

EMERSON
IMPLEMENTEURS
STEWART

**CORPORATE
GOVERNANCE
CHARTER**

Emerson Stewart Group Limited
ABN 80 122 958 178
("Company")

And its subsidiaries
(together with the Company,
the "Group")



Table of Contents

1.	Introduction	4
2.	Board Charter	5
2.1	The Board	5
2.2	The Chairman	7
2.3	Authority Delegated to Senior Executive Management and Delegated Authority Matrix	8
2.4	Board Independence/Conflicts of Interest	8
2.5	Board Committees	9
2.6	Board Member's Code of Conduct	9
2.7	Communications with Stakeholders	9
2.8	Shareholder Meetings	10
2.9	Performance Enhancement and Evaluation	10
2.10	Group Code of Conduct/Values	10
2.11	Board and Committee Structure	10
2.12	Independent Advice	10
2.13	Board Calendar	11
2.14	External Audit Function	11
2.15	CEO and CFO Financial Reports Verification	11
Appendix A		12
Company Constitution		
Appendix B		13
ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations		
Appendix C		14
Structure of Board and Committees		
Appendix D		15
Nominations and Remuneration Committee Charter		
Appendix E		19
Audit and Risk Management Committee Charter		
Appendix F		23
Board Members' Code of Conduct		
Appendix G		25
Conflict of Interest Protocol		
Appendix G(1)		28
Notice of Disclosure of Interest/Prospective Conflicts of Interest		

Appendix G(2) Register of Conflicts of Interest (refer Corporate Governance Charter)	29
Appendix G(3) [Pro Forma] – Header Sheet for each Folio Section of the Register	30
Appendix H Group Code of Conduct/Values	31
Appendix I Job Description – Chief Executive Officer – Delegated Authority	34
Appendix J Risk Management Policy	36
Appendix K Policy on the Trading of Company's Shares	37
Appendix L Release of Price Sensitive Information	39
Appendix M Board Calendar (Strategic Governance Issues)	42
Appendix N Contents of Directors' Letter of Appointment	44
Appendix O Board and Management Performance Enhancement Policy	45
Appendix P Procedure for the selection and appointment of an external auditor (incorporated as part of the Audit and Risk Committee's Charter)	47

1. Introduction

- 1.1 This Corporate Governance Charter is designed as an overarching statement of policy:
- to prescribe a range of corporate governance principles to apply to the Company and the Group.
 - pursuant to which discrete instruments relating to matters relevant to corporate governance within the Group can be generated and incorporated as appendices to this Charter; and
 - to set forth certain protocols relating to the functions and responsibilities of the directors and executives of the Group.
- 1.2 The Group is committed to implementing high standards of corporate governance. In determining what those high standards should involve, the Company has had regard to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations so as to ensure that its practices are largely consistent with those Recommendations.
- 1.3 This Charter is intended to operate by way of a series of sections and/or appendices which may be added to or varied from time to time, the totality of which comprise this Charter. Reference to "Appendix" and "Section" in this Charter are reference to the Appendices and Sections comprising part of this Charter.
- 1.4 This Charter was formally adopted by the Board of the Company and may only be added to or varied by resolution of the Board. A copy of this Charter is to be kept with the Company's secretarial records and copies are also to be made available to each Director for reference purposes.
- 1.5 The Company accepts that merely by the Board adopting this Charter, does not of itself immediately ensure its cultural compliance within the Company. It is the Board's commitment to work towards the principles and policies in this Charter becoming a practical reality for the Group in all respects.

2. Board Charter

2.1 The Board

(a) Overall Responsibility

The Board is responsible for the overall management and strategic direction of the Company and for delivering accountable corporate performance in accordance with the Company's goals and objectives. In performing its role, the Board's specific responsibilities include:

- providing strategic direction and deciding upon the Group's strategies and objectives in conjunction with the CEO;
- monitoring the strategic direction of the Group and the attainment of its strategies and objectives in conjunction with the executive;
- monitoring the operational and financial position and performance of the Group;
- driving corporate performance and delivering shareholder value;
- assuring a prudential and ethical base to the Group's conduct and activities for the benefit of all its stakeholders;
- ensuring the principal risks faced by the Group are identified and that appropriate control and monitoring systems are in place to manage the impact of these risks;
- reviewing and approving the Group's internal compliance and control systems and codes of conduct;
- ensuring that the Group's financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Board;
- appointing and, where appropriate, removing the CEO, monitoring other key executive appointments, and planning for executive succession;
- overseeing and evaluating the performance of the CEO and through the CEO receiving reports on the performance of other senior executives in the context of the Group's strategies and objectives and their attainment;
- reviewing and approving the CEO's and, in conjunction with the CEO, other senior executive remuneration;
- approving the Group's budgets and business plans and monitoring the progress of major capital expenditures, capital management and acquisitions and divestitures;
- ensuring that financial results are appropriately and accurately reported on a timely basis;
- ensuring the Group's systems and processes operation so as to assure compliance with all laws, governmental regulations and accounting standards;
- ensuring that the Group's affairs are conducted with transparency and accountability;
- ensuring appropriate and effective remuneration policies for the Group; and
- ensuring succession planning and that the Board is comprised of individuals who are well able to discharge the responsibilities of directors of the Company.

(b) Board Members (Appointment & Remuneration)

- (i) Members of the Board are appointed in the terms of the Company's Constitution. Refer also to Appendix D (Nomination and Remuneration Committee).
- (ii) Although the election of Board members is substantially the province of the Shareholders in general meeting, the Company commits to the following principles:
 - The Board comprise of Directors with a blend of skills, experience and attributes appropriate for the Group and its businesses;
 - The principal criterion for the appointment of new Directors is their ability to add value to the Group and its businesses.
- (iii) The maximum remuneration of non-executive Directors is the subject of Shareholder resolution in accordance with the Company's Constitution, and the Corporations Act as applicable. The apportionment of non-executive Director remuneration within that maximum will be made by the Board having regard to the inputs and value to the Group of the respective contributions by each non-executive Director. The Board may award additional remuneration to non-executive Directors called upon to perform extra services or make special exertions on behalf of the Group.

(c) Agreement by Board Members

Upon their appointment Board members are to be issued a formal letter of appointment (for signing and acceptance by them at the time of their appointment) covering the matters set out in Appendix N. By accepting appointment to office, the Board member agrees to subscribe to and be bound by the Constitution and this Charter.

(d) Access and Indemnity Deed and D&O Insurance

The Company will execute with each Director a Deed of Access and Indemnity in such reasonable industry accepted form settled by the Company's lawyers and approved by the Board.

The Company will arrange for the benefit of each Director, subject to cover availability at commercially acceptable premiums to the satisfaction of the Board, a policy of directors' and officers' insurance in such reasonable industry accepted form approved by the Board after advice taken from the Company's insurance brokers.

(e) Board Meetings

- (i) Procedures
 - (A) As far as possible, Agendas and supporting papers shall be despatched a reasonable period in advance of the meeting.
 - (B) A meeting may be cancelled by the Chairman if there is insufficient business to warrant holding a meeting.
 - (C) A quorum shall comprise the greater of 2 Board members and at least 50% of the Board.
- (ii) Frequency

The Board must meet at least 6 times per annum, but subject thereto, as often as is necessary to fulfil its functions and discharge its responsibilities.

- (iii) Voting
 - (A) Each member of the board including the Chairman shall have one vote.
 - (B) In the case of an equality of voting, the Chairman shall have a casting vote in addition to his deliberative vote (except where there are only 2 directors entitled to vote on the resolution before the meeting).
- (iv) Minutes
 - (A) Minutes of each Board meeting shall be recorded and distributed to each member of the Board.
 - (B) The Minutes of each meeting shall be submitted to the next succeeding meeting of the Board for their certification by the Chairman as a correct record of proceedings.
- (v) Generally
 - (A) Meetings of the Board shall be conducted in compliance with the Company's Constitution and the Corporations Act 2001.
 - (B) Subject to (A) and the other provisions of this Charter, the Chairman shall determine the manner and process by which Board meetings shall be held.

2.2 The Chairman

- (a) The Chairman is responsible for leadership of the Board; facilitating proper information flow to the Board; for facilitating the effective functioning of the Board; and for communicating the views of the Board, in conjunction with the CEO, to the Group's stakeholders and to the public. This does not derogate from the principle that it is the CEO who is the primary spokesperson on behalf of the Company. In performing his/her role, the Chairman's specific responsibilities include:
 - in consultation with the CEO:
 - setting the agenda for the matters to be considered by the Board;
 - seeking to ensure that the information provided to the Board is relevant, accurate, timely and sufficient to keep the Board appropriately informed of the performance of the Group and of any developments that may have a significant impact on that performance;
 - seeking to ensure that communications with stakeholders and the public are accurate and effective;
 - managing the conduct, frequency and length of Board meetings so as to ensure that the Board maintains adequate understanding of the Group's financial position and strategic performance, and the opportunities and challenges facing the Group;
 - facilitating open and constructive communications amongst Board members and encouraging their contribution to Board deliberations;
 - conducting Board, and Board member performance reviews;
 - liaising and interfacing with the CEO as the primary contact between the Board and the CEO; and
 - liaising with and counselling, as appropriate, Board members.
- (b) The Chairman is appointed in the terms of the Group's Constitution.
- (c) The roles of the Chairman and the CEO should not be exercised by the same person.

2.3 Authority Delegated to Senior Executive Management and Delegated Authority Matrix

The Board has delegated to the CEO (for sub-delegation as appropriate to his/her senior executive team), authority over the day to day management of the Group and its operations. This delegation of authority includes responsibility for:

- developing business plans, budgets and strategies for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- ensuring the Group's operations and business are within the parameters set by the Board from time to time and that the Board is kept informed of material developments in the Group's operations and business;
- where proposed transactions, commitments or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;
- identifying and managing operational risks and, where those risks could have a material impact on the Group, formulating strategies for managing these risks for consideration by the Board;
- managing the Group's financial and other reporting mechanisms and control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;
- ensuring that the Board is provided with sufficient accurate information on a timely basis in regard to the Group, its operations and business, and in particular with respect to the Group's corporate performance, financial condition, operations and prospects, to position the Board to fulfil its governance responsibilities; and
- implementing the policies, processes and codes of conduct approved by the Board.

The scope of the CEO's role, authority and responsibilities is more particularly set out in Appendix I to this Charter.

The scope of the CEO's and the CFO's roles, authorities and responsibilities must also be set out in formal job descriptions and employment contracts (or letters of appointment).

Further, the CEO will propose from time to time for adoption by the Board a Delegated Authority Matrix specifying the levels of delegated authority applicable at Board, Director, CEO, Company Secretary, Senior Executive and other management levels (as appropriate).

2.4 Board Independence/Conflicts of Interest

An independent Board member operates independently of executive management and free of any business or other relationship (personal, business or otherwise) that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment. Independent Board members accordingly assist in ensuring that the Board and the Group operate in the best interests of the Group and its stakeholders as a whole having regard to the goals and objectives of the Company.

The assessment of whether a Board member is independent is a matter of judgement for the Board as a whole and includes concepts of materiality. In making that judgement the Board may have regard to, but need not be bound by, the ASX Corporate Governance Principles as to director "independence". All Board members are required to disclose to the Board any interest, relationship or information which may be relevant to that assessment.

The same comments apply with respect to each office bearer of the Group. The Chairman, and at least a majority of directors, desirably should be independent.

The Group's protocol dealing with conflicts of interest is set out in Appendix G to this Charter.

2.5 Board Committees

The Board has established the following standing Committees to assist the Board in the execution of its responsibilities:

- the Audit and Risk Management Committee; and
- the Nominations and Remuneration Committee.

Other committees may from time to time be established by the Board in accordance with the Constitution or to deal with matters of special importance.

Each Committee has an approved charter under which authority is delegated by the Board. The charters for each standing Committee can be found in Appendices to this Charter. The Board is responsible for the exercise of power by the Committees unless the Board has delegated power to the Committee and the Board believes on reasonable grounds in good faith and after making proper enquiry:

- that the Committee would exercise the power in conformity with the duties imposed on the Board by the Corporations Act (2001) and the Group's Constitution; and
- that the Committee is reliable and its members competent in relation to the power delegated.

The Committees are to be composed of Board members (together with others as appropriate) with the necessary attributes, skills and experience having regard to the charter and function of the Committee. The Committees meet as necessary in the terms of their charter. Relevant business addressed at Committee meetings is to be summarised and reported (as soon as reasonably practicable) to the Board at its next meeting after the Committee meeting.

2.6 Board Member's Code of Conduct

Members of the Board shall abide by the Code of Conduct set out in Appendix F to this Charter.

2.7 Communications with Stakeholders

The Board shall seek to ensure that the Group communicates openly with its stakeholders (subject to commercial and legal confidentiality restraints including Privacy Laws) in a timely and effective manner, including by print and electronic communication means (as appropriate). Refer also to Appendix L (Release of Price Sensitive Information Policy).

The Company will use its website to complement the official release of material information to the market so as to enable broader access to Company information by investors and stakeholders. This may include:

Placing all relevant announcements made to the market, and related information (eg, information provided to analysts or media during briefings), on the Company's website after they have been released to the ASX;

Placing the full text of notices of meeting and explanatory material on the Company's website;

Provide information about the last three years' press releases/announcements plus at least three years of financial data on the Company's website;

Use email to provide information updates to investors.

2.8 Shareholder Meetings

Shareholders meetings shall be conducted in a manner that facilitates effective communication with the Company's membership base and allows reasonable opportunity for informed participation by the Company's membership base. Unless special circumstances otherwise dictate, the Company's broader stakeholder groupings should be encouraged to attend and participate (as appropriate) at general meetings.

The Board will request attendance of the external auditor at the annual general meeting to answer questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company aspires to meetings of shareholders, and notices to shareholders of those meetings, generally being in conformity with Attachment A (Guidelines for Notices of Meetings) forming part of the ASX Governance Principles (Refer to Appendix B of this Charter).

2.9 Performance Enhancement and Evaluation

(a) Enhancement

The Company commits to the continuing educational and skill enhancement of its Board members and senior executives to equip them to better serve the Company. Appendix O sets forth the Group's Board and Management Performance Enhancement Policy.

(b) Evaluation

The performance of the Board (as a whole), each standing Board Committee, Board members generally, and each senior executive will be reviewed at least every 2 years, or thereabouts (and at other times as decided upon by the Board) against measurable and qualitative benchmarks as may reasonably be determined from time to time by the Board having regard to accepted, sound corporate governance standards. This task may be delegated by the Board to a Committee.

2.10 Group Code of Conduct/Values

The organisation has adopted the Group Code of Conduct/Values set out in Appendix H to this Charter.

2.11 Board and Committee Structure

The Board and Committee membership structure at the date specified therein is set out in the Appendix C to this Charter.

2.12 Independent Advice

A Board member is entitled to seek independent professional advice (including but not limited to legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out below:

- a Board member must seek the prior approval of the Chairman (or Deputy Chairman as appropriate);
- in seeking such prior approval, the Board member must provide details of:
 - the nature of the independent professional advice;
 - the likely cost of seeking the independent professional advice; and
 - details of the independent adviser he or she proposes to instruct.
- the approval of the Chairman (or Deputy Chairman) must not be unreasonably withheld.

2.13 Board Calendar

To assist the Board in ensuring timely discharge of its duties each year, the Board will from time to time adopt a planning calendar which will at least include on it each year reports on strategic governance issues of the nature set forth in Appendix M.

The planning calendar shall be developed by the Company Secretary in consultation with the Chairman and the CEO with an aim for it to be tabled and adopted at the first Board meeting each financial year.

2.14 External Audit Function

The Company commits to the external audit of its books and affairs by the appointment of an independent external auditor who satisfied the "independence" requirements of ASIC and the ASX for listed public companies. In particular, the external auditor must be independent of and have no relevant material interest, associations or dealings (other than as auditor in the discharge of the duties associated with that appointment) with the Group any Director or other Officer of the Group. Refer also to the role of the Audit and Risk Management Committee (Appendix E).

2.15 CEO and CFO Financial Reports Verification

The Company will require the CEO and the CFO (or their equivalents) to state in writing to the Board:

- (a) that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- (b) that the statement given in accordance with (a) above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board, and that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Appendix A

Company Constitution

See Attachment "A" – Company Constitution

- Attachments are available on request

Appendix B

ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations

See Attachment "B" – ASX Recommendations

- Attachments are available on request

Appendix C

Structure of Board and Committees

The Board of the Company and the various Committees established under the Constitution and the Board Charter are to be comprised as follows:

Board

- Not less than 3 and not more than 10 members as determined from time to time by the Board.
- Including a Chairman and Secretary elected annually by Board.
- With rotation of election of Board members and maximum terms of Board members as may be provided for in the Constitution and at law.

Nominations and Remunerations Committee

- 1 x Committee Chairman (Independent Nonexecutive Chairman of Board)
- 1 x Committee Member (Independent Non-executive Board Member)
- 1 x Committee Member (Independent Non-executive Board member) – if available
- CEO by invitation
- Others (if any) by invitation (ad hoc) only.

Audit and Risk Management Committee

- 1 x Committee Chairman (Independent Non-executive Board member who has financial expertise, desirably not Company Chairman unless specifically resolved to the contrary.
- 1 x Committee Member (Company Chairman or other director who is independent non-executive and desirably who is financially literate)
- 1 x Committee Member (Independent Non-executive Board member who is desirably financially literate) – if available
- 1 x external auditor by invitation
- Others (if any) by invitation (ad hoc) only

Appendix D

Nominations and Remuneration Committee Charter

Terms of Reference

Remit

To act as a monitoring and review forum for succession planning (Board Committees and CEO) and remuneration (Board members and CEO).

Scope

The scope of the Nominations and Remuneration Committee remit will include, but not be limited to matters of:

(a) Board Membership

- Board and Board Committee membership, succession planning and performance including:
 - assessing the skills and experience required on the Board;
 - assessing the extent to which the required skills and experience are represented on the Board;
 - establishing processes for the identification of suitable candidates for appointment to the Board.
- Board Committee terms of reference review and recommendations including with respect to appointment of Board committees.
- Evaluation of Board, Committee and Director performance.
- Board member induction, education and development.

(b) CEO

- Periodic review of the job description and performance of the CEO according to agreed performance parameters.
- Assess, at appropriate and regular intervals, a suitable remuneration and reward package for the CEO in relation to prevailing external practice, internal affordability, performance against goals, and other relevant matters.
- Succession planning for the CEO position.
- Involvement in complaints, grievance and disciplinary processes of senior executives.

(c) Remuneration

- Assessing appropriate remuneration policies, levels and packages for Board Members, the CEO, and (in consultation with the CEO) other senior executive officers.
- Monitoring the implementation by the Group of such remuneration policies
- Recommending the Company's remuneration policy so as to:
 - motivate directors and management to pursue the long-term growth and success of the Company within an appropriate control framework;
 - demonstrate a clear relationship between key executive performance and remuneration.

(d) Generally

- Reporting on these matters to the Board, with recommendations as appropriate.
- The Committee has the authority to consult independent professional advisers it considers appropriate to provide independent advice on matters within the scope of its remit.
- Remuneration packages may include share schemes, incentive performance packages, superannuation entitlements and fringe benefits and any other items considered appropriate by the Committee.

The Nominations and Remuneration Committee may be requested by the Board to perform other related tasks.

Governance

(a) Establishment of the Committee

1. The committee is established under the authority of the Board in accordance with the Company's Constitution.
2. The composition, functions and procedures may be amended from time to time.
3. Variation to these terms of reference may be made by the Board.

(b) Membership of the Committee

1. The members of the Committee shall be appointed, or re-appointed, by the Board in compliance with the Company's Constitution and shall consist of:
 - Board Chairman (Chairman)
 - Two other qualifying Board Members (or if only one qualifying Board member is available, then that one)
 - CEO by invitation
 - Others (if any) by invitation (ad hoc) only
2. The principal members of the Committee are to be independent nonexecutive Board members.

3. The period of appointment of each member shall be until the first Board meeting after the AGM each year or such shorter period as the Board may prescribe.
4. Vacancies, which occur within the term of office, shall be filled by the Board for the unexpired portion of the term.

(c) Chairman

The Board Chairman shall be the Committee Chairman. In the absence of the Board Chairman, the Committee will elect another to chair meetings of the Committee.

(d) Meeting Procedures

1. The Committee shall meet at least twice annually, or as required, on date and time agreed by the members, or as called by the Committee Chairman.
2. As far as possible, Committee Agendas and supporting papers shall be despatched a reasonable period in advance of the meeting.
3. A quorum shall comprise at least 50% of members of the Committee, but in any event not less than 2 members.

(e) Voting

1. Each member of the Committee including the Committee Chairman shall have one vote.
2. In the case of equality of voting the Committee Chairman shall have a casting vote in addition to his deliberative vote.

(f) Minutes

1. Minutes of each meeting shall be recorded and distributed to each member of the Committee.
2. The Minutes of each meeting shall be submitted to the following meeting of the Board for noting or for deliberation upon matters specifically referred by the Committee.
3. The Minutes of each meeting shall be submitted to the next succeeding meeting of the Committee for their certification by the Committee Chairman as a correct record of proceedings.

(g) Performance Review

The Committee will review, and submit a report to the Board on, its operations and performance over each financial year within a reasonable period of the close of the financial year.

(h) Reporting (Periodic)

The Committee, through its Chairman, shall report to the Board at the next Board meeting after each Committee meeting. The report should include but not be limited to:

- The minutes of the Committee and any formal resolutions;
- Any matters at in the opinion of the Committee should be brought to the attention of the Board, and any recommendations requiring Board approval and/or action; and

(i) Reporting (Annual)

In addition, the Committee, through its Chairman, shall report annually to the Board summarising the Committee's activities during the year. The report (and where appropriate any interim report) must include:

- a summary of the Committee's main authority, responsibilities and duties in the context of this Charter;
- details of meetings, including the number of meetings held during the relevant period, and the number of meetings attended by each member;
- details of any change to the independent status of each member during the relevant period, if applicable; and
- a review of the formal written charter and an evaluation of the extent to which the Committee has met the requirements of the Charter.

Appendix E

Audit and Risk Management Committee Charter

Terms of Reference

Remit

- To act as an instructing arm for internal and external audit activities of the Group;
- To review and make recommendations on actions specific to risk management within the Group.

Scope

The scope of the Audit and Risk Management and Audit Committee's remit will include, but not be limited to:

(a) Risk Management and Insurance

1. Approve and monitor policies for reporting, risk management and internal audit, including in accordance with the Group's risk Management Policy (refer Appendix J if this Charter).
2. Receive ongoing risk management reports.
3. Review of risk management policies and management processes.
4. Review and ensure the Group carries appropriate levels of insurance.
5. Review and monitor management of workers compensation exposure.

(b) Audit

1. Recommend selection and remuneration of external Auditor and to monitor external Auditor independence.
2. Provide instruction to the external Auditor.
3. Arrange assistance as required by the external Auditor.
4. Receive external Auditor's preliminary Annual Audit Report.
5. Oversee and monitor implementation of external Auditor's recommendations (as accepted).
6. Review and monitor application of accounting policy and reporting of financial information to Shareholders, regulators and generally;
7. Ensure that the audit approach covers all financial statement areas where there is a risk of material misstatement and that audit activities are carried out throughout the Group in the most effective, efficient and comprehensive manner.

8. In monitoring external Auditor independence the Committee will have regard to any legislative or regulatory requirements, and the following principles.
- it is mandatory that the Audit Partner responsible for the Audit be rotated at least every five years. At least two years must expire before the Audit Partner can again be involved in the Audit of the Group;
 - monitor the number of former employees of the external Auditor who were involved in auditing the Group and who are currently employed in senior financial positions in the Group, and assess whether this impairs or appears to impair the Auditor's judgement or independence in respect of the Group. An individual Auditor who was engaged by the external Auditor and participated in the Group's audit shall be precluded from employment as CEO or CFO of the Group for a period of at least 12 months from the time of the audit.
 - consider whether taken as a whole, the various relationships between the Group and the external Auditor and the economic importance of the Group (in terms of fees paid to the external Auditor for the Audit as well as fees paid to the external Auditor for the provision of nonAudit services) to the external Audit impair or appear to impair the Auditor's judgement or independence in respect of the Group.
 - ensure the Group does not engage its external Auditor for certain non-audit services (including bookkeeping, financial information systems design, valuations, actuarial services, internal audit outsourcing, human resources and audit non-related legal/expert services). Any proposal to grant the external Auditor non-prohibited non-audit services will be referred to the Chairman of the Committee by management prior to granting the work.

The Committee will meet (at least annually) with the external Auditors without the presence of management.

9. Assurance that the Group adequately complies with applicable laws and regulations, is conducting its affairs ethically and is maintaining appropriate controls against employee conflict of interest and fraud.
10. In the selection and appointment of the external Auditors the terms of Appendix P are incorporated into these Terms of Reference.

Governance

(a) Establishment of the Committee

1. The committee is established under the authority of the Board in accordance with the Company's Constitution.
2. The Audit Committee shall have full and ready access to the Auditors, CEO, CFO, Senior Management and all employees as pertains to matters of Audit and Risk Management.
3. The Committee also has the authority to consult with independent professional advisers it considers appropriate to assist it in meeting its responsibilities.
4. The composition, functions and procedures may be amended from time to time.
5. Variations to these terms of reference may be made by the Board.

(b) Membership of the Committee

1. The members of the Committee shall be appointed, or be re-appointed, by the Board in compliance with the Company's Constitution and shall consist of the following persons who should demonstrate financial literacy and a relevant understanding and experience in the areas of Audit and Risk Management.
 - A. Independent Non-Executive Board Member with financial expertise and desirably being other than the Company Chairman unless specifically resolved to the contrary (Chair).
 - B. Independent Non-Executive Board Member (Board Chairman).
 - C. Independent NonExecutive Board Member (if available);
 - D. CEO (by invitation only).
 - E. External Auditor (by invitation only).
 - F. Others (if any) by invitation (ad hoc) only.
2. The period of appointment of each Board member shall be until the first Board meeting after the AGM each year or such shorter period as the Board may prescribe.
3. Vacancies, which occur within the term of office, shall be filled by the Board for the unexpired portion of the term.
4. Other Directors may attend meetings of the Committee at the discretion of the Committee Chair.

(c) Chairman

The Committee Chairman shall be appointed by the Board. In the absence of the Committee Chairman, the Committee will appoint another to chair meetings of the Committee.

(d) Meeting Procedures

1. The Committee shall meet at least twice annually on date and time agreed by the members, or as called by the Committee Chairman.
2. As far as is possible, Committee Agendas and supporting papers shall be despatched a reasonable period in advance of the meeting.
3. A quorum shall comprise of at least 50% of members of the Committee, but in any event no less than 2 members.

(e) Voting

1. Each member of the Committee including the Committee Chairman shall have one vote.
2. In the case of equality of voting the Committee Chairman shall have a casting vote in addition to his deliberative vote.

(f) Minutes

1. Minutes of each meeting shall be recorded and distributed to each member of the Committee.
2. The Minutes of each meeting shall be submitted to the following meeting of the Board for noting or for deliberation upon matters specifically referred by the Committee.
3. The Minutes of each meeting shall be submitted to the next succeeding meeting of the Committee for their certification by the Committee Chairman as a correct record of proceedings.

(g) Performance Review

The Committee will review, and submit of report to the Board on, its operations and performance over each financial year within a reasonable period of the close of the financial year.

(h) Reporting (periodic)

The Committee, through its Chairman, shall report to the Board at the next Board meeting after each Committee meeting. The report should include but not be limited to:

- the minutes of the Committee and any formal resolutions;
- information about the audit process including the results of internal and external audits; and
- any matters that in the opinion of the Committee should be brought to the attention of the Board, and any recommendations requiring Board approval and/or action.

(i) Reporting (Annual)

In addition, the Committee, through its Chairman, shall report annually to the Board summarising the Committee's activities during the year. The report (and where appropriate any interim report) must include:

- a summary of the Committee's main authority, responsibilities and duties in the context of this Charter;
- related party dealings with the Group;
- details of meetings, including the number of meetings attended by each member;
- details of any change to the independent status of each member during the relevant period, if applicable; and
- details of any determination by the Committee regarding the external Auditor.

Appendix F

Board Members' Code of Conduct

1. Care, Skill and Diligence

A Board Member has a duty to use reasonable care and diligence in fulfilling the functions of the office of Board Member and exercising the powers attached to that office.

2. Good Faith

A Board Member must act honestly, in good faith, and in the best interest of the Group as a whole and for a proper purpose.

3. Proper Purpose

A Board Member must use the powers of office for a proper Company purpose. A Board Member's primary responsibility is to the Company but the Board Member should also have regard to the interests of all stakeholders of the Group.

4. No Misuse of Information

A Board member must not misuse his or her position as a Board Member improperly to gain advantage for the Board Member or for someone else or to cause detriment to the Group.

5. No Misuse of Position

A Board Member must not misuse his or her position as a Board Member improperly to gain advantage for the Board Member or for someone else or to cause detriment to the Group.

6. Conflicts of Interest

A Board Member must not give preference to personal interests, or to the interests of any associate or other person, where to do so would be in conflict with the interests of the Group.

7. Disclosure of Interests

A Board member must disclose to all other Board Member's any material personal interest that he or she or any associate may have in a matter that relates to the affairs of the Group.

8. Accountability

A Board Member has a duty to account to the Group for relevant opportunities which arise as a result of his or her being a Board Member of the Company and to use Group resources only for the benefit of the Group.

9. Confidentiality

Confidential information received by a Board Member in the course of his or her duties remains the property of the Group and should not be disclosed to any other person without the prior written consent of the Chairman of the Company unless the disclosure is required by law.

10. Board Decisions

When making a decision, a Board Member must make the decision in good faith for a proper purpose and without material personal interest, inform himself or herself about the subject matter of the decision, and rationally believe the decision to be in the best interests of the Company.

11. Reliance on Information

A Board Member may rely on information or advice from Board committees, officers and competent experts and advisers provided he or she does so in good faith and makes an independent assessment of the information or advice.

12. Delegation

When delegating powers, a Board Member must enquire as to a delegate's reliability and competency and must reasonably believe in good faith that the delegate will act in conformity with the Board Member's duties and the Constitution.

13. Compliance

A Board Member should not engage in conduct likely to have an adverse effect on the reputation of the Group. A Board Member must comply with all laws and regulations and act in accordance with this Code of Conduct.

Appendix G

Conflict of Interest Protocol

1. Purpose

The purpose of this protocol is to provide guidance to the members (**Board Members**) of the Board of the Group in the event of a conflict of interest arising for those Board Members (either duty v's duty or duty v's personal interest) and to provide for the establishment of procedures to facilitate good corporate governance and legal compliance with duties arising.

2. Background

- 2.1 Each Group member is regulated for these purposes by their individual Constitutions and the *Corporations Act 2001 (Cth)* (**Corporations Act**). The law surrounding the disclosure of interests with respect to the Group is substantially contained in sections 191 to 193 of the Corporations Act. The Constitution of the relevant Group member will need to be considered. Group subsidiaries of the Company are more likely to be proprietary companies but may from time to time include a public company. Stricter statutory obligations are imposed with respect to public companies (refer to section 195 of the Corporations Act).
- 2.2 This policy document is confined to "conflicts of interest" and does not purport to extend to the broader general common law and statutory duties of the Board Members.

3. Adoption and Monitoring

- 3.1 This policy document has been adopted and endorsed by the Board.
- 3.2 The Board will periodically monitor compliance with this policy document.

4. Principal Obligations

- 4.1 Generally (Constitutions of Group Members)
 - **(Constitutions read subject to Corporations Act)** rules prescribed in the Corporations Act take priority over any conflicting Constitutional provision.
- 4.2 Subsidiaries of the Company (sections 191 to 193 of the Corporations Act)
 - **(disclosure)** a director of a Group member who has a material personal interest (not defined) in a matter that relates to the affairs of the Group must give the other directors notice of the interest unless one of the exceptions in section 191(2) applies;
 - **(contents of notice)** the notice must give details of the nature and extent of the interest and the relation of the interest to the affairs of the Group;
 - **(timing of notice)** the notice must be given at a directors' meeting as soon as practicable after the director becomes aware of the interest in the matter;
 - **(minutes)** the details must be recorded in the minutes of the meeting.

- **(standing notice)** a director of a Group member may give standing notice of an interest, including before the interest becomes a material personal interest (refer to section 192 of the Corporations Act);
- **(participation)** the ability of a director to participate in the board meeting at which the matter will be considered and to count towards the quorum of that meeting will be governed by the Group member's Constitution.

4.3 The Company and public company subsidiaries of the Company (section 195 of the Corporations Act):

- **(generally)** special rules apply to such entities in addition to the references in sections 4.1 and 4.2 of this policy document.
- **(restrictions on voting and being present)** a Director of the Company who has a material personal interest in a matter being considered at a Board meeting must not:
 - be present while the matter is being considered;
 - vote on the matter;

unless S.191(2) of the Corporations Act excuses the need to disclose the interest or any the following 3 paragraphs apply:

- **(participation with Board approval)** the other directors who don't have a material personal interest pass a resolution identifying the relevant director (and the extent and nature of his/her interest and its relation to the affairs of the Company) and stating they are satisfied the relevant director should not be disqualified from being present and voting; or
- **(participation with ASIC approval)** an ASIC order under S.196 of the Corporations Act is made; or
- **(participation with shareholder approval)** if a quorum of non conflicted Directors is not possible, the Directors may convene a meeting of shareholders to resolve the matter (notwithstanding the conflict of those Directors).

5. Board Procedures to Assure Good Corporate Governance

5.1 Each of the following are examples of circumstances which are likely to give rise to a Board Member having a conflict of interest or prospective conflict of interest **(Relevant Circumstance)**:

- a Board member or a Related Party has a direct or indirect pecuniary interest in a contract or proposed contract with a Group member.
- a Board Member or a Related Party holds an office in an entity with which a Group member may have dealings;
- a Board Member or a Related Party has an investment in an entity with which a Group member may have dealings, other than a mere portfolio investment where investment discretion substantially resides with a third party.
- any other transaction or circumstance affecting a Group Member where the Board Member (acting in good faith with objectivity and reasonableness) may believe that they might not be able to exercise judgement with impartiality in the best interests of the Group member).

For the purpose of this policy

- (a) a Related Party refers primarily to a Board Member's spouse or other "close" family member (depending upon the circumstances without prescriptive intent) or other corporate, trust or nominee entity or person over whom the Board Member or other persons as aforesaid may substantially exercise control;

(b) a Relevant Circumstance excludes a circumstance, event or conflict arising only from the Board Members (or Related Party)

- being a member of the Company;
- being the recipient of services from a Group Member in the ordinary course of the Group's operations;
- holding a position of office in a Group Member.

5.2 Each Board Member must give notice in writing to the Company Secretary of the nature and extent of each relevant Circumstance as soon as he or she becomes aware of it (or in the case of the Company Secretary, to the Chairman). If such notice is not given prior to the Board meeting at which a matter will be considered which relates to the Relevant Circumstance, the Board Member must declare the Relevant Circumstance to the Board meeting prior to the matter being considered.

5.3 The Company Secretary should cause every notification or disclosure of a Relevant Circumstance to be recorded in a Register of Relevant Circumstances – Conflicts of Interest of Board Members ("**Register**") to be maintained by the Board (under the control of the Company Secretary) and which Register is to be available for inspection at any time on request.

5.4 It is the obligation of each Board Member to ensure that the particulars in the Register with respect to themselves are current, complete and accurate in all material respects.

5.5 Unless there be special reason to the contrary (in the interests of the Group member and for efficiency of meeting process), as determined by the person presiding at the meeting and with the agreement of all the remaining Board Members, the affected Board Member shall absent himself or herself from the Board meeting whilst the meeting considers the relevant matter.

5.6 The person presiding at the meeting may request the affected Board Member to address the meeting preliminary to the relevant subject matter being under consideration and to respond to specific queries at the meeting, but the Board Member shall not be under any obligation to so address or respond if the affected Board Member considers it inappropriate to do so.

5.7 In particular, each Board Member affected by a Relevant Circumstance may not take part in any deliberations, decisions or voting on a matter at a Board Meeting in which the Relevant Circumstance gives rise to a conflict of interest of the Board Member, subject to any exceptions referred to in paragraph 4 above.

Appendix G(2)

Register of Conflicts of Interest (refer Corporate Governance Charter)

- Note:
1. A separate folio section is to be maintained for each Director from time to time.
 2. A copy of each Notice of Disclosure received from a Director is to be filed in the separate folio section referable to that Director.
 3. The composite of all folio sections (together with filings under each folio section) is to constitute this Register.
 4. On the header sheet for each folio section is to be entered:
 - (a) the name of the Director; and
 - (b) the date of each notice of disclosure received and the date of entry in the Register of each notice of disclosure.(refer pro-forma attached).
 5. A copy of this Register should be available at each Board meeting for reference purposes.

Appendix G(3)

[Pro Forma] – Header Sheet for each Folio Section of the Register

Name of Director

Disclosure Notices	(insert date)
1. Date of Notice: Date of Entry in Register:	
2. Date of Notice: Date of Entry in Register:	
3. Date of Notice: Date of Entry in Register:	
4. Date of Notice: Date of Entry in Register:	
5. Date of Notice: Date of Entry in Register:	

Appendix H

Group Code of Conduct/Values

1. Introduction

The Group is committed to being a responsible corporate citizen. The Group interprets its responsibilities as not only requiring it to abide by the laws binding upon it, but also requiring it to conduct its business in accordance with accepted practices and procedures.

The Group believes that these same responsibilities extend to the Group as a whole, the Board and the Group's personnel generally.

2. Business Integrity

2.1 Code of Operations

The Group recognises the importance of conducting its operations in a manner consistent with the principles of honesty, integrity and fairness.

Compliance with all relevant laws and regulations binding upon the Group is expected.

2.2 Transparent accountability

The Group recognises the attributes of transparent accountability in the management of the Group's affairs.

2.3 Political Involvement

The Group will not, participate in party politics and must not make payments to political parties.

2.4 Bribes and Corruption

Corrupt practices are not acceptable, irrespective of local standards or practices in the place of business. The Group and its personnel must not, directly or indirectly offer, pay, solicit or accept bribes or any other corrupt arrangements.

2.5 Competition

The Group supports the principles of free and fair competition in the market in compliance with applicable competition and consumer protection laws.

2.6 Privacy and Information

The laws in relation to privacy, and the use of confidential or sensitive information, will be respected by the Group.

2.8 Conflicts of Interest

Conflicts of interest should be avoided.

Where a conflict of interest does arise, full disclosure must be made and all relevant persons must not participate in any related decision-making process.

2.9 Whistleblowing

The Group is committed to fostering an environment where concerns about illegal or unethical behaviour which affect the Group can be reported without fear of punishment.

The Group will treat reports of this kind with the seriousness they deserve and investigate and act on them appropriately and promptly.

3. Labour

3.1 Discrimination

The Group recognises the dignity of each worker, and the right to a workplace free of harassment, abuse or corporal punishment. Decisions on hiring, salary, benefits, advancement, termination or retirement will be based solely on a worker's ability to do the job. There must be no discrimination based on race, creed, gender, marital or maternity status, religious or political beliefs, age or sexual orientation.

3.2 Forced Labour

The Group must not use forced labour in any form.

3.3 Child Labour

The Group recognises the rights of every child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development.

3.4 Compensation

The Group will provide each worker with at least the minimum wage, or the prevailing industry wage.

3.5 Benefits

The Group must provide each worker with all benefits legally required.

3.6 Hours of Work/Overtime

The Group will comply with legally mandated work hours, and compensate for overtime appropriately.

3.7 Freedom of Association

The Group recognises the right of all workers to form and join trade unions and to bargain collectively.

4. Health and Safety

A safe and hygienic working environment must be a priority to the Group at all times, and best occupational health and safety practice must be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards.

5. Environment

The Group must comply with all applicable environmental laws and regulations.

6. Community

The Group will strive to be a trusted corporate citizen and to operate in a manner which encourages a lasting, beneficial and interactive relationship with the communities in which it operates.

7. Contractors

The Group expects its contractors and principal suppliers to observe comparable standards to those set out in these standards when dealing with the Group.

8. Compliance

The Group must maintain sufficient records and evidence to demonstrate compliance with this Code of Conduct.

Internal and external audits in relation to the Group's compliance with this Code may be conducted.

Appendix I

Job Description – Chief Executive Officer – Delegated Authority

GENERALLY

The CEO is authorised and responsible for the day to day management of the Group and its operations.

This delegation of authority includes responsibility for:

- developing business plans, budgets and strategies for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies.
- ensuring the Group's operations and business are within the parameters set by the Board from time to time and that the Board is kept informed of material developments in the Group's operations and business;
- where proposed transactions, commitments or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;
- identifying and managing operational risks and, where those risks could have a material impact on the Group's businesses, formulating strategies for managing these risks for consideration by the Board;
- managing the Group's financial and other reporting mechanisms and control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;
- ensuring that the Board is provided with sufficient information on a timely basis in regard to the Group, its operations and the business, and in particular with respect to the Group's corporate performance, financial condition, operations and prospects, to position the Board to fulfil its governance responsibilities; and
- implementing the policies, processes and codes of conduct approved by the Board.

ACCOUNTABILITY TO THE BOARD

- Consistent with the above the CEO:
- Reports to the Board on the status of policies, strategies, directions and plans (business and otherwise) set or approved by the Board.
- Informs the Board of all events within, or which reasonably should be within, his knowledge or awareness, which may or do have material impact on the Group's activities or well being.
- Observes limitations as set down by the Board.

LEADERSHIP

- Provision of strong, clear leadership to the Group;
- Responsibility for ensuring the Group's Code of Conduct/Values is a living document, regularly updated, monitored and ongoing training is provided.

INTERNAL LEADERSHIP

- provide direction, goals, energy to all parts of the Group;
- create, sustain, refresh and review a culture of innovation and enablement, underpinned by and expressing the values and philosophy of the Group.

EXTERNAL LEADERSHIP

- monitoring and interpretation of the external environment in order to continually position the Group to best advantage;
- maintaining awareness of political, governmental, business and industry components of the external environment, on a local, national and international level;
- participation in business and professional associations, networks and activities;
- ensuring relationship building with all stakeholders.

MANAGEMENT

- Provide overall management of the whole Group with particular responsibility in:
 - the appointment and management of key executive and management personnel;
 - setting up, maintaining and reviewing structure, systems, policies, processes and procedures, in order to guide, support, inform, service and monitor the prime functions of the Group;
 - ensure legal, ethical and professional practices and boundaries consistent with the Group's Code of Conduct/Values are adhered to;
 - ensure financial activities are managed within agreed budget or informs the Board in a timely manner should the CEO become aware of any material adverse movements to the budget;
 - ensure effective and efficient functioning of the Group and all its parts.

Appendix J

Risk Management Policy

It is the policy of the Group that all operations are conducted in a manner which ensures, as far as reasonably practicable:

- The goals and objectives of the Group (financial, commercial, corporate and otherwise) are achieved;
- Performance of the Group (financial, commercial, corporate and otherwise) is optimised;
- The health and safety of all employees, customers, visitors to the Group sites and others who may be affected by the Group's operations are respected;
- All applicable legislations and regulatory obligations are met;
- Assets and revenue generation capacity are protected against loss;
- The community and environment are respected in the Group's operations.

These policy objectives will be achieved by implementation, throughout all parts of the Group, of an effective risk management program including the following:

- Monitoring of issues that may impede the goals, objectives and performance of the Group;
- Maintenance of an operational risk management framework based on industry accepted standards;
- Maintenance of internal control systems in order to provide management with accurate, relevant, timely and reliable financial and operating information;
- Monitoring and resolving safety issues throughout the Group;
- Conduct of operations and maintenance of records in accordance with Group policies and legislative requirements;
- Monitoring and reporting to the Audit and Risk Management Committee and Board on significant circumstances and risk management issues which may affect the Group.
- Implementation of loss prevention and control measures directed at reducing, as far as possible, the potential for loss or damage;
- Management of insurance programs to acquire appropriate coverage at reasonable premium levels.

Responsibility for establishing and maintaining effective risk management strategies rests with senior management, accountable to the CEO and the Audit and Risk Management Committee of the Board.

Appendix K

Policy on the Trading of Company's Shares

1. General Principles

The principle behind the Company's policy on trading (buying, selling or other dealing in) Company securities (being shares, options, or any other equity, debt or derivative instruments, including instruments to limit the economic risk of other securities held), whether or not issued or granted by the Company or a Group member, is as follows:

- Directors, officers and employees, and persons associated with them, including family members and business associates (together "Insiders"), must not trade in the Company's securities nor place themselves in a position where it may reasonably be perceived they have been trading in the Company's securities other than in compliance with this policy.
- The policy is designed to seek to ensure that:
 - Insiders do not breach "insider trading" laws under the Corporations Act;
 - Insiders do not trade Company securities while they may be in possession of market price sensitive information which has not been released to the ASX announcements platform by the Company (including due to exceptions that may apply to the need to release that information);
 - perceptions cannot arise that Insiders may be taking advantage of their position in the Group (or that of a person with whom they are associated), even if such perceptions are wrong or unsubstantiated.
- This Policy has been made to meet regulatory requirements and generally accepted principles and standards of conduct.

2. Implementation Protocols

In implementing this policy, and without limiting the General Principles, there are a number of rules and provisions that must, on all occasions, be followed:

- (a) Directors, officers and employees of the Group and persons associated with them (ie: ALL Insiders) are prohibited from trading in the Company's securities other than during "Trading Windows" (refer below). This provision is paramount and paragraphs (b), (c) and (d) are to be read subject to it.
- (b) A Director, and the Company Secretary, and persons associated with them, are required to obtain the approval of the Chairman in respect of a proposed trade in the Company's securities prior to any trade by them. The Chairman's approval, which is to be provided in writing, shall be valid for a period of no longer than two weeks and is to be reported at the following Board meeting.
- (c) The Chairman is required to obtain the approval of the CEO and one other Non-Executive Director prior to any trade by the Chairman or a person associated with the Chairman. The approval, which is to be provided in writing, shall be valid for a period of no longer than two weeks and is to be reported at the next following Board meeting.

- (d) Officers (being persons who have the capacity to make decisions that may significantly impact on the operations or finances of the Group's businesses, other than the Chairman, Directors and the Company Secretary) are required to discuss and obtain approval for a proposed trade in the Company's securities with the CEO prior to any trade by them or a person associated with them. The approval, which is to be provided in writing, shall be valid for a period of no longer than 2 weeks.
- (e) The periods referred to in (b), (c) and (d) above may be shortened at any time by the persons issuing the approval by notice in writing to the relevant Chairman, Director, Company Secretary or Officer.
- (f) All trades referred to in (b), (c) and (d) above are to be advised to the Company Secretary) and the CEO within two days of the relevant trade.
- (g) Directors, officers and employees are required to use their best endeavours, wherever possible, to ensure that persons associated with them are aware of and conform to this policy. An associate is regarded as including:
 - close family of the Director, officer or employee;
 - a company or trust over which the Director, officer or employee has control or is a beneficiary;
 - a business or other associate of any of the foregoing.

3. Trading Windows and Closed Periods

- (a) Subject to them not being a Closed Period, the following periods are considered to be "Trading Windows" when, subject to the foregoing, trades in the Company's securities by Insiders are permitted:
 - the period of 4 weeks next following 2 business days after the release of:
 - the Company's annual or half yearly results;
 - a Prospectus by the Company (other than a transaction specific prospectus);
 - such other periods designated by resolution of the Board as "Trading Windows" either generally, or for specific personnel (eg, to respond to circumstances of financial hardship or need for a particular officer or employee of the Group).
- (b) The following periods are considered to be "Closed Periods" when trades in the Company's securities by Insiders are prohibited:
 - one month prior to the scheduled release of the Company's annual or half yearly results;
 - such other periods designated by resolution of the Board as "Closed Periods".

4. Exclusion from Policy

The mere take up of entitlements, or exercise of vested options, to subscribe for Company securities under a pro rata rights issue to all shareholders, an employee share option plan (or similar) or the mere take up of Company securities under a dividend re-investment plan (or similar) does not constitute a "trade" in Company securities for the purpose of this policy.

Appendix L

Release of Price Sensitive Information

1. Policy Purpose

To ensure compliance with the requirements of the Corporations Law and the ASX Listing Rules relating to continuous disclosure of information that is known to the Company and that a reasonable person would expect to have a material effect on the price or value of the Company's securities (subject to contain exceptions in ASXLR 3.1A, "Price Sensitive Information" or "PSI"), by establishing internal procedures for the identification, collection, monitoring and dissemination of that information.

To ensure the Company has in place mechanisms designed to ensure compliance with the ASX Listing Rule 3.1 and Corporations Act S.674 requirements such that:

- all investors have equal and timely access to material information concerning the Company – including its financial situation, performance, ownership and governance;
- Company announcements are factual and presented in a clear and balanced way. "Balance" requires disclosure of both positive and negative information.

2. Regulatory Requirement

As a listed public company, the Company is, subject to certain exceptions, required to immediately advise the ASX once it is aware of any Price Sensitive Information.

3. Designated Information Officer

To ensure compliance with this requirement, the Company appoints the Company Secretary to oversee and coordinate the disclosure of PSI.

The Company Secretary, in consultation with the CEO, must introduce protocols and procedures to be observed by the Group's personnel to foster compliance with this policy and its purpose.

4. Disclosure Procedure

- (a) All Directors, Officers and other personnel designated in writing by the Board (whether in person or by virtue of their office or title within the Group), are required to forward details of any potentially Price Sensitive Information to the Company Secretary.
- (b) The Company Secretary is to be made aware, in advance, of proposed information disclosures by the Group which may have PSI connotations (including information to be presented at briefings) to enable consideration to be given of the requirements of this policy.
- (c) Any proposed announcement of Price Sensitive Information for release to the ASX is required to be approved by any 2 of the Chairman, the CEO and Company Secretary, or in an emergency by the Chairman or the CEO.

5. ASX Announcements

- (a) Any PSI must first be released to the ASX Announcements Platform (electronically or via fax if the email system is not operating) before being released to the media or any other outlet (public or private).
- (b) A copy of all releases reported on the ASX concerning the Company should be emailed or forwarded to the CEO and Directors immediately.
- (c) Only after public release of the information through the ASX can the information be disclosed to analysts or others outside the Company.
- (d) Following confirmation of lodgement from the ASX, the announcement is promptly placed on the Company's website and after a reasonable period (to allow the market to digest the information on the ASX Announcements Platform) may then be sent to various media outlets and contacts.

6. Brokers/Analysts, Media and Others

- (a) Only authorised spokespersons for the Company may speak on the Company's behalf. Approaches by brokers/analysts, media or shareholders to nonauthorised spokespersons should be referred to the Company Secretary for on reference to the CEO and Chairman.
- (b) When an authorised spokesperson is responding to a financial projection and/or report of a broker/analyst or other person, that spokesperson must confine their comments solely to information and underlying assumptions that have been released by the Company to the ASX Announcements Platform, or that are clearly in the public domain.
- (c) Any guidance in terms of earnings forecasts can only be given if the Company has publicly announced an earnings projection and the response is in the terms of that projection.
- (d) Following any broker/analyst or other briefing, the Company's personnel involved should review their presentation to check whether any Price Sensitive Information was inadvertently disclosed. If there has been an inadvertent disclosure made during the briefing, the procedure detailed in this policy under the heading "Inadvertent Disclosure, Leaks and Rumours" should be followed.
- (e) No Director, Officer or employee, other than an authorised spokesperson, is to discuss any business or affairs of the Company with any media representative unless authorised in a specific instance. A Director, Officer or employee contacted by a media representative must immediately refer that representative to one of the authorised spokespersons.

7. Inadvertent Disclosure, Leaks and Rumours

- (a) In the event of an inadvertent disclosure of Price Sensitive Information, a public announcement is to be prepared, approved and lodged as soon as practicable with the ASX to ensure all investors are equally informed in a timely manner.
- (b) In the event of an inadvertent disclosure of confidential non-Price Sensitive Information, that event should be referred to the Company Secretary for consideration by the CEO and Chairman as to the appropriate action as soon as possible.
- (c) When rumours are present, the Company Secretary, in consultation with the CEO and Chairman, will determine an appropriate course of action having regard to the specific facts of the situation and the Company's continuous disclosure obligations.

8. Authorised Spokespersons

The authorised spokespersons for the Company are:

- the CEO;
- the Chairman; and
- such other persons as specifically designated by the CEO and the Chairman with respect to any specific issue.

9. Policy Responsibility

The Company Secretary is responsible for the implementation, operation and monitoring of this policy, in particular:

- ensuring that the Company complies with continuous disclosure requirements;
- overseeing and coordinating disclosure to the ASX, analysts, brokers, shareholders, the media and the public;
- educating Directors, Officers and employees on the Company's disclosure policies and procedures and raising awareness of the principles underlying continuous disclosure.
- ensuring there are vetting and authorisation processes designed to ensure that Company announcements:
 - are made in a timely manner;
 - are factual;
 - do not omit material information;
 - are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

Appendix M

Board Calendar (Strategic Governance Issues)

1. Strategy
 - planning;
 - adoption
 - review/monitor

2. Board Review
 - composition/succession
 - evaluation of performance
 - remuneration

3. Corporate Governance Charter
 - compliance
 - review/monitor
 - report by Nomination and Remuneration Committee
 - report by Audit and Risk Management Committee

4. Strategic Governance Issues
 - Audit Report
 - OH&S report
 - HR report
 - Environmental report
 - Risk Management Report
 - Legal report

5. Budget
 - adoption
 - review/monitor

6. Performance review/monitor
 - strategic
 - operational
 - financial

7. Operational Issues
 - Overall operations report
 - Significant project reports
 - Client relations report
 - Quality/complaints report
 - IT report

8. Financial Issues
 - financial performance (revenue/expenses/cashflow)
 - capital requirements
 - contingencies

9. Capital Markets Issues
 - investor relations
 - relative share price performance
 - shareholder communications
 - analyst/broker relations
 - substantial shareholder liaison

10. New Business Initiatives
 - strategic acquisition targets
 - corporate growth opportunities

Appendix N

Contents of Directors' Letter of Appointment

Term of appointment.

- Time commitment envisaged.
- Powers and duties of directors.
- Any special duties or arrangements attaching to the position.
- Circumstances in which an office of director becomes vacant.
- Expectations regarding involvement with committee work.
- Remuneration and expenses.
- Superannuation arrangements.
- Requirement to disclose directors' interests and any matters which affect the director's independence.
- Fellow directors.
- Trading policy governing dealings in securities (including any share qualifications) and related financial instruments by directors, including notification requirements.
- Induction training and continuing education arrangements.
- Access to independent professional advice.
- Indemnity and insurance arrangements.
- Confidentiality and rights of access to corporate information.
- A copy of the constitution.

Appendix O

Board and Management Performance Enhancement Policy

1. General Purpose and Principle

- (a) The Company is committed to the ongoing development of its Directors, Officers, executives and management personnel through a process of ongoing evaluation, education and improvement, with a view to enhancing Board and management performance and effectiveness for the benefit of the Group and its stakeholders.
- (b) This means that directors and key executives should be equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed.

2. Performance Review

The performance of the Board and key executives are to be reviewed regularly against both measurable and qualitative indicators.

3. Facilitating performance by Education

The Company will implement induction procedures designed to allow new Board appointees to gain knowledge about the Group and the industry within which it operates so they may participate fully and actively in Board decision making at the earliest opportunity.

Such induction procedures must assist Directors to gain an understanding of:

- the Company's financial, strategic, operational and risk management position;
- their rights, duties and responsibilities;
- the role of the Board committees.

Similar induction processes may also be desirable for key executives.

Directors and key executives should have access to continuing education to update and enhance their skills and knowledge.

This should include education concerning key developments in the Group and within the industry and environments within which it operates.

4. Access to Information

The Board should be provided with the information it needs to efficiently discharge its responsibilities.

Management should supply the Board with information in a form, timeframe and quality and will enable the Board to effectively discharge its duties and enhance the quality of its decision making.

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

5. Role of the Company Secretary

The Company Secretary plays an important role in supporting the effectiveness of the Board by monitoring that Board policy and procedures are followed, and coordinating the completion and despatch of Board agenda and briefing materials.

The Company Secretary is accountable to the Board, through the Chairman, on all governance matters.

6. Role of the Nomination and Remuneration Committee

The Board's Nomination and Remuneration Committee is assigned primary responsibility for strategies and process to be developed and implemented to achieve the general purpose and principle.

Appendix P

Procedure for the selection and appointment of an external auditor (incorporated as part of the Audit and Risk Committee's Charter)

1. Introduction

The Board is responsible for the preliminary appointment of the external auditor which is to be ratified by shareholders at the next annual general meeting.

The Board's Audit & Risk Committee ("**Committee**") is delegated the task to meet and determine the process by which the auditor should be selected eg. by way of a formal tender or some other method.

The Committee conducts the selection process and recommends a preferred external auditor to the Board. The Board may endorse external auditor recommended by the Committee and appoint him/her. Alternatively the Board may wish to review the recommendation of the Committee.

At the request of the Committee, the chief financial officer and/or chief executive officer may assist the Committee in the selection and appointment process including by proposal of an external auditor, together with a written supporting submission.

2. Tender

(a) Request for submissions

If the Committee elects to undertake a tender process, the CEO or chief financial officer will prepare or cause to be prepared a draft request for submissions that will be reviewed for approval by the Committee (with such changes as it considers appropriate).

The request should contain sufficient information to enable a proposal and fee estimate to be given to the Company. The request should include information about the Company, its operations, its key personnel, its structure, its financials and any other relevant information.

The CEO or chief financial officer will arrange for candidates to meet with a selection panel appointed by the Committee.

(b) Selection Panel

The selection panel will comprise nominated members of the Committee, and any other person the Committee considers appropriate to assist it to assess the suitability of the external auditor.

3. Selection Criteria

The preferred external auditor should best satisfy the selection criteria identified by the Committee including:

(a) Fees

A candidate must provide a firm fee quotation for its audit services. However price will be but one of the relevant factors in the selection of a preferred external auditor.

(b) Independence

A candidate must satisfy the Committee that it is independent and outline the procedures it has in place to maintain its independence.

The external auditor must be independent from, and be seen to be independent from, the Company.

(c) Scope of audit/issues resolution

A candidate must outline its response to the scope of audit in the request for submissions and any proposed procedures to address any issue of material significance or matter of disagreement with the Company's management.

The external auditor and the chief financial officer will be required to disclose to the Committee all such issues of material significance and all matters of disagreement, whether resolved or unresolved.

(d) Non-audit work

A candidate must detail its approach to the provision of non-audit related services to the Company. Generally such work should be at most negligible.

If proposed otherwise, the Committee must consider the circumstances in which the Company might use the external auditor for non-audit services. Matters to be considered include the extent, scope and potential value of non-audit fees and any circumstance where the external auditor may be required to review and rely upon work conducted by it in a non-audit capacity.

The scope of non-audit work must not be allowed to impinge upon the external auditor's Independence (refer also paragraph 4 below).

(e) Other matters

The selection criteria may include such other matters as the Committee thinks fit.

4. Policy on audit and non-audit services

The Committee will develop a policy that sets out the circumstances in which the Company may use the external auditor for other services. A copy of this policy will be provided to the external auditor.

The policy will be based on the following principles:

- (a) the external auditor may provide audit and audit-related services that, while outside the scope of the statutory audit, are consistent with the role of auditor;
- (b) the external auditor should not provide services that are perceived to be materially in conflict with the role of auditor;
- (c) the external auditor may be permitted to provide non-audit services that are not perceived to be materially in conflict with the role of auditor, subject to the approval of the Committee;
- (d) exceptions may be made to the policy (with specific Board approval) where the variation is in the interests of the Company and arrangements are put in place to preserve the integrity of the external audit process.

5. Rotation of external audit engagement partner

The Committee will ensure that the external auditor has in place arrangements for rotation of the audit engagement partner.

The audit engagement partner for the audit must rotate at least every 5 years.

6. ASX Corporate Governance Council Recommendations ("Recommendations")

This policy will be read and construed in compliance with the Recommendations. To the extent to which the Recommendations prescribe specific criteria, protocols or requirements with respect to the external audit function or the appointment or performance of the external auditor, then those criteria, protocols or requirements will prevail.

7. Review of audit arrangements

The Committee will periodically review the external auditor's performance, at least annually. As part of this review the Committee will obtain feedback from the chief financial officer and other members of senior management regarding the quality of the audit service.

