

# **West Wits Mining Limited**

## **Board Charter**

Updated 23<sup>rd</sup> September 2019

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## 1. INTRODUCTION

West Wits Mining Limited is a public company incorporated within Australia. It is the aim of the Board to list the Company on the Australian Stock Exchange and Johannesburg Exchange.

The Company has six subsidiaries, West Wits Mining SA (Pty) Ltd, West Wits MLI (Pty) Ltd, Mineral and Mining Reclamation Services (Pty) Ltd, West Wits Monarch (Pty) Ltd, Nugold Company Ltd, PT. Madinah Qurrata'ain. The Company's main activity is exploration and development of mineral resources.

The Board of the Company ("Board") has the ultimate responsibility to its shareholders for the strategy and performance of the Company in general. The Board is dedicated to fulfilling these duties in a lawful and professional manner, and with the utmost integrity and objectivity. As such, the Board actively pursues best practice governance processes.

Good governance policies and processes are critical for ensuring that the Company is governed in the best interests of the Company as a whole. With this point in mind, the Board has decided to articulate and formalise the corporate governance framework within which the Company operates.

This document outlines the Company's Corporate Governance Policy in the form of a Board Charter, which is a written policy document that defines the respective roles, responsibilities and authorities of the Board, both individually and collectively, and of Management in setting the direction, management and the control of the organisation. As such, it establishes the guidelines within which the Directors and Officers are to operate as they carry out their respective roles. It does not in anyway constitute legal advice or act as a substitute for legal advice.

The purpose of this Board Charter is to document the policies upon which the Board has decided to meet its legal and other responsibilities.

The Charter is structured in accordance with the Company's view of a Corporate Governance Charter.



Geoffrey Kiel and Gavin Nicholson,  
*Boards that Work: A New Guide for  
 Directors*, Sydney: McGraw-Hill, 2003.

The Company's Board Charter has four major sections:

- Part A – Defining Governance Roles;
- Part B – Board Processes;
- Part C – Key Board Functions; and
- Part D – Continuing Improvement.

While it is acknowledged that good governance is an important component of a successful company, it is also recognised that it is contingent upon the context in which it is practiced. Therefore, corporate governance needs to be an evergreen process, and as a result this Board Charter is a living document. The Board Charter will need to be regularly reviewed and updated to reflect changes in the legal framework within which the Company operates, and amendments and developments in Board policies and procedures made as is appropriate. It is the responsibility of the Company Secretary to ensure that the Board is consulted regarding any changes and updates, that the Charter is kept current and is reviewed and amended on a yearly basis, and that all Board Members are provided with the latest versions of the Charter.

Nothing in this Charter must conflict with the Company's Constitution ("Constitution"). If such a conflict occurs, the Constitution shall prevail.

Any reference to gender in this Charter should be interpreted as applicable to both males and females.

Any reference to CEO in this Charter should be interpreted as follows:

- Operations Manager – responsible for exploration issues and operations in South Africa ; or
- Corporate Manager – responsible for all other issues.

As is appropriate in the context of the use of that phrase

## PART A – DEFINING GOVERNANCE ROLES

### 2. THE ROLE OF THE BOARD

The Board is ultimately responsible for all matters relating to the running of the Company.

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of Senior Management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of Management in carrying out these delegated duties. Thus, except when dealing with specific management delegations of individual Directors (particularly Executive Directors), it is misleading to refer to the management function of the Board.

The Board has the final responsibility for the successful operations of the Company. In general, it is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company. In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- Providing leadership to the Company by
  - Guiding the development of an appropriate culture and values for the Company through the establishment and review of Codes of Conduct,<sup>i</sup> rules and procedures to enforce ethical behaviour and provide guidance on appropriate work methods;
  - Always acting in a manner consistent with the Company's culture and Code of Conduct;
- Overseeing the development and implementation of an appropriate strategy by:
  - Working with the Senior Management Team to ensure that an appropriate strategic direction and array of goals are in place;
  - Regularly reviewing and amending or updating the Company's strategic direction and goals;
  - Ensuring that an appropriate set of internal controls are implemented and reviewed regularly;
  - Overseeing planning activities including the development and approval of strategic plans, annual plans; annual corporate budgets and long-term budgets including operating budgets, capital expenditure budgets and cash flow budgets;
  - Reviewing the progress and performance of the Company in meeting these plans and corporate objectives, including reporting the outcome of such reviews on at least an annual basis;
- Ensuring corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy, encouraging effective participation at General Meetings and, through the Chairman, being the key interface between the Company and its shareholders;

- Overseeing the control and accountability systems that ensure the Company is progressing towards the goals set by the Board and in line with the Company's purpose, the agreed corporate strategy, legislative requirements and community expectations;
- Ensuring robust and effective risk management, compliance and control systems (including legal compliance) are in place and operating effectively;
- Being responsible for the Company's Senior Management and Personnel including:
  - Directly managing the performance of the CEO including:
    - appointing and remunerating the CEO;
    - providing advice and counsel to the CEO including formal reviews and feedback on his or her performance;
    - overseeing the development or removal the CEO, where necessary;
  - Ratifying the appointment, the terms and conditions of the appointment and, where appropriate, removal of the CFO and/or Company Secretary;
  - Ensuring that an appropriate succession plan for the CEO, CFO and Company Secretary is in place, where appropriate;
  - Ensuring appropriate human resource systems (including OH&S systems) are in place to ensure the well-being and effective contribution of all employees; and
  - Establishing and maintaining appropriate remuneration levels and policies, including incentive policies for Directors, Senior Executives and Employees.
- Ensuring that Board membership and structure is suitable to the current circumstances of the Company; having in place effective succession planning procedures and evaluating performance where possible.
- Reviewing the integrity of the Company's financial reporting and overseeing the independence of the external Auditors ( or by delegation to a Committee)
- Delegating appropriate powers to the CEO, Management and Committees to ensure the effective day-to-day management of the business and monitoring the exercise of these powers; and
- Making all decisions outside the scope of these delegated powers including:
  - Approving the details of all items of capital expenditure in excess of \$20,000; and
  - Approving all operational expenditures more than 10% outside the approved budget and
  - Approving all mergers, acquisitions or property disposals in excess of \$20,000; and
  - Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures.

The detail of some Board functions will be handled through Board Committees where appropriate. However, the Board as a whole is responsible for determining the extent of powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.



### **3. BOARD STRUCTURE**

#### **3.1 Number of Directors**

The Board has determined that, consistent with the size of the Company and its activities, the Board shall be comprised of at least 3 Directors, with the intention of appointing over time such number of independent Directors that is appropriate to provide proper non-executive influence for decision making purposes.

The Board's long term policy is that the majority of Directors shall be independent, Non-executive Directors. Depending on the future needs of the Company, its ability to identify and attract suitable candidates and to financially be able to afford such a structure in light of finite financial resources. This ensures that all Board discussions or decisions have the benefit of outside views and experience.

Subject to the above, the Board has adopted the definition of independence set out in the ASX Corporate Governance Council *Principles of Good Corporate Governance and Best Practice Recommendations – 3<sup>rd</sup> Edition* (2014).

The independence of the Company's Non-executive Directors will be assessed on an ongoing basis.

In the opinion of the Board, all Directors should bring specific skills and experience that add value to the Company. The balance of skills and experience of the Board is to be regularly reviewed by the Nomination Committee (or full Board in the absence of a Nomination Committee).

When considering the potential reappointment of an existing Director, the Board will take into account the individual's performance as well as the skills and experience mix required by the Board into the future.

When considering vacancies, the Board will take into account a candidate's capacity to enhance the mix of skills and experience of the Board.

#### **3.2 Appointment of Directors**

The Directors may at any time appoint a person to be Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following General Meeting and is then eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Any person seeking election as a Director (other than a Director seeking re-election) may submit their application and signed nomination at least 6 weeks before the General Meeting, to the Registered Office of the Company. All nominations shall then be treated as in regards to the Company's Constitution.

#### **3.4 Skills Required on the Board**

The Board, through the Nomination Committee (or full Board in the absence of a Nomination Committee), will regularly review, on at least an annual basis, the Boards skills.

#### **3.5 Duration of Appointment**

In the interest of ensuring a continual supply of new talent to the Board, Directors will serve for as long as the Director's skill base and contribution is considered beneficial to the Company.

### **3.6 Vacation of Office**

It is envisaged that Directors shall remain on the Board until required to vacate the office by law or as detailed in the Constitution. The terms and conditions for Directors are contained in their Letter of Appointment.

## **4. THE ROLE OF INDIVIDUAL DIRECTORS**

As members of the peak decision-making body in the Company, Directors share ultimate responsibility for the Company's overall success. Therefore, Directors have an individual responsibility to ensure that the Board is undertaking its responsibilities as set out in its Statement of Board Functions. Directors need to ensure that the Board is providing:

- leadership to the Company, particularly in the areas of ethics and culture;
- a clear and appropriate strategic direction;
- accountability to key stakeholders, particularly shareholders;
- oversight of policies;
- oversight of all control and accountability systems including all financial operations and solvency, risk management and compliance;
- an effective Senior Management Team and appropriate personnel policies; and
- timely and effective decisions on matters reserved to it.

### **4.1 Directors' Code of Conduct**

In accordance with legal requirements and agreed ethical standards, Directors and key Executives of the Company:

- will act honestly, in good faith and in the best interests of the whole Company;\*
- owe a fiduciary duty to the Company as a whole;
- have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;\*
- will undertake diligent analysis of all proposals placed before the Board;
- will act with a level of skill expected from Directors and key Executives of a publicly listed Company;
- will use the powers of office for a proper purpose, in the best interests of the Company as a whole;\*
- will demonstrate commercial reasonableness in decision making;
- will not make improper use of information acquired as Directors and key Executives;\*
- will not disclose non-public information except where disclosure is authorised or legally mandated;†
- will keep confidential information received in the course of the exercise of their duties and such information remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information is provided, or is required by law;\*
- will not take improper advantage of the position of Director\* or use the position for personal gain or to compete with the Company;†

- will not take advantage of Company property or use such property for personal gain or to compete with the Company; †
- will protect and ensure the efficient use of the Company's assets for legitimate business purposes; †
- will not allow personal interests, or the interest of any associated person, to conflict with the interests of the Company;\*
- have an obligation to be independent in judgment and actions and Directors will take all reasonable steps to be satisfied as to the soundness of all decisions of the Board;\*
- will make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally, towards achieving its goals;
- will not engage in conduct likely to bring discredit upon the company;\*
- will encourage fair dealing by all employees with the Company's customers, suppliers, competitors and other employees; †
- will encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations in good faith; †
- will give their specific expertise generously to the company;
- have an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Code;\*

(\*From the *AICD Code of Conduct*)

(†From the ASX Corporate Governance Council's *Principles of Good Corporate Governance*)

#### **4.2 Expectations of Directors in Board Process**

Since the Board needs to work together as a group, Directors need to establish a set of standards for Board Meetings. At the Company, it is expected that Directors shall, in good faith, behave in a manner that is consistent with generally accepted procedures for the conduct of meetings at all meetings of the Board. This will include, but not be limited to:

- behaving in a manner consistent with the letter and spirit of the Corporate Code of Conduct;
- acting in a businesslike manner;
- acting in accordance with the Constitution and Board policies;
- addressing issues in a confident, firm and friendly manner;
- preparing thoroughly for each Board or Committee event;
- using judgment, commonsense and tact when discussing issues;
- minimising irrelevant conversation and remarks;
- ensuring that others are given a reasonable opportunity to put forward their views;
- refraining from interruption or interjection when a speaker has the floor; and
- being particularly sensitive in interpreting any request or direction from the Chairman that aims to ensure the orderly and good-spirited conduct of the meeting.

Directors are expected to be forthright in Board Meetings and have a duty to question, request information, raise any issue, and fully canvas all aspects of any issue confronting the Company, and cast their vote on any resolution according to their own judgment.

Outside the boardroom, however, Directors will support the letter and spirit of Board decisions in discussions with all stakeholders including any shareholders, special interest groups, customers, staff, suppliers and any other parties.

Directors will keep confidential all board discussions and deliberations. Similarly, all confidential information received by a Director in the course of the exercise of the Director's duties remains the property of the Company and is not to be discussed outside the boardroom. It is improper to disclose it, or allow it to be disclosed, unless that disclosure is without appropriate authorisation.

### **4.3 Conflict of Interest and Related Party Transactions**

#### *4.3.1 Conflicts of Interest*

Directors must disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director and the interests of the Company. Whether an interest is material or not will vary depending on individual circumstances. Directors are expected to know when a matter is material and accordingly would declare any material conflict. On appointment, Directors will have an opportunity to declare any such interests and they will be entered into the Company's Register of Ongoing Conflicts of Interests.

Directors should update this disclosure by notifying the Company Secretary in writing as soon as they become aware of any conflicts. Directors are also expected to indicate to the Chairman any actual or potential conflict of interest situation as soon as it arises. To ensure Directors have an opportunity to disclose new conflicts of interest, the first Agenda item for each Board Meeting will be the disclosure of any conflicts of interest. Any amendments to disclosures are to be tabled at this time and entered into the Register of Ongoing Conflicts of Interest.

The Board can request a Director to take reasonable steps to remove the conflict of interest. If a Director cannot or is unwilling to remove a conflict of interest then the Director must absent himself or herself from the room when discussion and voting occur on matters to which the conflict relates. The entry and exit of the Director concerned will be minuted by the Company Secretary. Directors do not have to absent themselves when either (a) conflict of interest relates to an interest common to all Company members/shareholders or (b) the Board passes a resolution that identifies the Director, the nature and extent of the Director's interest and clearly states that the other Directors are satisfied that the interest should not disqualify the Director concerned from discussion and/or voting on the matter.

#### *4.3.2 Related Party Transactions*

Related party transactions include any financial transaction between a Director or Officer and the Company and will be reported in writing to each Board Meeting.

In general, the *Corporations Act* requires related party transactions to be approved by the shareholders; the Board cannot approve these transactions. An exemption to this requirement occurs where the financial benefit is given on arm's length terms.

To assist the Board in showing that a financial benefit, such as the awarding of a contract to a company in which a Director is a partner, is given on arm's length terms, the process outlined below (Potential Related Party Transaction) will be followed. The Board has also resolved that where applications are made by a related party to a

Director or Officer of the Company then the Director or Officer shall exclude himself/herself from the approval process.

Related party for this process means:

- (a) a spouse or de facto spouse of the Director or officer; or
- (b) a parent, son or daughter of the Director or officer or their spouse or de facto spouse; or
- (c) an entity over which the Director or Officer or a related party defined in (a) or (b) has a controlling interest.

The Company Secretary will maintain a Register of Related Parties Transactions as well as the Register of Ongoing Conflicts of Interests.

## **5. THE ROLE OF THE CHAIRMAN**

The Chairman's role is a key one within the Company. The Chairman is considered the "lead" Director and utilises his/her experience, skills and leadership abilities to facilitate the governance processes.

There are two main aspects to the Chairman's role. They are the Chairman's role within the boardroom and the Chairman's role outside the boardroom.

### **5.1 Inside the Boardroom - The role of the Chairman is to:**

1. Establish the Agenda for Board Meetings in consultation with the CEO;
2. Chair Board Meetings. If the Chairman is not present within 15 Minutes after the time appointed for the holding of the meeting, a Director chosen by a majority of Directors shall assume the role;
3. Be clear on what the Board has to achieve, both in the long and short term;
4. Provide guidance to other Board members about what is expected of them;
5. Ensure that Board Meetings are effective in that:
  - the right matters are considered during the meeting (for example, strategic and important issues);
  - matters are considered carefully and thoroughly;
  - all Directors are given the opportunity to effectively contribute; and
  - the Board comes to clear decisions and resolutions are noted;
6. Brief all Directors in relation to issues arising at Board Meetings;
7. Ensure that the decisions of the Board are implemented properly;
8. Ensure that the Board behaves in accordance with its Code of Conduct; and
9. Commence the annual process of Board and Directors' Evaluations.

### **5.2 Outside the Boardroom - the role of the Chairman is to:**

1. In conjunction with the CEO, undertake appropriate public relations activities;
2. Be the spokesperson for the Company at the AGM and in the reporting of performance and profit figures;
3. Be the major point of contact between the Board and the CEO;
4. Be kept fully informed of current events by the CEO on all matters which may be of interest to Directors;

5. Regularly review with the CEO, and such other senior officers as the CEO recommends, progress on important initiatives and significant issues facing the Company;
6. Provide mentoring for the CEO; and
7. Initiate and oversee the annual CEO evaluation process.

## **6. THE ROLE OF THE COMPANY SECRETARY**

The Company Secretary is charged with facilitating the Company's corporate governance processes and so holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively. The Company Secretary is accountable to the Board, through the Chairman, on all governance matters and reports directly to the Chairman as the representative of the Board. The Company Secretary is appointed and dismissed by the Board and all Directors have as of right access to the Company Secretary.

The tasks of the Company Secretary shall include:

### **Meetings and Minutes**

- notifying the Directors in writing in advance of a meeting of the Board as specified in the Constitution;
- ensuring that the Agenda and Board papers are prepared and forwarded to Directors prior to the Board Meeting as set out in the Board Policy Manual;
- recording, maintaining and distributing the Minutes of all Board and Committee Meetings as required;
- maintaining a complete set of Board Papers at the Company's main office.
- preparing for and attending all Annual and Extraordinary General Meetings of the Company; and
- recording, maintaining and distributing the Minutes of all General Meetings of the Company.

### **Compliance**

- overseeing the Company's Compliance Program and ensuring all Company legislative obligations are met;
- ensuring all requirements of ASIC, ASX, JSX, the ATO and any other regulatory body are fully met; and
- providing counsel on Corporate Governance Principles and Directors' liability.

### **Governance Administration**

- maintaining the Register of Ongoing Conflicts of Interests and the Register of Related Party Transactions;
- maintaining a Register of Company Policies as approved by the Board;
- maintaining, updating and ensuring that all Directors have an up-to-date copy of the Board Charter and associated Governance documentation;
- maintaining the complete list of the Delegations of Authority;
- reporting at each Board Meeting the documents executed under a Power of Attorney, documents executed in accordance with section 127 of the *Corporations Act*, and reporting on the use of the seal register; and
- any other services the Chairman or Board may require.

## 7. THE ROLE OF THE CEO

The Chief Executive Officer (CEO) is responsible for the attainment of the Company's goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by the Board. The position reports directly to the Board.

The CEO's primary objective is to ensure the ongoing success of the Company through being responsible for all aspects of the management and development of the Company. The CEO is of critical importance to the Company in guiding the Company to develop new and imaginative ways of winning and conducting business. The CEO must have the industry knowledge and credibility to fulfil the requirements of the role.

The CEO will manage a team of Executives responsible for all functions contributing to the success of the Company.

The CEO's specific responsibilities will include:

- Develop, in conjunction with the Board, the Company's vision, values, and goals;
- Responsibility for the achievement of corporate goals and objectives;
- Development of short, medium and long term corporate strategies and planning to achieve the Company's vision and overall business objectives;
- Preparation of business plans and reports with the Senior Management; developing with the Board the definition of ongoing corporate strategy; implementing and monitoring strategy and reporting/presenting to the Board on current and future initiatives;
- Advise the Board regarding the most effective organisational structure and oversee its implementation;
- Assessment of business opportunities of potential benefit to the Company;
- Responsibility for proposals for major capital expenditure to ensure their alignment with corporation strategy and justification on economic grounds;
- Sustain competitive advantage through maximising available resources, encouraging staff commitment and strategically aligning the corporate culture with the organisation's goals and objectives;
- Establish and maintain effective and positive relationships with Board members, shareholders, customers, suppliers and other government and business liaisons;
- Undertake the role of key company spokesperson;
- Recommend policies to the Board in relation to a range of organisational issues including delegations of authority, consultancies and performance incentives;
- Ensure statutory, legal and regulatory compliance and comply with corporate policies and standards;
- Ensure appropriate risk management practices and policies are in place;
- Develop and motivate direct reports and their respective teams;
- Select and appoint key staff (direct reports); and
- Ensure there is an appropriate staff appraisal system in place in the Company.

## PART B – BOARD PROCESSES

### 8. BOARD MEETINGS

Board Meetings are a fundamental component of governance processes. Each Board Meeting is critical, as it is the main opportunity for Directors to:

- obtain and exchange information with the senior management team;
- obtain and exchange information with each other; and
- make decisions.

The Board Meeting Agenda is equally as important because it shapes the information flow and subsequent discussion.

#### 8.1 Meeting Frequency

The Board will meet approximately eight (8) times per year but no less than six (6) times per year and, unless otherwise agreed, Committees will generally meet on a half-yearly basis. Where Board and Committee Meetings are scheduled for the same month, where possible, Committee Meetings will precede the Board Meeting by a least one week to allow the circulation of the Minutes of the Committee meeting prior to the Board Meeting.

#### 8.2 Meeting Time and Location

The Board usually meets at the Company's office located at Level 6, 400 Collins St, Melbourne Vic 3000. Board Meetings usually commence at 4.00pm but this may vary depending on the Agenda of each individual meeting, the availability of key participants and the location in which the meeting is taking place.

#### 8.3 Meeting Cycle

To assist the smooth running of Board processes, the Board has adopted an indicative monthly cycle as follows. The indicative cycle gives Board Members seven days to review the Agenda and Board Papers to save valuable time at meetings by being prepared for discussions and allowing them to seek clarification or further information in advance on ambiguous items.

Under normal circumstances, Board Meetings shall follow the following monthly cycle:

ITEM	DAY
Draft Agenda prepared by the Company Secretary	-12
Company Secretary updates actions arising from the previous meeting	-7
Company Secretary reviews the proposed Agenda with the Chairman	-7
Board papers and Agenda are finalised	-7
Board papers are printed	-7
All Board papers are circulated to Board Meeting attendees	-7
Board Meeting	0
Draft Minutes sent to Chairman	3 to 5
Draft Minutes sent to Directors	6 to 10

All days indicated are calculated in relation to the Board Meeting day (day zero).

Please note, that this is an indicative cycle only. The actual timing of events in the lead up to and follow up from Board Meetings will be dependent upon the circumstances surrounding each individual meeting.

#### 8.4 Conduct of Meeting

The Chairman will determine the degree of formality required at each meeting while maintaining the decorum of such meetings. As such, the Chairman will:

- ensure that all members are heard;



- retain sufficient control to ensure that the authority of the Chair is recognised. This may require a degree of formality to be introduced if this is necessary to advance the discussion;
- take care that the decisions are properly understood and well recorded; and
- ensure that decisions and debates are completed with a formal resolution and recording the conclusions reached.

### **8.5 Quorum and Voting at Meetings**

In order for a decision of the Board to be valid, a quorum of Directors must be present. In accordance with the Company's constitution a quorum is 2 Directors present and entitled to vote. Questions arising at Board Meetings are to be decided by a majority of votes of Directors who are present or via telecommunications device, and entitled to vote.

### **8.6 Written Resolutions**

As provided by the Constitution, a written resolution or circular resolution may be passed on the basis that it is signed by a majority of current Directors.

## **9. BOARD MEETING AGENDA**

### **9.1 Agenda Content**

An Agenda will be prepared for each Board and Committee Meeting.

### **9.2 Agenda Preparation**

The Company Secretary, in consultation with the Chairman and the CEO is responsible for preparing an Agenda for each Board Meeting. However, any Director may request items to be added to the Agenda for upcoming meetings. The Company Secretary circulates the Agenda to all Directors with the Board Papers at least seven days prior to the meeting.

## **10. BOARD PAPERS**

### **10.1 Preparation and Circulation of Board Papers**

The Company Secretary together with the CEO is responsible for the preparation and circulation of Board Papers. The Board Papers will be circulated to Directors prior to the Board Meeting. If a Board Paper relates to a matter in which there is a known conflict of interest with a particular Director then the relevant Board Paper will be removed by the Company Secretary on the instructions of the Chairman, from the set of Board Papers sent to that Director. In the case of the Chairman having a conflict of interest, the Board will appoint another Director to make final decisions on the forwarding of Board Papers to the Chairman.

### **10.2 Retention of Board Papers**

The Company Secretary maintains a complete set of Board Papers at the Company's headquarters. However, individual Directors may retain their own Board Papers in a secure location.

## **11. BOARD MINUTES**

Minutes are to be a concise summary of the matters discussed at a Board Meeting. Minutes will contain a brief reference to relevant Board Papers tabled plus any official resolutions adopted by Directors. All decisions will be recorded in the Minutes by means of a formal resolution.

## **12. BOARD CALENDAR**

In order to provide an even distribution of work over each financial year, the Board will adopt a twelve-month Board Calendar. Included will be all proposed Board and Committee Meetings as well as major corporate and Board activities, such as strategic planning and the CEO's Evaluation, to be carried out in particular months. It will be updated and approved prior to the start of each calendar year.

## **13. COMMITTEES**

The Board currently has two committee's:

- Audit, Risk and Compliance Committee
- Remuneration & Nomination Committee

It is expected that each committee will have a Committee Charter that has been approved by the Board. Nevertheless, the Board has the ability to alter the roles of each committee as it sees fit. The Committee Charters for each committee are Attachments A & B, respectively.

## PART C – KEY BOARD FUNCTIONS

### 14. THE BOARD AND STRATEGY

Each year the Board will approve a formal strategic planning process that articulates the respective roles and levels of involvement of the Board, Senior Management and other employees and will review the strategic plan for the Company Group.

### 15. CONTACTS AND ADVISORY ROLE

#### 15.1 CEO Advisory Role

It is recognised that a key directorial duty is providing a sounding board for CEO ideas and challenges. Recognising that the CEO-Board relationship is critical to effective corporate governance, Directors should provide frank and honest advice to the CEO. It is expected that the Chairman will play a key part of this role and will maintain regular contact with the CEO.

All advice should be constructive in nature and provided in a positive manner. Where appropriate, Directors should recommend possible alternative advisers if they do not feel adequately trained to assist.

#### 15.2 Protocol for Interaction with Internal and External Parties

##### *15.2.1 Media Contact and Comment*

The Board has designated the CEO or the Chairman (where appropriate) to speak to the press on matters associated with the Company. In speaking to the press, the CEO or the Chairman will not comment on price sensitive information that has not already been disclosed to ASX, however, they may clarify previously released information. To assist in safeguarding against the inadvertent disclosure of price sensitive information the CEO and the Chairman will be informed of what the Company has previously disclosed to the market on any issue prior to briefing anyone outside the Company.

There will be times when Directors and Employees will be approached by the media for public comment. On such occasions the Director(s) or Employee(s) should comply with the following:

1. refer the person to the CEO or Chairman of the Board as appropriate for comment;
2. refrain from disclosing any information, documents or other forms of data to the person without the prior consent of the CEO or the Chairman of the Board;
3. report the person who contacted the Director/employee, the reason (explicit or inferred) for the contact and a summary of any other relevant information as soon as possible to the CEO or the Chairman of the Board.

##### *15.2.1 External Communications including Analyst Briefings and Responses to Shareholder Questions*

The Company discloses its financial and operational results to the market each half year/quarter as well as informing the market of other events throughout the year as they occur. Quarterly financial reports, media releases and AGM speeches are all lodged with the ASX. As all financial information is disclosed through the ASX, the Company will only comment on factual errors in information and underlying assumptions when commenting on market analysts' financial projections, rather than commenting on the projections themselves.

In addition to the above disclosures, the Company does conduct briefings and discussions with analysts and institutional investors. However, price sensitive information will not be discussed unless that particular information has been previously formally disclosed to the market via an ASX announcement. Slides and presentations used in briefings will also be released immediately prior to the briefing to the market via the ASX.

After the conclusion of each briefing or discussion, it will be reviewed to determine whether any price sensitive information has been inadvertently disclosed. If any price sensitive information was disclosed it will be announced immediately to the ASX.

### **15.3 Hospitality and Gifts**

While the Company recognises the need from time to time to give or accept customary business courtesies in accordance with ethical business practices, Directors and Officers will not solicit such courtesies and will not accept gifts, services, benefits or hospitality that might influence, or appear to influence, the Directors' and officers' conduct in representing the Company.

## **16. MONITORING**

Another essential function of the Board is to monitor the performance of the organisation in implementing its strategy and overall operational performance. This will be done on an annual basis. The Board will meet annually, usually after the Annual General Meeting and review its operations and achievements during the year and critically appraise the achievement of corporate objectives, the performance of management and the board.

## **17. COMPLIANCE**

The Board is charged with implementing, reviewing and ensuring the integrity and effectiveness of the Company's compliance systems. The Board has established an Audit, Risk and Compliance Committee that is responsible for overseeing the Company's compliance systems and reporting to the Board on those systems.

## **18. RISK MANAGEMENT**

Since risk management is a complex and critical component of the Company's governance, the Board has established an Audit Risk & Compliance Committee to oversee and guide the detail of this topic. The CEO is charged with implementing appropriate risk systems within the Company. Aspects of this process may be delegated.

The risk management system is based on the Australian Standard *AS/NZS 4360-2004*. The key components of the system are available from the Company upon request.

Risk management is considered a key governance and management process. It is not an exercise merely to ensure regulatory compliance. Therefore, the primary objectives of the risk management system at the Company are to ensure:

- all major sources of potential opportunity for and harm to the Company (both existing and potential) are identified, analysed and treated appropriately;
- business decisions throughout the Company appropriately balance the risk and reward trade off;
- regulatory compliance and integrity in reporting is achieved; and
- Senior Management, the Board and Investors understand the Risk Profile of the Company.

In line with these objectives the system covers:

- Operations risk;
- Financial reporting; and
- Compliance.

The Risk Management Committee reviews all major strategies and purchases for their impact on the risk facing the Company and makes appropriate recommendations to the Board. The Company also undertakes an annual review of operations to update its Risk Profile. This normally occurs in conjunction with the strategic planning process. A Risk Profile of the Company is contained in the Corporate Governance section of the Company's website.

The Board receives periodic reports on those areas of risk identified by the Audit, Risk and Compliance Committee. In addition, as specified by Recommendation 7.2 of the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations*, the CEO and CFO provide a written assurance that the risk management system is effective, efficient and accurately reflected in the Company's financial statements.

## **19. DELEGATION OF AUTHORITY**

Directors are responsible for any delegations of their responsibilities with regard to corporate operations. As such, they decide as a Board what Company matters are delegated to either specific Directors or Management. In addition, they outline what controls are in place to oversee the operation of these delegated powers.

As a consequence, individual Directors have no individual authority to participate in the day-to-day management of the Company including making any representations or agreements with member companies, suppliers, customers, employees or other parties or organisations.

The exception to this principle occurs where the Board through resolution explicitly delegates an authority to the Director individually. Additionally, it is recognised that all Executive Directors will carry significant delegated authority by virtue of their management position as outlined in a relevant Board resolution.

Similarly, Committees and their Members require specific delegations from the Board as a whole and these will be contained in each Committee's respective Terms of Reference.

### **19.1 General Delegations**

A summary list of delegations and authorities is provided to all operating units and Company locations, while a complete list is held in the Company's safe custody.

In general, the Board delegates all powers and authorities required to effectively and efficiently carry out the Company's business. Listed below are the exceptions to these delegations, whereby the Board or appropriate Committee reserves the powers as indicated.

### **19.2 Decisions Requiring Board Approval**

The following decisions must be referred to the Board for approval:

- Acquiring, selling or otherwise disposing of property in excess of \$20,000;
- Founding, acquiring or selling subsidiaries of or any company within the Company, participating in other companies or dissolving or selling the Company's participation in other companies (including project joint ventures);
- Acquiring or selling patent rights, rights in registered trade marks, licences or other intellectual property rights of the Company;

- Starting new business activities, terminating existing business activities or initiating major changes to the field of the Company's business activities;
- Approving and/or altering the annual business plan (including financial planning) for the Company or any part of the Company;
- Taking or granting loans which exceed \$20,000 (including, without limitation, the placing of credit orders, issuing of promissory notes or loans against IOUs);
- Granting securities of any type;
- Granting loans to Company officers or employees and taking over guarantees for the Company's officers and employees;
- Determining the balance sheet strategy for the Company or any part of the Company;
- Entering into agreements for recurring, voluntary, or additional social benefits, superannuation agreements or agreements for general wage and salary increases;
- Determining the total amount of bonuses and gratuities for Company officers and employees;
- Determining the appointment, termination, prolongation of employment or amendment to conditions of employment of members of the Board of Directors; and
- Granting or revoking a power of attorney or limited authority to sign and/or act on behalf of the Company.

## PART D – CONTINUING IMPROVEMENT

### 20. DIRECTOR PROTECTION

#### 20.1 Information Seeking Protocol

Directors will adhere to the following protocol when seeking information:

1. approach the Company Secretary to request the required data;
2. if the data is not forthcoming, approach the Chairman;
3. if the information is still not forthcoming, write a letter to all Board Members and the CEO detailing the information that is required, purpose of the information, and who the Director intends to approach in order to obtain the information; and
4. as a last resort, employ the provisions of the *Corporations Act*.

#### 20.2 Access to Professional Advice

A Director of the Company is expected to exercise considered and independent judgment on the matters before them. To discharge this expectation a Director may, from time to time, need to seek independent, expert opinion on matters before them.

All Directors have the individual authority to commit the company to up to \$2,000 per annum in professional advice.

Prior to seeking professional advice a Director shall inform the Chairman about the nature of the opinion or information sought, the reason for the advice, the terms of reference for the advice and the estimated cost of the advice. Where more than one Director is seeking advice about a single issue, the Chairman shall endeavour to coordinate the provision of the advice.

If the cost of professional advice is likely to exceed \$2,000, the Director shall seek authority from the Chairman prior to engaging an external expert. The Chairman has delegated authority to authorise expenditures up to \$20,000. If the Chairman withholds authorisation, the Director has the right to seek authority from the Board at the next Board Meeting.

If the cost of professional advice is likely to exceed \$20,000, then the Board must approve the engagement of an external expert.

Advice so received should be received on behalf of the Board as a whole.

#### 20.3 Access to Board Papers

The Directors have the right to access Board Papers as granted by the Corporations Act.

#### 20.4 Insurance

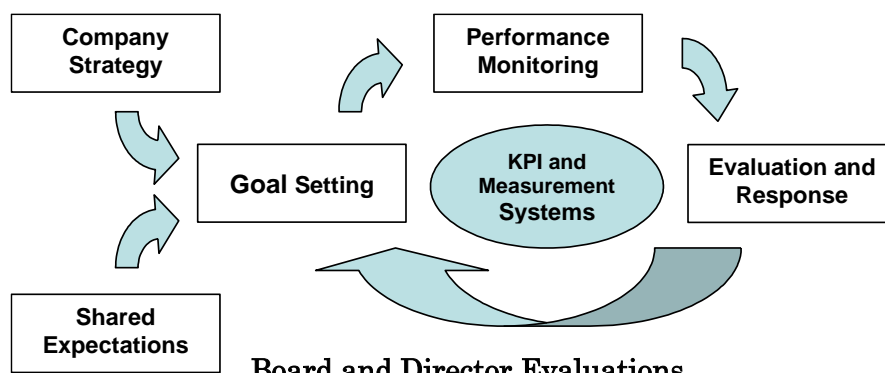
The Company maintains a Directors' & Officers' Liability Policy,

## 21. BOARD AND SENIOR EXECUTIVE EVALUATION

### 21.1 Evaluation Process

The Board considers the evaluation of its own and Senior Executives' performances as fundamental to establishing a culture of performance and accountability. The common process that guides evaluation at the Company is set out in figure 1 and ensures that those evaluated clearly understand performance expectations prior to the evaluation period.

Figure 1: Performance Evaluation Cycle



### 21.2

#### Board and Director Evaluations

The Board considers the ongoing development and improvement of its own performance as a critical input to effective governance. As a result, the Board undertakes an Annual Evaluation of the Board and Directors' performances. The review is based on a number of goals for the Board and individual Directors that are established at the start of the year. The goals are based on corporate requirements and any areas for improvement identified in previous reviews.

### 21.3 Board Committee Evaluations

At the end of each year, the Board reviews the performance of the Committees and itself against set expectations. Based upon the review, individuals and groups are provided with feedback on their performance. The results of the review are a key input into the expectations set by the Board.

### 21.4 Senior Executive Evaluations

All Senior Executives at the Company are subject to an annual performance evaluation. Each year, Senior Executives (including the CEO) establish a set of performance targets with her or his superior. These targets are aligned to overall business goals and the Company's requirements of the position. In the case of the CEO, these targets are negotiated between the CEO and the Remuneration & Nomination Committee (or the full Board in the absence of a Remuneration & Nomination Committee) and signed off by the whole Board.

An informal assessment of progress is carried out half year. A full evaluation of the Executive's performance against the agreed targets takes place at the end of the 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.



## **22. NON-EXECUTIVE DIRECTOR REMUNERATION**

### **22.1 Fees**

Non-executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-executive Directors. The sum each Non-executive Director is paid is determined by the Remuneration & Nomination Committee (or full Board in the absence of a Remuneration & Nomination Committee) from time to time. Additional fees are paid for participation on Board Committees; however, the total fees paid to Non-executive Directors, including fees paid for participation on Board Committees, are kept within the total amount approved by shareholders.

### **22.2 Performance-Based Bonus**

Non-executive Directors do not receive performance-based bonuses.

### **22.3 Equity-Based Remuneration**

Non-executive Directors may choose to receive shares in the Company as part of their remuneration instead of receiving cash. However, Non-executive Directors may not participate in equity schemes of the Company, such as option schemes, without shareholder approval.

### **22.4 Other Benefits**

Non-executive Directors are entitled to statutory superannuation. In addition, Non-executive Directors do have their indemnity insurance paid by the Company.

## **23. DIRECTOR DEVELOPMENT**

The Company is committed to continuing development of its Directors and Executives. In line with this commitment, there is an expectation that all Directors and Senior Executives will commit to at least 2 days of professional development each year. The Board allocates an annual budget of \$10,000 to encourage Directors to participate in training and development programs. Any Director wishing to undertake either specific directorial training or personal development courses is expected to approach the Chairman for approval of the proposed course. Development may be in both governance and governance processes or in the Company's industry.

## **24. DIRECTOR INDUCTION**

New Directors will undergo an induction process in which they will be given a full briefing on the Company. This will include meeting with key Executives, tours of the premises, an induction package and presentations. Information conveyed to the new Director will include:

- details of the roles and responsibilities of a Director with an outline of the qualities required to be a successful Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- details of all relevant legal requirements including:
  - *Corporations Act*;
  - Tax Office requirements; and
  - other major statutory bodies;
- a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board including anticipated regulatory changes;

- background information on and contact information for key people in the organisation including an outline of their roles and capabilities;
- an analysis of the company including:
  - core competencies of the Company;
  - an industry background briefing;
  - a recent competitor analysis;
  - details of past financial performance;
  - current financial structure; and
  - any other important operating information;
- a synopsis of the current strategic direction of the Company including a copy of the current strategic plan and annual budget;
- a copy of the Constitution of the Company; and
- Directors' Deed of Indemnity and Right of Access to Documents, if applicable.

## **ATTACHMENTS**

Attachment A...Audit, Risk and Compliance Committee Charter

Attachment B...Remuneration & Nomination Committee Charter

Attachment C...Code of Conduct Policy

Attachment D...Share Trading Policy

Attachment E...Diversity Policy

Attachment F...Senior Executive Remuneration Policy

## **ATTACHMENT A: AUDIT, RISK & COMPLIANCE COMMITTEE CHARTER**

### **AUDIT, RISK AND COMPLIANCE COMMITTEE CHARTER**

#### **Constitution**

The Audit, Risk and Compliance Committee has been established by resolution of the Board.

#### **Membership**

Where Director numbers permit, the Audit, Risk and Compliance Committee will consist of not less than two members. Members will be appointed by the Board from amongst the Non-executive Directors, majority of which shall be independent Directors. In addition, the Audit, Risk and Compliance Committee will comprise:

- at least one member who has an understanding of the industry in which the Company operates.
- members who can read and understand financial statements and are otherwise financially literate;

The Board may appoint one member of Senior Executive Management to be a member of the Committee if they deem that their expertise is crucial in adding value to the Committee.

#### **Chairman**

The full Board will nominate the Chairman of the Committee, who shall be an independent Non-executive Director where possible.

#### **Secretary**

The Company Secretary will be the Secretary of the Audit, Risk and Compliance Committee.

#### **Other Attendees**

The CEO and CFO as well as other members of Senior Management may be invited to be present for all or part of the meetings of the Audit, Risk and Compliance Committee, but will not be members of the Committee. The exception to this is the one member of Senior Executive Management that may be appointed to the Committee by the Board for their particular expertise that is crucial to the Committee.

Representatives of the external Auditor are expected to attend at least once a year.

#### **Quorum**

A quorum will be two members.

#### **Meetings**

Audit, Risk and Compliance Committee Meetings will be held not less than two times a year so as to enable the Committee to undertake its role effectively. In addition, the Chairman is required to call a meeting of the Audit, Risk and Compliance Committee if requested to do so by any member of the Audit, Risk and Compliance Committee, the CEO or the external Auditor.

#### **Authority**

The Audit, Risk and Compliance Committee is authorised by the Board to investigate any activity within its charter. The Audit, Risk and Compliance Committee will have access to Management and Auditors with or without Management present and has rights to seek explanations and additional information. It is authorised to seek any information it requires from any employees and all employees are directed to cooperate with any request made by the Audit, Risk and Compliance Committee.

The Audit, Risk and Compliance Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Audit, Risk and Compliance Committee is required to make recommendations to the Board on all matters within the Audit, Risk and Compliance Committee's Charter.

### **Reporting Procedures**

The Audit, Risk and Compliance Committee will keep Minutes of its meetings. The Secretary shall circulate the Minutes of the Meetings of the Committee to all members of the Committee for comment and change before being signed by the Chairman of the Audit, Risk and Compliance Committee and circulated to the Board with the Board Papers for the next Board Meeting. The Minutes are to be tabled at the Board Meeting following the Audit, Risk and Compliance Committee meeting along with any recommendations of the Committee.

### **Responsibilities of the Audit, Risk and Compliance Committee**

The Audit, Risk and Compliance Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external Auditors. In particular, the Audit, Risk and Compliance Committee has the following duties:

#### ***Accounting Practices and External Reporting***

##### ***Financial Statements***

1. To review the audited annual and half yearly financial statements and any reports which accompany published financial statements before submission to the Board, recommending their approval, focusing particularly on:
  - any changes in accounting policies and practices;
  - major judgmental areas;
  - significant adjustments, accounting and financial reporting issues resulting from the internal and external audit;
  - compliance with accounting policies and standards; and
  - compliance with legal requirements.
2. To review the evaluation by management of factors related to the independence of the Company's public accountant and to assist them in the preservation of such independence.
3. To oversee management's appointment of the company's public accountant.

##### ***Related Party Transactions***

4. To monitor and review the propriety of any related party transactions.

##### ***External Audit Function***

5. To recommend to the Board the appointment of the external Auditor.

6. Each year, to review the appointment of the external Auditor, their independence, the audit fee, and any questions of resignation or dismissal.
7. To discuss with the external Auditor before the audit commences the nature and scope of the audit, and to ensure coordination between staff and external Auditor.
8. To meet privately with the external Auditor on at least an annual basis.
9. To determine that no management restrictions are being placed upon external Auditor.
10. To discuss problems and reservations arising from the interim and final audits, and any matters the Auditors may wish to discuss (in the absence of management where necessary).
11. To review the external Auditor's Management Letter and Management's response.
12. To review any regulatory reports on the Company's operations and Management's response.

### ***Communication***

13. Providing, through regular meetings, a forum for communication between the Board, Senior Financial Management, staff involved in internal control procedures and the external Auditors.
14. Enhancing the credibility and objectivity of financial reports with other interested parties, including creditors, key stakeholders and the general public.
15. Establishing procedures for complaints and reports regarding accounting, internal accounting controls and auditing matters and ensuring a mechanism for the confidential treatment of such complaints and reports including the ability to submit them anonymously.

### ***Assessment of Effectiveness***

16. To evaluate the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with operating Management, internal Auditors and the external Auditors.

### ***Oversight of the Risk Management System***

17. To review at least annually the Company's risk management systems to ensure the exposure to the various categories of risk are minimised prior to endorsement by the board.
18. Meet periodically with key Management, internal staff and external Auditors to understand and discuss the Company's control environment.
19. Assess the internal processes for determining and managing key risk areas, including:
  - \* non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations law;
  - \* litigation and claims; and
  - \* relevant business risks other than those that are dealt with by other specific committees.
20. To evaluate the Company's exposure to fraud.

21. To take an active interest in ethical considerations regarding the Company's policies and practices.
22. To monitor the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest.
23. To identify and direct any special projects or investigations deemed necessary.
24. To ensure the appropriate engagement, employment and deployment of all employees under statutory obligations.
25. To ensure a safe working culture is sustained in the workforce.
26. To determine the Company's Risk Profile describing the material risks, including both financial and non-financial matters, facing the company.
27. To regularly review and update the Risk Profile.

## **ATTACHMENT B: REMUNERATION & NOMINATION COMMITTEE CHARTER**

### **REMUNERATION & NOMINATION COMMITTEE CHARTER**

#### **Constitution**

The Remuneration & Nomination Committee will be established by resolution of the Board. Until such time that a Committee is constituted, the full Board of the Company will act in its place.

#### **Membership**

The Remuneration & Nomination Committee shall be appointed by the Board from among the Directors of the Company. Where possible, the Committee shall consist of not less than three members with at least one Director being an independent non-executive Director.

Directors will be appointed to the Remuneration & Nomination Committee for a term of three years or such shorter time as they remain in the office of Director.

The Board may appoint one member of Senior Executive Management to be a member of the Committee if they deem that their expertise is crucial in adding value to the Committee.

#### **Chairman**

The Remuneration & Nomination Committee shall appoint any Director as the Chairman of the Committee.

#### **Secretary**

The Company Secretary shall be the Secretary of the Remuneration & Nomination Committee.

#### **Quorum**

A quorum shall be two members.

#### **Meeting Frequency**

Remuneration & Nomination Committee meetings will be held not less than once a year to enable the Committee to undertake its role effectively.

#### **Authority**

The Remuneration & Nomination Committee is authorised by the Board to investigate any activity within its charter. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Remuneration & Nomination Committee.

The Remuneration & Nomination Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at meetings of the Remuneration & Nomination Committee if it considers this necessary.

The Remuneration & Nomination Committee is required to make recommendations to the Board on all matters within the Remuneration & Nomination Committee's charter.

#### **Reporting Procedures**

The Secretary shall circulate the minutes of the meetings of the Remuneration & Nomination Committee to all members of the Committee for comment and change before being signed by the Chairman of the Committee and circulated to the Board with the Board papers for the next Board meeting. The minutes are to be tabled at the Board



meeting following the Remuneration & Nomination Committee meeting along with any recommendations of the Remuneration & Nomination Committee.

## **Duties**

The duties of the Remuneration & Nomination Committee are to:

### *Remuneration duties*

1. Assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and policies including incentive policies for directors and senior executives;
2. Assess the market to ensure that senior executives are being rewarded commensurate with their responsibilities;
3. Obtain the best possible advice in establishing salary levels;
4. Set policies for senior executives' remuneration;
5. Review the salary levels of senior executives and make recommendations to the Board on any proposed increases;
6. Review recommendations from the CEO relating to proposed merit increases for direct reports;
7. Propose, for full Board approval, the terms and conditions of employment for the CEO;
8. Undertake a review, which will be reported to and confirmed by the full Board, of the CEO's performance, at least annually, including setting with the CEO goals for the coming year and reviewing progress in achieving those goals;
9. Set the criteria for negotiating any enterprise bargain agreement;
10. Review the Company's recruitment, retention and termination policies and procedures for senior management;
11. Review and make recommendations to the Board on the Company's incentive schemes;
12. Review and make recommendations to the Board on the Company's superannuation arrangements; and
13. Review the remuneration of both executive and non-executive Directors and make recommendations to the Board on any proposed changes.

### *Nomination duties*

1. Developing and regularly reviewing a policy on Board structure.
2. Developing criteria for Board membership.
3. Identifying and screening specific candidates for nomination.
4. Ensuring there is an appropriate induction and orientation program in place.
5. Making recommendations to the Board for committee membership.
6. Ensuring there is an appropriate Board succession plan in place.
7. Ensuring that the performance of each Board member and the Board as a whole is reviewed at least annually.
8. Developing with Directors an appropriate training and development program.
9. Overseeing management's succession planning including the CEO and his/her direct reports.

10. Assisting the Chairman in advising Directors about their performance and possible retirement.

11. Reviewing the policy in respect of tenure, remuneration and retirement of Directors.

- i. Recommendation 10.1 recommends that a company establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.
- ii. This relates to Recommendation 6.1.
- iii. This amount will depend upon the size and capital base of your organisation.
- iv. This amount will be depend upon the size and capital base of your organisation.

## ATTACHMENT C: CODE OF CONDUCT POLICY

### CODE OF CONDUCT POLICY

#### *Commitment to the Code of Conduct*

The Board, Management and all Employees of the Company are committed to implementing the Company's core principles and values as stated in this Code of Conduct when dealing with customers, clients, government authorities, creditors and the community as whole as well as other employees.

The Company is dedicated to delivering outstanding performance for investors, customers, consumers and employees. The Company aspires to be the leader in its field while operating openly, with honesty, integrity and responsibility and maintaining a strong sense of corporate social responsibility. In maintaining its corporate social responsibility the Company will conduct its business ethically and according to its values, encourage community initiatives, consider the environment and ensure a safe, equal and supportive workplace.

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

The Company is committed to delivering value to its shareholders and to representing the Company's growth and progress truthfully and accurately. The Company also complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights.

The Company is committed to safeguarding the integrity of financial reporting and as such will openly promote and instigate a structure of review and authorisation designed to ensure the truthful and factual presentation of the Company's financial position. The Company will prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards that represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the Company conducts its business.

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

Each employee has an obligation to use their best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers. Each employee will assist the Company in the delivery of superior service and product quality to each client, customer and consumer and will follow the Company's procedures to ensure the safety of goods produced by the Company. The Company regards ethics, honesty and clear communication as the cornerstones of its reputation and allow the Company to build successful and lasting business relationships.

The Company for its part is committed to providing clients, customers and consumers with fair value.

#### *Employment Practices*

The Company will:

- Provide a workplace that is safe for employees and that complies with the spirit as well as the letter of workplace health and safety laws.
- Promote equal opportunity for all employees at all levels of the Company irrespective of colour, race, gender, age, ethnicity or religious beliefs.
- Provide equal opportunity to all qualified individuals in recruitment, compensation, promotion, training and other employment practices.

- Compensate all employees, including those working outside Australia, in a fair and ethical manner and where appropriate, in accordance with Company policy, provide special entitlements above the statutory minimum.
- Encourage employee share ownership, but will instigate and enforce policies regarding trading in those securities where employees have inside information.
- Provide opportunities for employee training and education both through the provision of training and the support of employees pursuing further education outside of the Company.
- Recognise the need from time to time to give or accept customary business courtesies in accordance with ethical business practices, however, employees will not solicit such courtesies and will not accept gifts, services, benefits or hospitality that might influence, or appear to influence, the employee's conduct in representing the Company.
- Not tolerate the offering or acceptance of bribes, inducements or unauthorised commissions by any of its employees or Officers.
- Not tolerate the misuse of Company assets or resources and employees will not use such assets or resources for their own benefit.
- Seek to avoid conflicts of interest so that an employee's interests, or the interests of a family member of the employee, do not affect the way he or she handles the Company's business.
- Not tolerate employees being under the influence of illegal drugs while on Company premises or while at work off Company premises.
- Unless, otherwise agreed in writing between the Company and the employee, expect employees to work exclusively for the Company.

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

The Company strives to deal fairly with the Company's customers, suppliers, competitors and employees and encourages its employees to strive to do the same. Employees are prohibited from taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other practice that involves unfair dealing.

In its competitive environment, the Company will compete fairly and ethically and in accordance with the competition laws of Australia and of each country in which the Company operates. The Company aims to conduct its business fairly. It will compete solely on the qualities of its products and services. The Company deems false statements, misleading statements or innuendo as being inappropriate and unacceptable.

As part of its commitment to fair trading, the Company has adopted a policy that employees will:

- fulfil the Company's requirements in awarding orders, contracts and commitments to suppliers of goods and services on a sound business basis and on the ability of the customer or supplier, and that their decisions will not be based on personal favouritism;
- not unfairly differ between customers when supplying products or services;
- not refuse to deal with, or discriminate against, a customer for any improper reason; and
- not intimidate or threaten another person or organisation.

## *Responsibilities to the Community*

### The Environment

The Company is committed to conducting its business in accordance with the spirit and letter of all applicable environmental laws and regulations. To this end the Company encourages all employees to have regard for the environment when carrying out their duties.

### Community Activities

All employees are encouraged to engage in activities beneficial to their local community. While normally these activities should occur outside work hours, employees may occasionally engage in community activities during work hours with the approval of the CEO as long as the activities do not interfere with the employee's job responsibilities.

### Donations and Sponsorship

The Company receives a number of requests for sponsorship in the form of either monetary donations or in kind. As a result, all employees should refer requests for sponsorship to the CEO.

The Company does encourage all employees to make donations to community organisations from their personal funds. However, it should be made clear that all such donations are from the employee personally and not from the Company.

## *Responsibility to the Individual*

### Privacy

The Company receives private information from its employees. Unless required by law, such personal information will not be shared with a third party without the consent of the employee. Within the Company, personal information on employees will only be provided on a "need to know" basis and will only be used for the purpose for which it was intended.

Similarly, employees will often be furnished with personal information from clients, customers, consumers and investors. Unless required by law, such personal information will not be shared with a third party without the consent of the person providing the information.

### Confidential Information

All employees must maintain the confidentiality of business information and protect it from any disclosure. This obligation of confidentiality applies while an employee as well as after ceasing to be an employee of the Company.

Information that must be kept confidential includes internal, confidential or proprietary information related to the Company's business, technological and other knowledge, processes, computer passwords, computer software, product formulations, business strategies and plans, and information concerning the Company's operations, customers, vendors, suppliers and employees.

### Conflicts of Interest

Where an individual's private interests are variance in any way with the interests of the Company as a whole a conflict of interest exists. Further, a conflict of interest can be seen to exist where an employee or family member has a direct or indirect financial interest in, or receives any compensation/other benefit from, any individual or firm that:

- sells material, equipment or property to the Company;

- provides any service to the Company;
- has business dealings or contractual relations with the Company including leases and purchases; or
- is engaged in a similar business or competes with the Company.

Employees and Directors must avoid conflicts between personal interests and the interests of the Company, or even the semblance of such interests. Where an employee or Director is concerned that there may be a conflict of interest it should be discussed with the CEO or Board members as soon as possible.

How the Company complies with legislation affecting its operations

#### Within Australia

The Company strives to comply with the spirit and the letter of all legislation affecting its operations.

#### Outside Australia

The Company will abide by local laws in all countries in which it operates. However, the Company recognises that the laws in some countries may not be as stringent as the Company's operating policies, particularly in relation to the environment, workplace practices, intellectual property and the giving of "gifts". Consequently, where Company policy is more stringent than the local laws, Company policy will prevail.

#### *How the Company Monitors and Ensures Compliance with its Code*

The Board, management and all employees of the Company are committed to implementing this Code of Conduct. Therefore, it is up to each individual to comply with the Code and they will be accountable for such compliance. Where an employee is concerned that there has been a violation of this Code, it can be reported in good faith to the Chairman of the Board. While a record of such reports will be kept by the Company for the purposes of the investigation, the report may be made anonymously. No one making such a report will be subject to any form of retribution.

The disciplinary measures that may be imposed for violations of this Code include, but are not limited to, counselling, verbal or written reprimands, warnings, suspension without pay, demotion, reduction in salary, termination of employment or restitution.

## ATTACHMENT D: SHARE TRADE POLICY

### SHARE TRADING POLICY

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#### Purpose

This trading policy (**Policy**) sets out the policy of the Company regarding the trading in Company securities. In this Policy:

- **Securities** include Shares as well as options, warrants, debentures and any other security on issue from time to time.

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#### Scope

This policy applies to all Executive and Non-executive directors, officers and employees of the Company (including those defined as Key Management Personnel according to AASB 124 *Related Party Disclosures*) and their associates (collectively, **Restricted Persons**) of the Company, and its subsidiaries (collectively, **Group**)

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#### Policy

The Company has adopted this Policy to regulate dealings by Restricted Persons in Securities.

All Restricted Persons must comply at all times with the provisions of the Corporation Act and Australian Securities Exchange (**ASX**) Listing Rules concerning Share dealings including:

- Insider trading provisions;
- Market manipulation provisions; and
- Notification requirements.

It is each Restricted Person's own responsibility to ensure that they are fully aware of their legal obligations with respect of security dealings.

All trading in securities by Restricted Persons must be in accordance with this Policy. Despite anything else in this Policy, Restricted Persons should not deal in the Company's securities when they possess Price Sensitive Information relating to the Company that is not generally available to the market.

#### *Insider Trading*

Restricted Persons who possess material price sensitive information (collectively, **inside information**) relating to the Company, are prohibited in all circumstances from:

- Trading in securities in the Company;
- Procuring others to trade in securities in the Company; and
- Directly or indirectly communicating the inside information to another person who the Restricted Person believes is likely to trade in the securities in the Company in any way or procure a third person to trade in the securities in the Company.

Insider trading is strictly prohibited by law, and it is incumbent upon all Restricted Persons to uphold that prohibition. Insider trading, or the perception of insider trading, by any Restricted Person will not be tolerated.

Insider trading is a crime and can result in imprisonment, fines, orders to pay compensation and other penalties against the Company and Restricted Persons.

### ***Price Sensitive Inside Information***

Non-public price sensitive information or inside information is information which is not generally available to the public and which a reasonable person would expect to have a material effect on the price or value of securities. The person who holds the information knows, or ought reasonably to know, that the information is not generally available and, if it were, it might have a material effect on the price or value of the Company's securities.

Examples of inside information include, but are not limited to:

- A material variance in the financial performance of the Company; or
- The signing or termination of a joint venture; or
- A proposed or actual takeover; or
- An unexpected liability or legal claim against the Company; or
- Proposed share issue; or
- Changes in management.

Information is considered generally available if:

- It can be easily observed; or
- It has been released to the ASX, published in an Annual Report or prospectus or is generally available to the investing public and a reasonable time has elapsed since the information was communicated; or
- It may be deduced, inferred or concluded from the above.

Information would be likely to have a material effect on the price or value of Company securities if the information might influence persons who commonly acquire Securities in deciding whether or not to acquire or dispose of Company securities.

### ***Black Out Periods/Closed Periods***

Given the heightened risk of actual or perceived insider trading, the Board has determined that Restricted Persons are prohibited from dealing in Company securities during the following periods (**Closed Periods**):

- a) the four (4) week period prior to the release of the Company's half yearly accounts to the ASX until the opening of the trading window the business day following the release;
- b) the four (4) week period prior to the release of the Company's annual accounts to the ASX until the opening of the trading window the business day following the release.
- c) The two (2) week period prior to the release of the Company's quarterly activities & cashflow reports to the ASX until the opening of the trading window the business day following the release; and
- d) Any other period determined by the Board from time to time to be a black out period.



The Company Secretary will notify Restricted Persons of the precise opening and closing date of any other Closed Period determined by the Board.

### ***Excluded Trading***

Trading that is not covered by the restrictions in this Policy, includes:

- Transfer of securities in a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary, but the Restricted Person has no control or influence over the investment decisions made by the superannuation fund or saving scheme ;
- An investment in, or trading units of, a fund or other scheme (other than a scheme only investing in Company securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- Where a Restricted Person is a trustee, trading in securities by that trust provided the Restricted Person is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Restricted Person;
- Undertakings to accept, or the acceptance of, a takeover offer;
- Trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution investment plan (DRP) and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. In the case of a DRP, the Restricted Person must only elect to participate in the DRP when they are not in possession of non-public price sensitive information and may not change that election until they are again not in possession of non-public price sensitive information.;
- A disposal of securities of the entity that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- The exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Closed Period and where the Restricted Person could not reasonable have been able to exercise at a time when free to do so.; and
- Trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where:
  - The Restricted Person did not enter into the plan or amend the plan during a Closed Period; and
  - The trading plan does not permit the Restricted Person to exercise any influence or discretion over how, when, or whether to trade.
  - The Company's trading policy does not allow the Restricted Person to cancel the trading plan or cancel or otherwise vary the terms of his or her participation in the trading plan during a prohibited period other than in exceptional circumstances.

### ***Trading inside a Black Out Period - Exceptional Circumstances***

A Restricted Person, who is not in possession of inside information affecting securities, may be given prior written approval to sell or otherwise dispose of securities during a Closed Period where there are exceptional circumstances. Exceptional circumstances may include:

- severe financial hardship which means a Restricted Person has a pressing financial commitment that cannot be satisfied otherwise than by selling the securities. By example, the tax liability of a Restricted Person would not normally constitute severe financial hardship unless the Restricted Person has no other means of satisfying the liability;
- if the Restricted Person is required by a court order, or there are court enforceable undertakings to transfer or sell the securities or there is some other overriding legal or regulatory requirement for the Restricted Person to do so; or
- a situation determined by the Chairman or, in the case of the Chairman, the non-executive Directors, to be an exceptional circumstance.

#### **Procedure for obtaining written approval:**

When requesting prior written approval to sell or otherwise dispose of securities during a Closed Period, a Restricted Person must submit an application in writing (which can be by email) to the Chairman, generally through the Company Secretary (in the case of the Chairman an application in writing (which can be by email) to the non-executive Directors) including the reasons for requesting approval and confirming the Restricted Person is not in possession of non-public price sensitive information. Approval, if granted, must be in writing (which can be by email) and must specify a time period for which the approval applies.

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### **Extension of restrictions to family members and others**

A number of the restrictions described in this Policy prohibit the communication of non-public price sensitive information to other people or arranging for another person to trade in securities.

Where a person related to or closely connected with a Restricted Person undertakes trading in securities which are restricted by this Policy, there is often a presumption that such person has been privy to information which is held by the Restricted Person. If that presumption is correct, both the Restricted Person and the other person may have engaged in insider trading. Even if that presumption is incorrect, such trading may create a perception of insider trading. Accordingly, to the extent that it is within Restricted Persons' power to do so, Restricted Persons should ensure that any securities trading which is prohibited by this Policy is not undertaken by their:

- spouse or partner;
- immediate family members such as a parent, child, sibling, in-laws or other relative living in the Restricted Persons home or to whom material support is contributed;
- a company or trust over which the Restricted Person has influence or control (regardless of who is the beneficiary);
- a trust of which the Restricted Person is a beneficiary (other than a trust over which the Restricted Person exercises no control, i.e. a third person or entity exercises exclusive discretionary authority); and

- any other person over whom Restricted Person has investment control or influence.

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## **Notifiable Interests**

Executive & Non-Executive directors must provide to the Company Secretary, all information regarding the trading of the Company securities within 2 (two) days of a trade in the Company's securities to ensure compliance with all requirements of the Corporations Act and the Listing Rules.

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## **Anti-hedging Policy**

Restricted Persons are not permitted to enter into transactions with securities (or any derivative thereof) in associated products which limit the economic risk of any unvested entitlements under any equity-based remuneration schemes offered by the Company.

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## **Review of this Policy**

This Policy will be reviewed regularly by the Company's Directors having regard to the changing circumstances of the Company and any changes to this Policy will be notified to affected persons in writing. Material changes in the Policy will be notified to the ASX in accordance with the Listing Rules.

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## **Breaches of this Policy**

Strict compliance with this policy is mandatory for all Restricted Persons. Breaches of this policy may damage the Company's reputation in the investment community and undermine confidence in the market for Company securities. Any Restricted Person who becomes aware of a violation of this Policy should immediately report the violation to the Company Secretary. It should also be noted that, in some circumstances, the Company may be obliged to notify regulatory and/or criminal authorities of a serious breach of this Policy.

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## **Further Information**

If you have any questions or need further information on how to comply with this policy, please contact the Company Secretary.

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## **Glossary of Terms**

**Trading Window** A period not subject to a Black Out Period. A Trading Window commences on the business day following the end of a Black Out Period. It continues until such time as a Black Out Period commences again, subject to any other trading restrictions.

- Black Out Period** Is a Closed Period in which Restricted Persons are prohibited from trading in Company securities, unless under exceptional circumstances.
- Closed Period** Is a Black Out Period in which Restricted Persons are prohibited from trading in Company securities, unless under exceptional circumstances.
- Restricted Person** Includes all Executive and Non-Executive directors, officers and employees of the Company, including their associates.
- Inside Information** Price sensitive information relating to the Company that is not generally available to the public, which a reasonable person would expect to have a material effect on the price or value of Company securities.

## **ATTACHMENT E: DIVERSITY POLICY**

### **Introduction**

Diversity includes, but is not limited to, an individual's race, ethnicity, gender, sexual orientation, age, physical abilities, educational background, socioeconomic status, and religious, political or other beliefs.

The Company recognises the benefits arising from employee, senior management and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

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### **Diversity commitment**

The Company is committed to promoting diversity among employees, consultants and senior management throughout the Company.

The Board will:

- Aim to ensure that appropriate procedures and measures are introduced to ensure that the Company's diversity commitments are implemented appropriately; and
- Seek to ensure that the diversity profile is a factor that is taken into account in the selection and appointment of qualified employees, senior management and Board candidates.

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### **Strategies**

Strategies to help achieve the Company's diversity objectives include:

- Facilitating a corporate culture that embraces diversity and recognises employees at all levels have responsibilities outside of the workplace;
- Ensuring that meaningful and varied development opportunities are available to all employees to enhance the retention of new employees and promotion of existing employees;
- Recruiting from a diverse pool of candidates for all positions, including Board and senior management appointments; and
- Reviewing succession plans to ensure an appropriate focus on diversity.

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### **Annual disclosure to shareholders**

In accordance with the ASX Corporate Governance Council's recommendations, the Board will include in the Annual Report each year:

- Measurable objectives, if any, set by the Board; progress against achieving the objectives; and
- The proportion of women employees in the whole organisation, at senior management level and at Board level.

## ATTACHMENT F: SENIOR EXECUTIVE REMUNERATION POLICY

### SENIOR EXECUTIVE REMUNERATION POLICY

The Company is committed to remunerating its Senior Executives in a manner that is market competitive, consistent with best practice and supports the interests of shareholders. The Company aims to align the interests of Senior Executives with those of shareholders by remunerating Senior Executives through performance and long-term incentive plans in addition to their fixed remuneration.

Consequently, Senior Executives' remuneration may consist of the following elements:

- fixed salary;
- short-term incentive bonus based on performance;
- long-term incentive share/option scheme; and
- other benefits including superannuation.

#### *Fixed Salary*

The salary of Senior Executives is determined from a review of the market and reflects core performance requirements and expectations. In addition, the Company considers the following:

- the scope of the individual's role;
- the individual's level of skill and experience;
- the Company's legal and industrial obligations;
- labour market conditions; and
- the size and complexity of the Company's business.

#### *Performance Bonus*

The purpose of the performance bonus is to reward actual achievement by the individual of performance objectives and for materially improved company performance.

Consequently, performance-based remuneration is paid where a clear contribution to successful outcomes for the Company is demonstrated and the individual attains and excels against pre-agreed key performance indicators during a performance cycle.

#### *Long-Term Incentives*

The Company may grant shares/options to Executives to attract, retain, motivate and provide performance incentives. All issues will be subject to shareholder approval and will be reasonable in relation to the existing capitalisation of the Company.

#### *Other Benefits*

Senior Executives are entitled to statutory superannuation

#### *Termination Payments*

Senior Executives may be entitled to a payment upon termination of employment from the Company. Where so entitled, the termination payment has been agreed in the Senior Executive's Contract of Employment and it is not payable where termination of employment is for misconduct.

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