responsibilities to its committees, a director or any other person of authority to perform any of its functions and exercise any of its powers.

#### Decisions reserved for the Board of Directors and its Committees

- Nomination and remuneration of directors;
- Appointment of Chairman and Managing Director;
- Membership and scope of Board Committees;
- Assessment of performance of Board members and Managing Director;
- Appointment of Company Secretary;
- Delegation of Board's powers;
- Determine matters referred by the Board Committees;
- Adoption of corporate governance and risk management frameworks and strategic plans;
- Shareholder meetings;
- Authorisation of the use of company seal;
- Allotment, calls or forfeiture of shares;
- Major litigation;
- Continuous disclosure;
- Related party transactions;
- Disclosure of directors' interests;
- Code of conduct;
- Insider trading;
- Employee share plans.

The Board will consider management recommendations in respect of the following issues:

#### Financial Matters

- Capital raising and other financing decisions;
- Risk management policies;
- Financial reports, annual reports, budgets and accounting policies;
- Internal and external audits;
- Prospectuses or other similar issue documents;
- Dividends;

#### Operational Matters

- Business strategy;
- Acquisitions and disposals of subsidiaries or major assets or liabilities;
- Property and asset leases and capital projects;

- Substantial commitments including:
  - mortgages and charges over the company's asset;
  - contracts not in the ordinary course of business;
- Performance and fraud monitoring;
- Succession planning; and
- Employment and compensation policies.

#### Business Control Matters

- Code of conduct;
- Internal control framework;
- Delegations of authority;
- Occupational Health & Safety, Equal Opportunity and other Human Resource policies; and
- Compliance policy.

### **Appendix - Conduct of Directors**

#### Access to Company Documents for Purposes of Legal Proceedings

Directors may inspect and may make copies of the company's non-financial records for the purposes of legal proceedings to which the director:

- is a party; or
- proposes to bring; or
- has reason to believe will be brought against them.

All requests for access should be made to the Chairman of the Board.

#### Disclosure of Confidential Information

Directors will not disclose any confidential information of the company unless:

- the company has given a written consent;
- the director is required to disclose it by law; or
- the disclosure is made for the purpose of obtaining professional advice:
  - i. where the approval of the Audit Committee of the Board has been given, or
  - ii. where approval has not been given, after prior written notice to the Chairman of the Board and the director considers it necessary to obtain advice in order to carry out his or her duties as a director of the company in connection with a matter currently before the Board; and
  - iii. where the director endeavours to ensure all matters disclosed are kept confidential and advises the Board if the advice in any way contradicts the current position of the Board or contradicts advice previously received by the Board.

### Information Privilege

Where a director is entitled to disclose confidential information and legal professional privilege attaches to that information for the benefit of the company, or both the company and the director, the director will use best endeavours to avoid doing anything that will cause privileges to be waived, extinguished or lost by the company in relation to third parties.

### Related Party Transactions

A director, or entities in which a director has a significant interest and / or influence, who enters into a transaction with the company (other than a transaction involving the payment of compensation) shall make full disclosure to the Audit Committee for review in accordance with the related party transaction policy if the total value of the transactions for a year exceeds \$500,000 (excluding loan transaction on usual terms and conditions).

The Audit Committee must approve the transactions before the company enter into the following contracts with directors, or entities in which directors have a significant interest and / or influence:

- contracts for the supply of goods or services which extend beyond one year, or where the total value of goods or services supplied under the contract will exceed \$2 million in any one year.
- all agreements to lease and / or leases of property.
- all agreements for the purchase or sale of freehold and / or leasehold property except where such sale is by way of a genuine public auction.

### Material Personal Interests

Directors are required to disclose all matters involving the company and its subsidiaries in which they have a material personal interest.

Disclosure may be made either by giving notice on a specific transaction basis or as a standing notice. Directors shall provide new notices if the nature and extent of their interest changes at any time. Notices should be in writing detailing the nature and extent of the interest of the director in the matter and should be given to each director and tabled at the next Board meeting.

The Secretary will maintain a register of notices tabled at Board meetings and will make this register available to new directors when appointed. The Secretary will record details of the notice in the minutes of the meeting.

Where a matter that a director has a material personal interest, whether or not declared, is being considered at a Board meeting, that director must not:

- be present while the matter is being discussed, or
- vote on the matter,

unless directors who do not have a material personal interest in the matter pass a resolution that:

- identifies the director, details of the director's interest;
- states that those directors are satisfied that the interest should not disqualify the director from voting or being present;
- the interest does not need to be disclosed to the other directors under Corporations Law; or
- the director is so entitled under a declaration or order made by the Australian Securities and Investments Commission under the Corporations Law.