

The Constitution

The Constitution of the Company is a primary corporate governance document. The provisions of the Constitution must be adhered to by the Board.

Composition of the Board

The Constitution provides for a minimum of three Directors and a maximum of ten Directors. The Board strives to achieve the following composition where possible, noting its stage of development and activities:

- a majority of the Board will be independent Directors; and
- the Chairman is to be an independent Director; and
- will include the Managing Director.

Independence

An independent Director is a non-executive Director (i.e. is not a member of management) and:

- (a) is not a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
- (b) within the last three years has not been employed in an executive capacity by the company or another group member, or been a director of the company within three years after ceasing to hold any such employment;
- (c) within the last three years has not been 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) 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;
- (e) has no material contractual relationship with the company or another group member other than as a director of the company;
- (f) 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;
- (g) 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.

For the purpose of this section:

- (a) **principal** does not include a non-executive director;
 - (b) **material professional adviser** does not include a professional adviser providing less than 25% of professional advisory services of a same or similar nature to the company and its group members; and
 - (c) the guidelines contained in Australian Accounting Standard AA5 "Materiality" are followed in determining whether a supplier or customer is a "material supplier or customer".
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Role of the Board

The primary role of the Board is the protection and enhancement of sustainable shareholder value through:

- (a) ensuring the control and accountability framework in place requires all significant issues relating to the operation and performance of the Company and its subsidiary entities to be brought to the attention of the Board;
- (b) monitoring governance policies, practices and systems to ensure they are effective and appropriate;
- (c) monitoring risk policies, practices and systems to ensure they are effective and appropriate; and
- (c) where appropriate, constituting Board Committees to assist the Board in the fulfillment of its responsibilities.

Responsibilities

The Board's responsibilities include:

- (a) consideration and approval of the Company's purpose, corporate strategy proposed by the Managing Director and monitoring its implementation;
- (b) overseeing/monitoring financial performance;
- (b) approving financial and other reporting to shareholders, employees and other stakeholders of the Company;
- (c) ensuring that the Company has appropriate human, financial and physical resources to execute Company strategies;
- (d) reviewing Board and management succession planning;
- (e) appointing and removing the Managing Director and Key Management Personnel;
- (f) monitoring the performance of the Managing Director and Key Management Personnel;
- (g) appointing and removing the Company Secretary;
- (h) consider and monitor risks;
- (i) reviewing the effectiveness of Company policies and procedures regarding risk management;
- (j) reviewing the effectiveness of Company policies and procedures regarding internal control and accounting systems;
- (k) ensuring appropriate corporate governance structures are in place including standards of ethical behaviour and a culture of corporate and social responsibility;
- (l) oversight of the Company's continuous disclosure obligations;
- (m) reporting to shareholders and other stakeholders;
- (n) capital management.
- (o) overseeing management in instilling the Company's values;
- (p) satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite.

Procedure for appointing non-executive Director

Unless otherwise determined by the Board, the procedure for the appointment of a non-executive Director is:

- (a) assess the current Board's main skills and experiences.
- (b) determine the current and future needs of the Company.
- (c) establish a selection criteria for potential candidates.
- (d) generate a list of potential candidates (including review of any prior submissions for candidacy to the Board).
- (e) Chairman to approach short-listed candidate/s.
- (f) if required by the Board, preferred candidate to supply a police check (less than 12 months old) and Company to undertake bankruptcy search.
- (g) consent and disclosure of interests received from preferred candidate.
- (h) Board approval of appointment of candidate to fill casual vacancy. Market announcement and disclosures lodged. ASIC notified.
- (i) letter of appointment issued to preferred candidate and acknowledgement received.
- (j) re-election at next Annual General Meeting.

The terms and conditions of the appointment and retirement of Directors are set-out in writing. The letter of appointment includes:

- (a) the term;
- (b) powers and duties of Directors;
- (c) expectations in relation to preparation for and attendance at Board meetings;
- (d) expectations regarding Board Committee work;
- (e) confidentiality requirements and right of access to corporate information;
- (f) the requirement to disclose interests and any other matters that may affect independence;
- (g) the securities trading policy, including notification requirements;
- (h) access to independent professional advice;
- (i) indemnity and insurance requirements; and
- (j) Director education, including induction and ongoing training.

The Chairman

The Chairman is responsible for:

- (a) leadership of the Board;
- (b) the efficient organisation and conduct of the Board's functions;

- (c) the promotion of constructive and respectful relations between Directors and between the Board and management;
- (d) contributing to the briefing of Directors in relation to issues arising at Board meetings;
- (e) facilitating the effective contribution of all Directors; and
- (f) committing the time necessary to discharge effectively the role of Chairman.

Policies and procedures

The Company has in place policies and procedures which apply personally to Directors as well as executive management and employees (where appropriate). Those policies include:

- (a) Code of Conduct;
- (b) Securities Trading Policy;
- (c) Staff Trading and Investment Policy;
- (d) Continuous Disclosure and Shareholder Communications Policy;
- (e) Risk Management Policy; and
- (f) Diversity Policy.

Delegation to management

The Chief Executive Officer is responsible for the development of strategic objectives for the business and the achievement of the planned results for the Company.

Management of the Company's day to day operations is undertaken by the Chief Executive Officer, subject to specific delegations of authority approved by the Board.

Any matters outside the delegations of authority must be referred to the Board for approval.

Access to information and independent advice

The Board and Board Committees, if any, are to be provided with the information they need to efficiently discharge their responsibilities.

Management should supply the Board and appointed Committees, if any, with information in a form, timeframe and quality that will enable them to effectively discharge their duties.

Directors are entitled to request additional information where they consider that the information supplied by management is insufficient to support informed decision-making.

Any Director may seek independent professional advice as considered necessary at the Company's expense with the prior approval of the Chairman (or in the case of the Chairman, with the prior approval of the Chairman of the Audit, Risk and Compliance Committee).

Written resolutions & registers

The Directors must cause resolutions and minutes to be entered in minute books of the Company within one month of the relevant meeting. Minutes must contain the names of those Directors present, any conflict details and proceedings of meetings. The required registers are to be maintained.

Review of Charter

The Board will review this charter annually to ensure it remains consistent with the Board's objectives, duties and responsibilities.