

## **BOARD CHARTER**

### **1. INTRODUCTION AND PURPOSE**

This statement summarises the roles and responsibilities of the Board of the Company. The disclosure of the roles and responsibilities of the Board is designed to assist those affected by corporate decisions to better understand the respective accountabilities and contributions of the Board and management of the Company.

It must be noted that the roles and responsibilities of the Board will evolve as the Company moves forward. As such, a regular review of the balance of responsibilities is seen to be appropriate to ensure that the division of the functions remains appropriate to the needs of the Company.

This policy statement is only a summary of the matters reserved to the Board and should therefore only be used as a general guide, which is not to be used in a legal capacity.

### **2. ROLE OF THE BOARD**

#### **2.1 Key Responsibilities**

The management and control of the business of the Company is vested in the Board.

The principal role of the Board is to ensure the long term prosperity of the Company by setting broad corporate governance policies and ensuring that they are effectively implemented by management.

The key responsibilities of the Board include:

- (a) defining the Company's purpose, setting the strategic direction of the Company and providing strategic guidance to management;
- (b) providing input into and approval of management's development of corporate strategy and performance objectives;
- (c) approving the Company's statement of values and Code of Conduct to underpin the desired culture within the Company;
- (d) reviewing and approving business plans for the Company;
- (e) approval of annual budget and financial plans including available resources and major capital expenditure and initiatives;
- (f) overseeing and monitoring progress against budget via the establishment and reporting of both financial and non-financial key performance indicators, organisational performance, the achievement of strategic goals and objectives and compliance with the Company's Code of Conduct;
- (g) appointing the Chairman;
- (h) appointing, evaluating, rewarding and if necessary the removal of the Chief Executive Officer ("CEO");
- (i) appointing, evaluating, rewarding and if necessary the removal of the Chief Financial Officer ("CFO");

- (j) approving the appointment, and when necessary replacement, of other senior executives;
- (k) monitoring financial performance including approval of the half year and annual financial reports and liaison with the Company's auditors;
- (l) overseeing, reviewing and ratifying systems of governance, management processes, risk management, internal compliance and controls, processes to ensure timely and balanced disclosure of all material information concerning the Company, codes of conduct and legal and regulatory compliance to ensure appropriate compliance frameworks and controls are in place;
- (m) monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company;
- (n) overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- (o) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately;
- (p) assuring that appropriate audit arrangements are in place;
- (q) ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted a Code of Conduct and that the Company practice is consistent with the Code; and
- (r) reporting to and advising shareholders.

## **2.2 Delegated Responsibility**

The Board has delegated to executive management, responsibility for a number of matters including:

- (a) managing the Company's day-to-day operations in accordance with the Board approved authorisations, policies and procedures;
- (b) developing the Company's annual budget and recommending it to the Board for approval and managing the day-to-day operations within the budget; and
- (c) implementing corporate strategy and making recommendations on significant corporate strategic initiatives.

Executive management reports directly to the Chairman.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure that this is achieved. These mechanisms include the following:

- (a) Establishment of Committees as required including without limitation, if applicable, the Nomination and Remuneration Committee and Audit Committee;
- (b) As outlined above, the Board oversees the strategic direction of the Company.

- (c) As outlined above, the Board approves all budgets of its consolidated entities.
- (d) The Board receives detailed board papers on a monthly basis showing the monthly and year to date performance of all aspects of the Company, compared to budget.
- (e) Procedures are in place to allow any director or Committee of the Board to seek external professional advice as considered necessary, at the Company's expense.
- (f) Procedures are in place to incorporate presentations from senior management at relevant Committee meetings on an as required basis to increase the Committees' understanding of the area. Further, the Board may request further information from management from time to time on any issue.
- (g) In the event that a potential conflict of interest may arise, involved directors withdraw from deliberations concerning the matter.

The Board ensures that the executive team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO, CFO and executive management.

The roles of the Chairman and the CEO are not exercised by the same individual.

The CEO is accountable to the Board for all authority delegated to that position.

The CFO has the responsibility of providing to the Board the declaration referred to in section 295A(2) of the *Corporations Act, 2001*.

### **2.3 Performance Review & Remuneration**

In order to ensure that the Board continues to discharge its duties effectively, the performance of all directors as individuals is reviewed annually by the Chairman.

The performance of the Chairman will be reviewed during each reporting period by his fellow directors.

The Board undertakes an annual assessment of its collective performance and the performance of its Committees in accordance with the Company's performance evaluation process for directors and executives.

The Board also annually reviews the performance of the executive management team.

The Company must disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

### **2.4 Nomination**

In fulfilling its corporate governance and oversight responsibilities, the assessment of nominations to the Board will be a function performed by current Board members. These functions include;

- (a) Review the appropriateness of the size of the Board relative to its various responsibilities and where necessary make recommendations to the Board to change the composition of the Board.

- (b) Review the appropriateness of the size of the Board Committees relative to its various responsibilities and where necessary make recommendations to the Board to change the composition of the Committees.
- (c) Review the overall composition of the Board and Board Committees, taking into account factors such as:
  - (1) Expertise of each board member
  - (2) Business experience
  - (3) integrity
  - (4) skills
  - (5) breadth of experience
  - (6) knowledge about the Company's business or industry
  - (7) willingness to devote time and effort to the Board
- (d) Review and recommend to the Board the criteria for Board membership, including assessment of the necessary and desirable competencies of the Board members.
- (e) The Committee shall review potential candidates for the Board and report on the candidates and results to the Board for consideration. As such, the Committee shall evaluate and conduct appropriate inquiries into the backgrounds and qualifications of possible nominees.
- (f) Recommend to the Board, members of the Board to be designated as Chairperson of the Board's Committees.
- (g) Make recommendations to the Board in relation to appropriate performance criteria, for both the individual directors and full board acting as a collective body. This may include such items as level of director attendance, preparedness, participation and candor.
- (h) Review, develop and recommend to the Board if necessary, the criteria for determining director independence.
- (i) The Committee shall monitor the orientation and continuing education programs for directors.
- (j) The Committee shall develop and review any relevant succession plans.
- (k) When appointing a new director, the Committee shall at all times act in accordance with the "Procedure for Selection and Appointment of New Directors" set out below.

### **3. PROCEDURE FOR SELECTION AND APPOINTMENT OF DIRECTORS**

#### **3.1 Finding the right person**

The Board, or the Remuneration and Nomination Committee if one is established, will follow the procedures set out in the charter of the Remuneration and Nomination Committee for the selection of appropriate candidates to be appointed to the Board. The process will depend on the Company's circumstances at the particular time.

### **3.2 Following appointment as a Director**

On appointment to the Board, a Director must:

- (a) confirm his/her understanding of the Company's policy regarding independence of Directors and what is expected of them;
- (b) be willing to participate in the Board's annual performance evaluation process;
- (c) be contactable at all reasonable times by the Company and provide appropriate contact details;
- (d) behave consistently with the Company's Code of Conduct; and
- (e) comply with all relevant statutory obligations.

In accordance with the Company's constitution, all new appointees to the Board to fill casual vacancies must resign at the next annual general meeting after the date of their appointment and offer themselves for election. The policy of the Board on notices of meeting involving the election of directors is that sufficient information should be made available to enable shareholders to make an informed choice about who should be elected a director.

Accordingly, all candidates seeking election or re-election as a Director by shareholders must submit the following details for inclusion in the relevant notice of meeting:

- (a) up to date biographical details including competencies and qualifications;
- (b) information sufficient to enable an assessment of the independence of the Director;
- (c) details of the relationship between the candidate and the Company and the candidate and other Directors of the Company
- (d) other directorships held;
- (e) other positions held that involve significant time commitments;
- (f) the term of office currently served by any Director seeking re-election; and
- (g) any other particulars required by law.

All new appointees shall undertake an induction programme enabling the new appointee to understand specified elements of the Company's business.

All directors shall be entitled to receive appropriate professional development opportunities approved by the Board.

### **3.3 Agreement/Letter of Appointment**

New Directors are required to sign an agreement in writing or letter of appointment that sets out the key terms of their appointment.

### **3.4 Deed of Access and Indemnity**

Finally, each Director is required to execute a deed of access and indemnity that:

- (a) grants the Director certain rights of access to Company information and rights to be insured;
- (b) provides the Director with certain indemnities; and
- (c) imposes obligations on the Director to provide information required by the Company to meet its disclosure obligations.

### **3.5 Independent Advice**

The Company permits any Director to obtain advice about transactions or matters of concern at the Company's cost. Approval for directors seeking independent advice is subject to the approval of the Chairman acting reasonably. Where appropriate, directors share such independent advice with other directors.

## **4. BOARD MEETINGS**

The Board plans to meet at least six times a year, both as a Board and in conjunction with executive management, to discuss the short and long term strategy of the Company.

The Board receives a monthly report, which provides current information concerning the Company. The monthly Board report includes salient financial details, together with information on the performance of operations, major initiatives, as well as legal, governance, risk management and compliance issues that may arise.

The Board convenes by email and by telephone conference call to discuss matters of urgency and importance with management, make recommendations to management and discuss strategy.

## **5. CHAIRMAN**

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their roles and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's executive management. The Chairman will also be responsible for approving Board agendas and ensuring that adequate time is available for discussion of all agenda items.

## **COMPANY SECRETARY**

The role of the company secretary includes:

- advising the board and its committees on governance matters;
- monitoring that board and committee policy and procedures are followed;
- coordinating the timely completion and despatch of board and committee papers;
- ensuring that the business at board and committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of directors.

Each director is permitted to communicate directly with the company secretary and vice versa. The decision to appoint or remove a company secretary must be made or approved

by the board.

The company secretary is accountable directly to the Board, through the Chairman on all matters to do with the proper functioning of the Board.