

CORPORATE GOVERNANCE POLICIES

BOARD CHARTER

The Board of Directors is responsible for guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable. The constitution of the Company governs the regulation of meetings and proceedings of the Board.

The Board determines the size and composition of the Board, subject to the constitution.

The Board has the following overall responsibilities:

- in conjunction with management, establishing the direction and strategies for the Company and monitoring the implementation of those strategies; and
- monitoring compliance with regulatory requirements and setting the tone for ethical behaviour and standards.

The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's shareholders. The specific responsibilities of the Board include:

- appointment, evaluation, rewarding and if necessary the removal of any Managing Director;
- in conjunction with management, development of corporate objectives and strategy and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, capital management, acquisitions, divestitures and major funding activities;
- establishing appropriate levels of delegation to the Managing Director to allow him/her to manage the Company's operations efficiently;
- monitoring actual performance against planned performance expectations and reviewing operating information;
- appreciation of areas of significant business risk and ensuring arrangements are in place to adequately manage those risks;
- overseeing the management of safety and occupational health, environmental issues and community development;
- satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period being reported;
- 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;
- to ensure that appropriate external audit arrangements are in place and operating effectively;
- having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and
- reporting to shareholders.

Each director has the right to seek independent professional advice on matters relating to his position as a director of the Company at the Company's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

If a director has a material personal interest in the subject matter of a board decision or in the event of a conflict of interest or where a potential conflict of interest may arise, the director will absent



himself from the meeting and not vote on the issue concerned, unless the remaining directors resolve otherwise.

In accordance with the constitution of the Company, directors (other than any Managing Director) must offer themselves for re-election by shareholders at least every 3 years. The Board does not specify a maximum term for which a director may hold office.

The responsibility for the day-to-day operation and administration of the Company is delegated by the Board to the Managing Director and senior management. The Board will ensure that the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and any executive directors.

The roles of Chairman and Managing Director are not combined. The Managing Director will be accountable to the Board for all authority delegated to the position.

In carrying out its responsibilities and functions the Board may delegate any of its powers to a Board Committee, a director, an employee or other person, subject to the ultimate responsibility of the directors under the Corporations Act and constitution of the Company.

Assessing the Independence of Directors

An independent director is a non-executive director who:

1. is not a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company.
2. within the last three years has not been employed in an executive capacity by the company or another group member, or been a director after ceasing to hold any such employment.
3. within the last three years has not been a principal or a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided.
4. is not a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
5. has no material contractual relationship with the company or another group member other than as a director of the company.
6. has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.
7. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.

Policy history

Established: 26 June 2008

Last review:

Review frequency: