

BOARD CHARTER

This policy sets out the role, responsibility and processes of the Board including its structure. It operates in conjunction with the Constitution of the Company and relevant laws.

1. Role and Responsibilities of the Board

The role of the Board is to provide leadership and strategic direction for the Company and to oversee and monitor the Company's businesses and affairs. Directors are accountable to the shareholders for the Company's performance. The Board's overriding objective is to increase shareholder value within an appropriate framework that protects the rights and enhances the interests of all shareholders, whilst ensuring that the Company is properly managed. Directors must fulfil their fiduciary obligations to shareholders, but will also take into consideration the interests of other stakeholders in the Company, including employees, customers, creditors and others with a legitimate interest in the Company's affairs.

The Board reviews and approves the Company's business plans and guiding policies. Day to day management of the Company's affairs and implementation of its strategy and policy initiatives are delegated to the Managing Director and by him to other senior executives.

The key responsibilities of the Board include:

- providing leadership and setting the strategic objectives of the Company;
- approving strategies, objectives and plans for the Company's businesses to achieve these goals;
- reporting to shareholders on the Company's strategic direction and performance including constructive engagement in the development, execution and modification of the Company's strategies;
- approving key management recommendations (such as major capital expenditure, acquisitions, divestments, restructuring and funding);
- monitoring executive management and business performance in the implementation and achievement of strategic and business objectives;
- ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;
- overseeing the management of occupational health and safety and environmental performance;
- meeting statutory and regulatory requirements and overseeing the way in which business risks and the assets of the Company are managed;
- approving the Company's remuneration framework, major HR policies and overseeing the development strategies for senior and high performing executives;
- monitoring financial results on an on-going basis;
- appointing the Chair and, if applicable, the deputy chair;

- appointing and removing the Managing Director, Chief Financial Officer and Company Secretary, and ratifying the appointment and removal of executives reporting directly to the Managing Director (senior executives);
- Overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- approving financial plans, operating budgets and major capital expenditure;
- overseeing the Company's process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have material effect on the price or value of the entity's securities;
- ensuring that measures are taken for achieving diversity within the organisation; and
- monitoring the effectiveness of the entity's governance practices.

2. Composition of the Board

The composition of the Board is determined using the following principles:

- The Board is comprised of a minimum of 3 and a maximum of 6 directors. The directors have power under the Company's Constitution to determine the maximum number of directors from time to time, above 3 but not more than 6 directors.
- The Chairman of the Board is to be an independent non-executive director.
- It is the aim of the Board to always contain a majority of independent non-executive directors.
- Collectively, the Board will have the necessary expertise to ensure the Company meets its key financial and strategic goals. The Board will determine on an annual basis whether the Board 'mix' meets its current strategies and will implement any changes to reflect any change in strategies.
- Each Board member will be provided with the 'Directors Handbook' prior to the commencement of his or her role as Director.

3. Role of the Chairman

The Chairman is responsible for:

- leadership of the Board;
- overseeing the Board in the effective discharge of its supervisory role;
- facilitating the work of the Board at its meetings and ensuring that the principles of the Board are maintained;
- taking such measures as are necessary to facilitate an effective contribution from all Directors;
- promoting a constructive relationship between the Board and management; and

- ensuring that there is regular and effective evaluation of the Board's performance.

4. Appointment / Retirement of Directors

- The Nomination Committee will regularly review the composition of the Board and if it is considered appropriate to appoint new directors to the Board, will arrange for the matter to be discussed at a full Board meeting. Nominations are received and reviewed by the Board. The Board will then determine any special qualifications, experience or other prerequisites for the new director, and the manner of selecting such a director.
- The Nomination Committee will determine a Directors independence.
- The Nomination Committee will undertake appropriate checks before appointing a person. These checks will include details of the person's character, experience, education, criminal record and bankruptcy history.
- The Nomination Committee will provide the following to shareholders in order for them to make an informed decision on whether or not to elect or re-elect the candidate:
 - Biographical details, including their relevant qualifications and experience and the skills they bring to the board;
 - Details of any other material directorships currently held by the candidate.
- The Nomination Committee will ensure the Company has a written agreement with each Director setting out the terms of appointment.
- In relation to a candidate standing for election as a first time director, the Nomination Committee will provide to shareholders details of:
 - any materially adverse information revealed by checks performed by the entity;
 - any interest, position, association or relationship that might reasonably be perceived to materially influence that person's capacity to bring an independent judgment to bear on issues before the board and to act in the best interests of the company and its shareholders;
 - whether the Board considers that, if elected, the director will qualify as an independent director; and
 - whether the Board supports the election of the candidate.
- In relation to a candidate standing for re-election, the Nomination Committee will provide to shareholders details of:
 - the term of office currently served by the director;
 - whether the Board considers the director to be an independent director; and
 - whether the Board supports the re-election of the candidate.
- The Nomination Committee may use external consultants to access a wide base of potential directors, considering the range of skills and experience required in light of:

- the current composition of the Board;
 - the need for independence;
 - the strategic direction and progress of the Company; and
 - the geographic spread and diversity of the Company's business.
- If the need for a new Board member is identified, the appointee must stand for election at the next general meeting of shareholders.
 - No director except the Managing Director may hold office for a period in excess of 3 years, or beyond the third annual general meeting following the director's election, whichever is the longer, without submitting himself or herself for re-election.
 - One third of all directors, except the Managing Director, will retire by rotation each year but may offer themselves for re-election for a further 3 year period.
 - The Company does not have a policy with regard to establishing a maximum term for the appointment of a director.

5. Board Meetings

- Board meetings are generally held on a monthly basis. All directors are expected to prepare fully for all Board meetings, and to attend as many Board meetings as is reasonably practicable.
- The Chairman in consultation with the MD and Company Secretary is responsible for the orderly conduct of the board meetings.
- The Board meeting agenda and relevant papers will be distributed to all directors at least 4 days prior to the meeting.
- Directors are expected to be available for the full duration of the meeting as notified in the meeting agenda.
- Directors will keep confidential Board discussions, deliberations and decisions that are not publicly known. Outside the boardroom, directors support the letter and spirit of Board decisions.
- Confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been properly authorised, or is required by law.
- The Board has established a number of Board committees to assist in the execution of its responsibilities. In addition to these permanent committees, it is the practice of the Board to establish ad hoc sub committees on an as needed basis. All directors are expected to be available for membership of these committees, to prepare fully for relevant committee meetings, and to attend as many meetings of Board committees and sub-committees, of which they are a member, as is reasonably practicable. The agenda and papers for Board committee meetings will be distributed at least 4 days prior to each meeting.
- In addition to formal Board and committee meetings, directors are also required to attend functions and activities on behalf of the Company. This will include meetings with staff,

customers and suppliers. All directors are expected to make themselves available for these functions and activities.

6. Remuneration of Directors

- Executive directors receive no extra remuneration for their service on the Board beyond their executive salary package.
- Remuneration of non-executive directors is determined in maximum aggregate by the shareholders, and is allocated by the Board on the recommendation of the Remuneration Committee. The Remuneration Committee will take independent advice in respect to directors' fees on an as needed basis.
- Directors fees are paid on a gross fees basis (except GST where applicable). There is no separate payment made for attendance at Board committee meetings or for other attendances to Company or Board activities. Directors do have the option of packaging their fees on the same basis as executives (eg. superannuation, motor vehicles).
- Directors are not required to hold shares in the Company as part of their appointment.
- The reasonable expenses incurred by a director in discharging their obligations and performing their duties will be reimbursed by the Company, consistent with Company policies which are established from time to time.
- There is to be no plan to provide remuneration, reward or other benefits to non-executive directors upon the cessation of them holding office as a director.

7. Board Appraisal

A structured process has been established to review and evaluate the performance of the Board. Each year, a survey of directors is coordinated by the Chairman to review the role of the Board, to assess the performance of the Board over the previous 12 months and to examine ways of assisting the Board in performing its duties more effectively, such as through further education.

The Company will disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period.

8. Directors' Other Interests

Directors other interests, which are likely to conflict with the interests of the Company, are declared by the relevant director at the time the interest arises or the potential conflict becomes apparent. If a conflict actually arises, the director concerned will absent himself from the meeting at which the issue is discussed and will abstain from voting on the issue.

Each director is required to provide and to keep the Company provided with up to date details of their other interests (for example, employment, directorships, potential conflicts of interest, interests in contracts to which the Company is party, related party transactions, family ties) both before and during the holding of office.

9. Independent Professional Advice

Each director has the right, with the prior approval of the Chairman, not to be withheld except in case of an unreasonable request by a director, to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil his or her duties and responsibilities as a director.

Where the Chairman wishes to obtain independent professional advice, the Chairman must obtain the prior authorisation of the chairman of the Audit Committee, not to be withheld except in case of an unreasonable request by the Chairman.

A copy of all such advice must be provided immediately to the Chairman, and made available to the Board meeting next following receipt of the advice, unless it is privileged from production by the director to the Company according to law, or would thereby be available to another party to proceedings to which the director is also a party.

10. Agreement for Provision of Information to Stock Exchange/s

Where the Company is required, under the listing rules of Australian Stock Exchange (ASX) and any other stock exchange upon which the Company is obliged to disclose to such exchanges the details of directors' interests in securities, and in contracts relevant to the securities, then the Company is also required to enter into an agreement with each of the directors under which the directors are obliged to provide the necessary information to the Company to enable discharge of those obligations.

All directors are required to enter into such an agreement and to provide the specified information within the agreed timeframe.

11. Continuous Disclosure

The Board is aware of its obligations in respect to continuous disclosure of material information, and embraces the principle of providing access to that information to the widest audience of investors. The Board will regularly review the effectiveness of the Company procedures in place to ensure that continuous disclosure is maintained.

The Company, in accordance with the provisions of the Corporations Act 2001 (Cth) and the ASX Listing Rules, advises the ASX of any transaction conducted by directors in securities in the Company. A Board policy "Disclosures to the Investment Community" has been issued and all directors are required to comply with that policy.

12. Company Secretary

The Company Secretary will be appointed by the Board on such terms the Board determines appropriate. The Company Secretary will be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. The Company Secretary will co-ordinate all Board business (which includes agendas, minutes, board papers, ASIC and over governmental filings, lodging ASX announcements) including the following:

- Advising the board and its committees on government matters;
- Monitoring that board and committee policy and procedures are followed;
- Coordinating the timely completion and despatch of board and committee papers;
- Ensuring that the business at board and committee meetings is accurately captured in the minutes; and
- Helping to organise and facilitate the induction and professional development of directors.

13. Compliance Officer

The Board shall ensure that at all times a responsible executive of the Company is appointed as the Compliance Officer of the Company. That Officer shall be responsible for arranging, monitoring and

reporting to the Board upon the performance of all the compliance obligations of the Company. Unless a more appropriate officer is available, the Secretary of the Company shall be the Compliance Officer.

14. Board Committees

To ensure that the Board has adequate time to concentrate on strategy, planning and performance enhancement, the Board will delegate certain specific duties to Board committees. There are currently the two following committees:

- Audit Committee; and
- Remuneration Committee.

The structure and membership of the Committees and their charters are reviewed annually. Other committees may be constituted from time to time, as required.

The Board will determine the membership and composition of Board Committees in accordance with the Charters.

15. Senior Executive Performance

The Directors will determine criteria to assess the performance of Senior Executives and will ensure that the results of the reviews are disclosed in accordance with the Investor Disclosure Charter.

16. Review of Charters

Board and Committee Charters will be reviewed every two years or as required.