

1. Primary Board Charter

This policy sets out the major principles adopted by the Board to manage its affairs and enable it to discharge its responsibilities. It operates in conjunction with the constitution of the Company and relevant laws (including under the *Corporations Act 2001 (Cth)* (**Corporations Act**) and ASX Listing Rules).

1.1 Responsibilities and functions of the Board

The Board is responsible for setting the strategic direction of the Company and for overseeing and monitoring its businesses and affairs. Directors are accountable to the shareholders for the Company's performance.

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

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

For guidance, the Board has also developed a broad set of policies contained within this 'Corporate Governance' section of the website describing how to deal with employee conflicts of interest, disclosure to the investment community, shareholder communication strategy and performance evaluation of the Board.¹

The primary functions of the Board include:

- (a) setting overall goals for the Company;
 - (b) approving strategies, objectives and plans for the Company's businesses to achieve these goals;
 - (c) ensuring business risks are identified and approving systems and controls to manage those risks and monitor compliance;
 - (d) approving the Company's major human resources policies and overseeing the development strategies for senior and high performing executives;
 - (e) approving financial plans, annual budgets, major capital expenditure and the Company's remuneration framework;
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- (f) monitoring executive management and business performance in the implementation and achievement of strategic and business objectives;
- (g) approving key management recommendations (such as major capital expenditure, acquisitions, divestments, restructuring and funding);
- (h) appointing and removing the Managing Director and Chief Executive Officer (**CEO**) and ratifying the appointment and removal of executives reporting directly to the Managing Director and CEO (senior executives);
- (i) appointing and removing the chairperson of the Board (**Chairperson**);
- (j) reporting to shareholders on the Company's strategic direction and performance including constructive engagement in the development, execution and modification of the Company's strategies;
- (k) overseeing the management of occupational health and safety and environmental performance;
- (l) determining that satisfactory arrangements are in place for auditing the Company's financial affairs and overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (m) meeting statutory and regulatory requirements, overseeing the way in which the business risks and the assets of the Company are managed and ensuring the Company has in place an appropriate risk management framework; and
- (n) monitoring the effectiveness of the Company's governance practices.

1.2 Composition of the Board

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

- (a) the Board is comprised of a minimum of 3 and a maximum of 10 directors. The directors have power under the Company's constitution to determine the number of directors from time to time, above 3 but not exceeding 10;
- (b) the Chairperson of the Board is to be an independent non-executive director and is not to be the CEO of the Company;
- (c) the Board will always contain a majority of independent non-executive directors.

1.3 Independent directors

All directors, whether independent or not, should bring an independent judgement to bear on Board decisions. An independent director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement.

In determining whether a non-executive director is considered by the Board to be independent, the following factors affecting independence will be taken into account:

- (a) whether the director would be a substantial shareholder of the Company or an officer of, or otherwise associated directly with a substantial shareholder of the Company (as defined in section 9 of the Corporations Act) if the Company were incorporated in Australia;
- (b) whether the director was employed in an executive capacity by the Company or another group member and such employment ceased less than three years before serving on the board;
- (c) whether the director is or has been, within the last three years, a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- (d) whether the director is or has within the previous three years been employed by, or a partner of, the external auditors of the Company or another group member;
- (e) whether the director is a material supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer of the company or another group member;
- (f) whether the director has a material contractual relationship with the Company or another group member other than as a director of the Company; and
- (g) whether the director is free from any interest and any business or other relationship which could materially interfere with the director's ability to act in the best interests of the Company.

Family ties and cross-directorships may also be relevant in considering interests and relationships which may compromise independence.

Directors considered by the Board to be independent will be identified as such, in that capacity, in the "Corporate Governance" section on the Company's website. The Board will state its reasons if it considers a director to be independent, despite the existence of relationships set out above, and the "Corporate Governance" section on the Company's website² will disclose the existence of any such relationships.

The Board will regularly assess whether each non-executive director is considered to be independent. Information relevant to this assessment must be provided to the Board by each non-executive director. Should a director's independent status change, this will be disclosed and explained in a timely manner to the market.

1.4 Skills and diversity

The Board will ensure it collectively has the appropriate range of skills, knowledge, experience, expertise and diversity to properly fulfil its responsibilities, particularly in areas which include:

- (a) accounting;
- (h) finance;
- (i) business;
- (j) the Company's industry;
- (k) CEO level experience; and
- (l) relevant technical expertise.

The Board will review the range of skills and diversity of its members on a regular basis and ensure it has operational and technical expertise relevant to the operation of the Company.

1.5 Appointment and retirement of directors

The Nomination and Remuneration Committee will regularly review the composition of the Board and, if it is considered appropriate to appoint new directors to the Board, will arrange for the matter to be discussed at a full Board meeting. Nominations will be received and reviewed by the Board. The Board will then determine any special qualifications, experience or other prerequisites for the new director, and the manner of selecting that director.

The Nomination and Remuneration Committee will ensure appropriate checks (including checks as to the person's character, experience, education, criminal record and bankruptcy history) are undertaken before it appoints a person, or nominates a new candidate for election, as a director.

The Nomination and Remuneration Committee may use external consultants to access a wide base of potential directors. In considering the potential candidates, the Board will have regard to the range of skills and experience required in light of:

- (a) the current composition of the Board;
- (b) the need for independence;
- (c) the need for diversity in succession planning;
- (d) the strategic direction and progress of the Company; and
- (e) the geographic spread and diversity of the Company's business.

If the need for a new Board member is identified, the candidate must stand for election at the next general meeting of shareholders. In order to provide greater transparency around the appointment process, the Company will provide the following information to shareholders regarding the election of directors:

- (a) an overview of the process used to identify candidates, including use of a skills matrix or external consultants;
- (b) steps taken to ensure a diverse range of candidates are considered;
- (c) factors taken into account in the selection process; and

- (d) a statement from the Board as to whether it supports the proposed candidate's nomination.

The following information about the candidate standing for election or re-election as a director will be provided to shareholders to enable them to make an informed decision on whether or not to elect or re-elect the candidate:

- (a) biographical details, including their relevant qualifications and experience and the skills they bring to the Board;
- (b) details of any other material directorships currently held by the candidate;
- (c) in the case of a candidate standing for election as a director for the first time:
 - (i) any material adverse information revealed by the checks the Company has performed about the director;
 - (ii) details of any interest, position, association or relationship that might materially influence, or reasonably be perceived to materially influence the candidate's capacity to independently judge issues before the Board and to act in the best interests of the Company and its shareholders generally;
 - (iii) if the Board considers the candidate will qualify as an independent director, a statement to that effect;
- (d) in the case of a candidate standing for re-election as a director:
 - (i) the term of office currently served by the director; and
 - (ii) if the Board considers the director to be an independent director, a statement to that effect; and
- (e) a statement by the Board as to whether it supports the election or re-election of the candidate.

A candidate for appointment or election as a director should provide the Board or Nomination and Remuneration Committee with the information above and a consent for the Company to conduct any background or other checks the Company would ordinarily conduct. The candidate should also provide details of his or her other commitments and an indication of time involved, and should specifically acknowledge to the Company that he or she will have sufficient time to fulfil his or her responsibilities as a director.

No director except the Managing Director may hold office for a period in excess of 3 years, or beyond the third annual general meeting (**AGM**) following the director's election, whichever is the longer, without submitting himself or herself for re-election.

One third of all directors, except the Managing Director, will retire by rotation each year but may offer themselves for re-election for a further 3 year period.

The Company does not have a policy with regard to establishing a maximum term for the appointment of a director.

The Company will enter into written agreements with each director and senior executive, which will set out the terms of their appointment.

In the case of a non-executive director, the agreement will generally set out:

- (a) the term of appointment;
- (b) the time commitment envisaged, including any expectations regarding involvement with committee work and any other special duties attaching to the position;
- (c) remuneration, including superannuation entitlements;
- (d) the requirement to disclose directors' interests and any matters which may affect the director's independence;
- (e) the requirement to comply with key corporate policies, including the Company's code of conduct and its trading policy;
- (f) the Company's policy on when directors may seek independent professional advice at the expense of the Company;
- (g) the circumstances in which the director's office becomes vacant;
- (h) indemnity and insurance arrangements;
- (i) ongoing rights of access to corporate information; and
- (j) ongoing confidentiality obligations.

In the case of an executive director or other senior executive, the agreement will generally set out the information above (to the extent applicable), as well as:

- (a) a description of their position, duties and responsibilities;
- (b) the person or body to whom they report;
- (c) the circumstances in which their service may be terminated (with or without notice); and
- (d) any entitlements on termination.

1.6 Board meetings

Board meetings are generally held on a monthly basis. All directors are expected to prepare fully for all Board meetings, and to attend as many Board meetings as is reasonably practicable.

The Board meeting agenda and relevant papers will be distributed to all directors at least 4 days prior to the meeting.

Directors are expected to be available for the full duration of the meeting as notified in the meeting agenda.

Directors will keep confidential all Board discussions, deliberations and decisions that are not publicly known. Outside the boardroom, directors will support the letter and spirit of Board decisions.

Confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company and it is improper to

disclose it, or allow it to be disclosed, unless that disclosure has been properly authorised, or is required by law.

The Board has established a number of Board committees to assist in the execution of its responsibilities. In addition to these permanent committees, it is the practice of the Board to establish ad hoc sub committees on an "as needed" basis. All directors are expected to be available for membership to these committees and such members are to prepare fully for relevant committee meetings and to attend as many as is reasonably practicable. The agenda and papers for Board committee meetings will be distributed at least 4 days prior to each meeting.

In addition to formal Board and committee meetings, directors are also required to attend functions and activities on behalf of the Company. This will include meetings with staff, customers and suppliers. All directors are expected to make themselves available for these functions and activities.

1.7 Remuneration of directors

Executive directors receive no extra remuneration for their service on the Board beyond their executive salary package for their service on the Board will be disclosed as required.

Remuneration of non-executive directors is determined in maximum aggregate by the shareholders, and is allocated by the Board on the recommendation of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee will take independent advice with respect to directors' fees on an as needed basis.

Directors' fees are paid on a gross fees basis (except GST where applicable). There is no separate payment made for attendance at Board committee meetings or for other attendances to Company or Board activities.

Directors are not required to hold shares in the Company as part of their appointment.

The reasonable expenses incurred by directors in discharging their obligations and performing their duties will be reimbursed by the Company, consistent with Company policies which are established from time to time.

There is to be no plan to provide remuneration, reward or other benefits to non-executive directors on their cessation as a director.

1.8 Board appraisal

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

For guidance, the Board has developed more detailed policies regarding performance evaluation of the Board is provided in the 'Nomination Remuneration and HR Policy' contained within this 'Corporate Governance' section of the website.

1.9 Directors' other interests

Directors' other interests, which are likely to conflict with the interests of the Company, are to be declared by the relevant director at the time the interest arises or the potential conflict becomes apparent. If a conflict actually arises, the director concerned will not attend the meeting at which the issue is discussed and will abstain from voting on the issue.

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

1.10 Independent professional advice

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

Where the Chairperson wishes to obtain independent professional advice, the Chairperson must obtain the prior authorisation of the chairperson of the Audit and Risk Committee (such approval not to be withheld except in the case of an unreasonable request by the Chairperson).

A copy of all the advice must be provided immediately to the Chairperson, and made available at the next Board meeting following receipt of the advice, unless it is privileged according to law and such disclosure would jeopardise that privilege.

1.11 Agreement for provision of information to ASX

Where the Company is required under the ASX Listing Rules and in contracts relevant to its securities to provide information to the ASX, then the Company will enter into an agreement with each director obliging them to provide the necessary information to the Company to enable the Company to discharge those obligations.

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

1.12 Buying and selling shares

The Corporations Act prohibits "insider trading" and imposes significant penalties if a person with "inside information" engages in insider trading.

Examples of "inside information" are profit projections, knowledge of large contracts won or lost, knowledge of a merger or takeover or sale or knowledge of a significant change in personnel. The offence is to use information to trade or cause others to trade in the Company's shares. Causing others to trade means to incite, induce, encourage, or tip off.

In response to the above, the Company has developed a separate 'Securities Trading Policy' which directors are required to comply with in all trading

activities which is contained within this 'Corporate Governance' section of the website. The Securities Trading Policy :

- (a) recognises it is the individual responsibility of each director, officer and employee to ensure they comply with insider trading laws; and
- (b) prohibits directors, executive and employees from directly or indirectly buying, selling or otherwise trading in the Company's shares, or in shares of any other corporation, where:
 - (i) by reason of being a director of the Company or any other corporation they possess material, price sensitive information which is not generally available; or
 - (ii) buying or selling those shares in some way infringes the law against insider trading.

1.13 Continuous disclosure

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

The Company, in accordance with the provisions of the Corporations Act and the ASX Listing Rules, will advise ASX of any transaction conducted by directors in securities in the Company. A Board 'Continuous Trading Policy' has been issued and all directors are required to comply with that policy. A copy of the policy is contained within this 'Corporate Governance' section of the website.

1.14 Director education

The Company has an informal process to educate new and existing directors about the nature of its business, risk management position, current issues, corporate and financial strategy and position, and the expectations concerning performance of directors to ensure they have a thorough understanding of their roles and responsibilities.

1.15 Compliance officer

The Board will ensure a responsible executive of the Company is appointed as the Compliance Officer of the Company at all times. The Compliance Officer is responsible for arranging and monitoring the compliance obligations of the Company as well as reporting to the Board on the performance of those obligations. Unless a more appropriate officer is available, the Company Secretary will be appointed as the Compliance Officer.

1.16 Board committees

To ensure the Board has adequate time to concentrate on strategy, planning and performance enhancement, the Board will delegate certain specific duties to Board committees. There are currently 2 committees that have been established, the Nomination Remuneration and HR Committee and the Audit and Risk Committee. Each committee has a defined charter to assist and support the Board in the conduct of its duties and obligations. The structure and

membership of each committee and their charters are reviewed annually. Other committees may be constituted from time to time, as required.

1.17 Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board.

The role of the Company Secretary includes, among other things:

- (a) advising the Board and its committees on governance matters;
- (b) monitoring whether Board and committee policies and procedures are followed;
- (c) coordinating the timely completion and despatch of Board and committee papers;
- (d) ensuring the business at Board and committee meetings is accurately captured in the minutes; and
- (e) helping to organise and facilitate the induction and professional development of directors.

The decision to appoint a Company Secretary will be formally resolved by the Board. The decision to remove a Company Secretary will be made or approved by the Board.