

BOARD CHARTER

1. Introduction

This Charter aims to set out the practices that the Company has established and to which the Board and each Director is committed. This Charter is simply an aid to the Board and the Directors. In the course of undertaking its responsibilities, the Board at all times must act in a manner that is consistent with its duties and obligations as imposed by the Company's Constitution, the ASX Listing Rules and by the law. The conduct of the Board is governed primarily by the Company's Constitution. Should there be any inconsistency between this Charter and the Constitution, the Constitution shall prevail.

Directors will be appointed and removed in accordance with the Corporations Act and the Constitution.

2. Role of the Board

The role of the Board is to:

- (a) Communicating with, and protecting the rights and interests of, all Shareholders and enhance shareholder value;
- (b) Provide strategic direction for the Company and directing and monitoring the Company's performance against strategies;
- (c) Establish goals for management and monitor the achievement of those goals;
- (d) Reviewing and overseeing the operation of systems of risk management ensuring that the significant risks facing the Company are identified, that appropriate control, monitoring and reporting mechanisms are in place and that risk is appropriately dealt with; and operate on the principle that Management formulates (proposals), the Board ratifies, then Management implements and the Board monitors.

3. Responsibility of the Board

The Board is collectively responsible for promoting the success of the Company by:

- (a) Monitoring the Company's framework of control and accountability systems to enable risk to be assessed and managed which includes but is not limited to (b) to (k);
- (b) Ensuring the Company is properly managed by:
 - (i) Appointing and removing the Managing Director of the Company;
 - (ii) Ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company Secretary;
 - (iii) Input into and final approval of management's development of corporate strategy and performance objectives;
 - (iv) Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance;
 - (v) Monitoring Senior Management's performance and implementation of strategy, and ensuring appropriate resources are available;
 - (vi) Ensuring that appropriate and effective remuneration packages and policies are implemented by Remuneration Committee; and,
 - (vii) Ensuring compliance with the Company's Constitution and with the Continuous Disclosure requirements of the ASX Listing Rules and the Corporations Act.
- (c) Approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- (d) Approval of the annual budget;
- (e) Monitoring the financial performance of the Company;
- (f) Approving and monitoring financial and other reporting;

- (g) Overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions between management and the Board remain appropriate to the needs of the Company;
- (h) Formation and monitoring of corporate governance policies, codes of conduct and committees;
- (i) Liaising with the Company's external auditors;
- (j) Monitoring the environmental performance of the Company; and,
- (k) Ensuring the Board is comprised of individuals who are best able to discharge the responsibilities of Directors having regard to the law and the best standards of governance.

4. Board Composition

- (a) The composition of the Board is determined as follows:
 - (i) The Company's Board shall comprise of a minimum of three directors. The number of Directors shall not exceed 9. Subject to the Corporations Act, the Company may, by ordinary resolution, increase or reduce the number of Directors and may also determine in what rotation the increased or reduced number is to go out of office.
 - (ii) Subject to any resolution of the Company determining the maximum and minimum numbers of Directors, the Directors may from time to time determine the respective number of Executive and Non-Executive Directors.
- (b) Company Secretary.

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

5. Chairperson

The chairperson is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function. The chairperson is also responsible for shareholder communication and arranging Board performance evaluation.

6. Independent Directors

The ASX Recommendations establish a number of factors that may be considered when assessing the independence of directors. The Board will assess the independence of each Director in light of the interests disclosed by them. The Board's assessment of the independence of Directors will be disclosed in the Company's future annual reports (to the extent deemed necessary).

7. The Managing Director

The managing director is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy approved by the Board. In carrying out his/her responsibilities the managing director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

8. Role and Responsibility of Management

The role of management is to support the managing director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

The Management team will usually be responsible for implementing the entity's strategic objectives and instilling and reinforcing its values, all while operating within the values, code of conduct, budget and risk appetite set by the board.

9. Remuneration

- (i) The Company has established a Remuneration Committee. The Remuneration Committee has processes in place to set the level and composition of remuneration for directors to ensure that such remuneration is appropriate and not excessive.

These processes have regard to the guidelines issued by the ASX.

- (ii) The Company recognises the importance of remunerating fairly and responsibly, such that director remuneration is sufficient to attract and retain high quality directors.

10. Conflicts of Interest

All directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interests. Under the constitutions and at law, directors must disclose any conflicts of interest and abstain from participating in any discussion or voting on matters in which they have a material personal interest. The following procedures are to be followed by a director who believes they may have a conflict of interest or material personal interest:

- (a) the director must disclose to the Board any actual or potential conflict or material personal interest which may exist, or might reasonably be thought to exist, as soon as it arises;
- (b) a determination as to whether or not a conflict exists will be made, and if necessary this determination will be made by a sub-committee of the Board that excludes the potentially conflicted director; and,
- (c) an appropriate course of action will be set based on the determination made, and such action may require the conflicted or interested director to absent themselves when the Board discusses and votes on matters to which the conflict or interest relates.

11. Appointment, retirement, induction and independent advice

The Board will consider the appointment of a Director as and when a vacancy arises in accordance with the following considerations:

- (a) Appointment
 - (i) the skills, expertise and experience of any proposed Director;
 - (ii) the relevance and appropriateness of these skills, expertise and experience when compared to those of the current Board;
 - (iii) the terms of appointment must be recorded in a letter of appointment taking into consideration the ASX Recommendations, and if appointed this will form the basis of the written agreement between the Company and the Director;
 - (iv) the results of any background check which the Board undertakes; and,
 - (v) the terms of appointment must be in accordance with the Constitution, Corporations Act and Listing Rules.

The Board will provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

- (b) Retirement

A Director must retire in accordance with the Corporations Act, the Listing Rules and the Company's Constitution. A Director may be re-elected if the Constitution permits.

(c) Induction

The Company Secretary is responsible for arranging for the new Director to undertake an induction program to enable them to gain an understanding of:

- (i) the Company's financial, strategic, operational and risk management position;
- (ii) their rights, duties and responsibilities; and,
- (iii) any other relevant information.

As part of this induction program, a new Director will meet with all incumbent Directors (if this has not already taken place).

(d) Independent Advice

In the performance of their duties as Directors, the Directors have a right to seek independent legal or other professional advice at the Company's expense.

12. Board Performance

Due to the current size of the Company and its level of activity, the Board is responsible for the evaluation of its performance and the performance of individual Directors and the Executives.

13. Charter Review

The Board Charter will be reviewed regularly.