



BOARD CHARTER

1.0 PURPOSE

1.1 SCOPE OF THIS DOCUMENT

This document sets out a framework to assist the Board of the Company to provide strategic guidance to the Company and effective oversight of its management, for the benefit of Shareholders and other stakeholders. The framework adopts principles of good corporate governance and is designed to maximise the Company's compliance with best practice requirements and its legal obligations, including under the Corporations Act 2001 (Cth) ("**Corporations Act**") and the ASX Listing Rules.

1.2 WHO DOES THIS BOARD CHARTER APPLY TO?

The Company's Board of Directors has adopted this Board Charter, which applies to all members of the Board and executive officers/senior management of the Company.

1.3 FURTHER ADVICE

If you do not understand any aspect of this Board Charter, or if you are confused as to whether it applies to you, please contact the Company Secretary. You may wish to seek your own professional legal advice about this document.

2.0 THE BOARD

2.1 COMPOSITION OF THE BOARD

The Board of the Company will be composed of a majority of independent, non-executive directors (including the office of Chairman) and one executive director, as Managing Director/Chief Executive Officer ("CEO"). The members of the Board will have an appropriate and broad range of qualifications and expertise.

2.2 ASSESSING THE INDEPENDENCE OF DIRECTORS

The Board considers an independent Director to be a Director who is:

- (a) not a member of management at the Company; and
- (b) free of any business or other relationship or interest that could materially interfere with, or could reasonably be perceived to materially interfere with, the Director's ability to act in the best interests of the Company.

The Board will review the independence of each director from time to time. In determining the independence of a Director, the Board will consider the effect of a Director's business and other relationships and interests from both the Company's and the Director's perspectives. In particular, the Board will have regard to whether the Director:

- (a) is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial Shareholder of the Company;
- (b) has been employed in an executive role by the Company or has been a Director after ceasing to hold such a role, within the last three years;

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- (c) has been a principal of a material professional adviser or consultant to the Company or an employee materially associated with the service provided by them, within the last three years;
- (d) is a material supplier or customer of the Company, or an officer of or otherwise directly or indirectly associated with a material supplier or customer of the Company;
- (e) has a material contractual relationship with the Company other than as a Director of the Company;
- (f) has served on the Board of the Company for a period which could materially interfere with the Director's ability to act in the best interests of the Company; and
- (g) has any interest or any business or other relationship which could materially interfere with the Director's ability to act in the best interests of the Company.

2.3 **ROLE OF THE BOARD**

The role of the Board of the Company is to provide strategic guidance to the Company and effective oversight of its management for the benefit of Shareholders and other stakeholders.

In performing its role the Board should act at all times:

- (a) in accordance with its overriding responsibility to act honestly and fairly and in accordance with the law, in serving the interests of the Company's Shareholders, as well as its employees, customers and the community;
- (b) in a manner designed to create and build sustainable value in the Company for Shareholders;
- (c) in accordance with the duties and obligations imposed upon it by the constitution of the Company and by law; and
- (d) with integrity and objectivity, and in accordance with the ethical and other standards set out in the Company's corporate governance policies and codes of conduct.

The Board of the Company retains ultimate authority over the day-to-day management of the Company, however, the Board delegates responsibility for the day-to-day management of the Company to the Managing Director and other senior executives of the Company.

2.4 **RESPONSIBILITIES OF THE BOARD**

The Board is responsible to the Shareholders for the overall strategy, governance and performance of the Company. The responsibilities of the Board include the following:

(a) **Strategy**

- (i) Reviewing and approving the Company's major strategies, financial objectives and plans;
- (ii) Decision making regarding matters of a sensitive, extraordinary or strategic nature;
- (iii) Approving and monitoring acquisitions and divestments, capital management and major capital expenditure;
- (iv) Providing advice and counselling to senior management on a periodic and ad hoc basis; and
- (v) Monitoring the implementation of the policies, strategies and objectives of the Company.

(b) **Corporate governance**

- (i) Ensuring procedures and compliance controls are established and are operating effectively to promote best practice corporate governance;
- (ii) Monitoring the performance of senior management and its implementation of strategy and budgets;
- (iii) Approving senior management remuneration policies and practices;

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- (iv) Reporting to Shareholders;
- (v) Reviewing and ratifying the integrity of internal control and reporting systems;
- (vi) Reviewing and ratifying strategic risk management systems;
- (vii) Evaluation of Board processes and performance;
- (viii) Reviewing the adequacy of systems to comply with all laws and regulations which apply to the Company and its business and operations; and
- (ix) Monitoring compliance with regulatory requirements and ethical standards.

(c) **Operations**

- (i) Reviewing and ratifying accounts, setting dividend and distribution payments and raising capital;
- (ii) Reviewing and approving annual and half yearly statutory accounts and monitoring financial results on an ongoing basis;
- (iii) Selection, regular evaluation of and, if necessary, replacement of the Managing Director and Chief Financial Officer;
- (iv) Reviewing executive succession planning; and
- (v) Selecting and recommending to Shareholders an appropriate group of candidates for election to the Board.

2.5 BOARD COMMITTEES

The Board is assisted in the discharge of its responsibilities by a number of Board Committees, which are responsible for particular aspects of the operation of the Company. These committees act by examining relevant matters and making recommendations to the Board.

The Board may establish additional committees to assist it in carrying out its responsibilities. The Board may also delegate specified responsibilities to ad hoc committees from time to time. Formal charters setting out the objectives, scope and administration of each committee have been or will be created.

Directors must be satisfied that the members of the Board Committees are competent and reliable and will exercise their delegated functions in accordance with Directors' duties. Membership and performance of Board Committees is assessed at least once every year by those committees and the Board.

The two key Board Committees and their roles are:

- (a) **Audit and Risk Committee** - the Audit and Risk Committee is responsible for liaising with the Company's internal and external auditors, and reporting to the full Board on the adequacy of the Company's audit and risk procedures, and any issues arising during the course of an audit. All members of the Audit and Risk Committee must be non executive Directors, a majority of whom must be independent; and
- (b) **Human Resources Committee** - the Human Resources Committee is responsible for ensuring that the remuneration of the Directors, Managing Director and each of the other senior executives is regularly reviewed so that it is fair and reasonable, having regard to prevailing market practices and benchmarks. The Human Resources Committee is also responsible for developing succession plans for senior executives and making recommendations to the Board in relation to the appointment and removal of Directors. The Human Resources Committee must comprise a majority of non-executive Directors.

The full Board participates as the **Nominations Committee**. The function of the Nominations Committee is to fulfill its corporate governance responsibilities in regard to:

- (a) Board appointments and performance;
- (b) Directors' induction program;

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- (c) Committee membership;
- (d) Executive management succession planning, appointments and terminations; and
- (e) Other matters referred to the committee.

The Committee undertakes the functions of a Nominations Committee as described in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

A separate charter exists for each Board Committee.

2.6 **BOARD REVIEW**

The Board will review the size and composition of the Board at least annually. The Board will also assess the Board's performance, at least annually, in order to confirm that its processes and procedures remain adequate to ensure that it is carrying out its functions as effectively as possible.

2.7 **BOARD MEETINGS**

The Board of the Company will meet regularly in accordance with an agreed schedule and special meetings are held as required.

The Chairman in consultation with the Managing Director/CEO will settle the agendas for meetings of the Board. Any suggestions from Directors as to items, which should be dealt with by the Board, should be notified to the Chairman. The Company will maintain a schedule of matters, which are specifically reserved for ultimate consideration by the Board. The Board will review this schedule regularly to ensure that matters falling within the ambit of the schedule are dealt with by the Board.

Where possible, Board and Board Committee papers should be provided to Directors at least four business days prior to the relevant meeting.

2.8 **NON-EXECUTIVE MEETINGS**

The non-executive Directors of the Company will meet on multiple occasions each year for discussion of appropriate issues.

3.0 **THE CHAIRMAN**

3.1 **ROLE OF THE CHAIRMAN**

Under the constitution of the Company, the Chairman is appointed by the Board. The role of the Chairman is to ensure that the Board fulfils its roles. The responsibilities of the Chairman include:

- (a) chairing Board meetings and Shareholders' general meetings;
- (b) providing appropriate leadership to the Board and the Company;
- (c) ensuring membership of the Board is appropriately skilled to meet the needs of the Company;
- (d) assisting in Board discussions to address the key issues facing the Company;
- (e) maintaining a regular dialogue and mentoring relationship with the Managing Director and senior management of the Company;
- (f) monitoring Board performance; and
- (g) guiding and promoting the ongoing efficacy and development of the Board and its individual directors.

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4.0 SENIOR EXECUTIVES AND MANAGEMENT

4.1 MANAGING DIRECTOR

The Managing Director is responsible for the executive management of the Company and is accountable to the Board for its day-to-day operations. The Managing Director is authorised by the Board to delegate such of the powers conferred by the Board, as the Managing Director deems appropriate.

4.2 SENIOR MANAGEMENT

The Board delegates authority over the day-to-day management of the Company to the Managing Director. This delegation of authority includes the following responsibilities:

- (a) developing business plans, budgets and Company strategies for consideration by the Board and, subject to their approval by the Board, implementing those plans, budgets and Company strategies;
- (b) identifying and managing operational risks on a day-to-day basis and, where those risks could have a material impact on the Company's operations, creating strategies for managing those risks for consideration by the Board;
- (c) managing the Company's current financial and other reporting mechanisms, as well as its control and monitoring systems, to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;
- (d) ensuring that the Board and Board Committees are provided with sufficient information on a timely basis regarding the Company's operations, performance, financial conditions, operating results and prospects, to enable the Board and the Board Committees to fulfil their governance obligations; and
- (e) implementing the policies, processes and codes of conduct approved by the Board.

5.0 DIRECTORS

5.1 ROLE OF INDIVIDUAL DIRECTORS

The Company encourages Directors to question, request information, raise issues of concern, consider and canvas any issue facing the Company and cast their vote on any resolution in accordance with their own, independent judgment. Outside the boardroom, Directors should support the letter and spirit of Board decisions.

5.2 CONFIDENTIALITY

Directors must maintain the confidentiality of confidential Board discussions, deliberations and decisions, which have not been publicly disclosed by the Company.

Confidential information, which Directors receive in the course of the exercise of their directorial duties, remains the property of the Company. It is improper for a Director to disclose confidential information, or allow it to be disclosed to any third party, unless such disclosure has been properly authorised, or is required by law or the rules of a stock exchange, such as the Australian Stock Exchange.

5.3 LEGAL DUTIES

In order to fulfil their legal and statutory requirements, Directors of the Company must:

- (a) disclose to the Company Secretary all other directorships held (both public and private);
- (b) discharge their duties in good faith and act honestly in the best interests of the Company and for a proper purpose;

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- (c) act with care and diligence, demonstrating commercial reasonableness, and with the level of skill and care expected of a Director of a listed public company;
- (d) avoid conflicts of interest;
- (e) act for the benefit of the Company at all times;
- (f) not make improper use of information obtained in the course of acting as a Director of the Company;
- (g) not take improper advantage of the position of being a Director;
- (h) make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals;
- (i) diligently analyse all proposals placed before the Board; and
- (j) not purport to bind the Company unless expressly authorised to do so by the Board.

Directors decide which matters of the Company are delegated to management and must ensure that the delegates are reliable and competent and that adequate procedures are in place to oversee their exercise of the delegated powers.

5.4 **CONFLICTS OF INTEREST**

Under the Corporations Act, Directors are required to disclose any conflicts of interest and to refrain from participating in any deliberations or voting upon matters in which they have a material personal interest. In circumstances where a Director considers that they have a conflict of interest, the Director must:

- (a) disclose to the Board any actual or potential conflicts of interest which may exist or might reasonably be perceived to exist, as soon as they arise;
- (b) if deemed appropriate by the Board or the Director, take such steps as are necessary and reasonable to resolve any conflict of interest within a reasonable period of time; and
- (c) comply with the provisions of the Corporations Act regarding the disclosure of interests and restrictions on voting.

5.5 **OVERVIEW OF SENIOR MANAGEMENT**

In addition to the regular presentations which senior management make at Board meetings, Directors may request briefings from senior management on specific issues through the Managing Director. Management is required to advise the Managing Director of all discussions with Directors relevant to the business of the Company.

5.6 **REMUNERATION AND RETIREMENT**

The Board determines Directors' remuneration from time to time subject to the aggregate cap on non-executive directors' remuneration set pursuant to article 9.9 of the constitution of the Company.

The tenure of the Managing Director is linked with his executive office. All other Directors are subject to re-election each year by rotation (such that one-third of the Directors are subject to re-election each year). The Directors to retire by rotation are those who have been in office for the longest period of time since the date of their last election. A Board Committee, the Human Resources Committee, may negotiate the retirement or resignation of individual Directors following consultation with the Board. Generally, the Board's policy on the tenure of non-executive Directors is a maximum tenure of 12 years.

5.7 **INDEMNITIES AND INSURANCE**

According to article 19.1 of the constitution of the Company, the Company may indemnify any current or former Director, Company Secretary or executive officer of the Company or of a related body corporate out of the property of the Company against:

- (a) every liability incurred by the person in that capacity (except a liability for legal costs); and;

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(b) all legal costs incurred in defending or resisting (or otherwise in connection with) proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the person becomes involved because of that capacity,

except to the extent that:

- (a) the Company is forbidden by statute to indemnify the person against the liability or legal costs; or
- (b) an indemnity by the Company of the person against the liability or legal costs would, if given, be made void by statute.

According to article 19.2 of the constitution of the Company, the Company may pay or agree to pay, whether directly or through an interposed entity, a premium for a contract insuring a person who is or has been a Director or Company Secretary or executive officer of the Company or of a related body corporate of the Company against liability incurred by the person in that capacity, including a liability for legal costs, unless:

- (a) the Company is forbidden by statute to pay or agree to pay the premium; or
- (b) the contract would, if the Company paid the premium, be made void by statute.

6.0 COMPANY SECRETARY

6.1 AUTHORITY

The Company Secretary has authority to countersign documents of the Company, provided that the Company Secretary is first satisfied that:

- (a) the document has been properly authorised for signature; and
- (b) the document has been signed by a Director of the Company.

6.2 ROLE

The Company Secretary is responsible for:

- (a) organising Board meetings;
- (b) preparing agendas and Board packs;
- (c) organising Directors' attendances;
- (d) providing technical and telecommunications support and maintenance to directors; and
- (e) providing a point of reference for all dealings between Board and management; and
- (f) performing certain statutory obligations relating to the Company's registered office, annual returns and lodgement of documents with ASIC and any of the stock exchanges on which the Company's shares and debt securities trade.

7.0 FURTHER INFORMATION

If you require further information or assistance, or are uncertain about the application of the law or of this Board Charter in any situation, please contact the Company Secretary.

Approved by the Board on 22nd April 2004

Revised and approved: 7th July 2006

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