

## 1. Composition

---

- 1.1 The minimum number of directors is currently set out in the Company's Constitution.
- 1.2 There should be a substantial majority of non-executive directors as opposed to executive directors on the Board and a majority of the non-executive directors should be independent in the manner described in Clause 6 of this Charter.

## 2. Functions and responsibilities of the Board

---

- 2.1 The Board is responsible for setting the strategic goals of the Company and for oversight of the management of the Company and direction of its business strategy, with the ultimate aim being an increase in shareholder value.
- 2.2 In carrying out its principal function, the Board's specific responsibilities include:
  - (a) providing strategic direction for, and approving, the Company's business strategies and objectives;
  - (b) monitoring the operational and financial position and performance of the Company;
  - (c) providing oversight of the Company's occupational health and safety policies and standards, including the common goal towards no injuries, reviewing reports from Senior Management regarding safety and the extent of compliance with the policies and standards, and evaluating the effectiveness of these policies and standards;
  - (d) identifying the principal risks faced by the Company and taking reasonable steps designed to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent possible, reduce the impact of these risks;
  - (e) requiring that financial and other reporting mechanisms be put in place by the Managing Director and Chief Executive Officer which will result in adequate, accurate and timely information being provided to the Board and the Company's shareholders, and the financial market as a whole being fully informed of all material developments relating to the Company;
  - (f) appointing and where appropriate, removing the Managing Director and Chief Executive Officer, approving other key executive appointments and planning for executive succession;
  - (g) overseeing and evaluating the performance of the Managing Director and Chief Executive Officer, and other senior executives, having regard to the Company's business strategies and objectives;

- (h) instituting and implementing procedures for the annual review and evaluation of the performance of the Board;
- (i) reviewing and approving remuneration for the senior executives of the Company;
- (j) approving the Company's budgets and business plans and monitoring the management of the Company's capital, including the progress of any major capital expenditures, acquisitions or divestitures;
- (k) establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements;
- (l) adopting appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards;
- (m) approving, and reviewing from time to time, the Company's internal compliance procedures, including any codes of conduct and taking all reasonable steps to ensure that the business of the Company is conducted in an open and ethical manner; and
- (n) reviewing and, to the extent necessary, amending the Board and Committee Charters in accordance with clause 10.3 of this Charter.

### **3. Authority delegated to Senior Management**

---

3.1 The Board has delegated to the Senior Management authority over the day-to-day management of the Company and its operations. This delegation of authority includes responsibility for:

- (a) developing business plans, budgets and company strategies for the Board's consideration and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- (b) operating the Company's business within the parameters set by the Board from time to time and keeping the Board informed of all material developments relating to the business;
- (c) where proposed transactions, commitments or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;
- (d) identifying and managing any business risks, and if those risks could materially affect the Company or its business, formulating, and seeking approval by the Board of, strategies to manage those risks;
- (e) managing the Company's current financial and other reporting mechanisms to ensure that these mechanisms are functioning effectively to capture all relevant material information on a timely basis;
- (f) implementing the Company's internal controls and procedures for monitoring these controls and ensuring that these controls and procedures are appropriate and effective;
- (g) taking all reasonable steps to ensure that the Board is provided with accurate and sufficient information regarding the Company's operations on a timely basis and, in

particular, that the Board is made aware of all relevant matters relating to the Company's performance (including future performance), financial condition, operating results and prospects, compliance with the Company's occupational health and safety standards, and potential material risks so that the Board is in an appropriate position to fulfil its corporate governance responsibilities; and

- (h) implementing all policies, processes and codes of conduct approved by the Board.

## 4. Chairman

---

- 4.1 The Chairman of the Board should be an independent director and should not be the Managing Director and Chief Executive Officer of the Company simultaneously.
- 4.2 The Board of the day appoints the Chairman on the basis of the principle that the "most appropriate person" gets the job.
- 4.3 The Board of the day similarly decides whether or not there will be a Deputy Chairman. In the absence of a Deputy Chairman, the Board will nominate an independent non-executive director (who should be a member of the Executive Committee) to act in the absence of the Chairman.
- 4.4 The Chairman is responsible for the leadership of the Board, including taking all reasonable steps to ensure that the Board functions effectively, and for communicating the views of the Board to the public. In particular, the Chairman is required to:
  - (a) set the agenda for the matters to be considered at meetings of the Board;
  - (b) manage the conduct at, and frequency and length of, Board meetings so as to provide the Board with an opportunity to have a detailed understanding of issues affecting the Company's business operations, the Company's current financial position and performance, and any opportunities or challenges facing the Company; and
  - (c) facilitate open and constructive communications between members of the Board and encourage their contribution to Board deliberations.

## 5. Membership / attendance

---

- 5.1 Any person invited to join the Board should be chosen having regard primarily to that person's personal attributes and the skills they would bring to the Board.
- 5.2 In deciding upon persons who should be invited to join the Board, consideration should be given to the ages of such invitees to avoid, where possible, a clustering of directors reaching their retirement dates at or around the same time.
- 5.3 It is the practice of the Board that senior officers of the Company, nominated from time to time by the Managing Director and Chief Executive Officer, may attend Board meetings.

## 6. Board independence

---

- 6.1 The Board considers a director to be independent if the director is a non-executive director and:
- (a) is not a substantial shareholder of the Company, or otherwise associated directly or indirectly with a substantial shareholder of the Company;
  - (b) has not been employed in an executive capacity by the Company or one of its subsidiaries within the last three years, and did not become a director within three years of being so employed;
  - (c) within the last three years, has not been a professional adviser to the Company or another group member either as:
    - (i) a principal;
    - (ii) a material consultant; or
    - (iii) an employee materially associated with the service provided (including being a partner or employee of the Company's external auditor);
  - (d) is not a partner in or controlling shareholder, or executive officer, of a material supplier or customer of the Company or another member of the Group (being a supplier or customer that receives more than the greater of 5% of its consolidated gross revenue or A\$200,000 from the Company group) and is not otherwise associated directly or indirectly (to any significant extent) with such a supplier or customer;
  - (e) has no material contractual relationship with the Company or another member of the Company group other than as a director of the Company;
  - (f) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company;
  - (g) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company;
  - (h) neither the director nor any family member of the director has received compensation in excess of A\$60,000 from the Company group during the past year other than in direct connection with:
    - (i) the director fulfilling his / her role as a director of the Company;
    - (ii) previous employment with the Company group; or
    - (iii) owning or disposing of securities in the Company; and
  - (i) during the previous three year period, has not been employed as an executive officer of any other body corporate in circumstances where an executive officer of the Company is a member of the remuneration committee of that body corporate.

- 6.2 The Board will undertake an annual review of the extent to which each non-executive director is independent, having regard to the criteria set out in Clause 6.1 and any other relevant relationship that the non-executive director may have. As part of this review process each director is required to make an annual disclosure of information to the Board.
- 6.3 Whether the Board considers a non-executive director to be independent or not, and the reasons for the Board's opinion, will be described in the corporate governance statement set out in the Company's annual report.
- 6.4 The Board has determined that a non-executive director will resign at the Company's Annual General Meeting immediately after the expiration of 9 years' service by that director and will not stand for re-election unless the Chairman determines (or in the case of the Chairman, the Board determines) there are special circumstances for longer service.
- 6.5 Subject to the approval of the Chairman and any terms of their appointment as director, all directors may seek, at the Company's expense, independent professional advice (including accounting and legal advice) on matters connected with the discharge of responsibilities as director.

## 7. Committees

---

- 7.1 The Board has delegated some of its powers and functions to each of the following Committees and may establish other Committees from time to time to deal with matters of special importance:
  - (a) the Executive Committee;
  - (b) the Audit and Compliance Committee;
  - (c) the Human Resources Committee; and
  - (d) the Nomination Committee.
- 7.2 Each of the Committees set out in Clause 7.1 has a documented Charter, which has been approved by the Board, setting out its powers and responsibilities as delegated by the Board. The Board is responsible for the exercise of the powers it has delegated to a Committee as if the Board has exercised those powers itself, unless the Board believed on reasonable grounds:
  - (a) at all times, that the Committee would exercise the powers in accordance with the duties imposed on the Board; and
  - (b) in good faith and after making proper inquiry, that the Committee was reliable and competent in relation to the delegated powers.
- 7.3 The Committees are composed of independent, non-executive directors with the necessary skills and experience.

## 8. Company Secretary

---

- 8.1 The Company Secretary is accountable to the Board through the Chairman and the appointment or removal of the Company Secretary is a matter for the Board as a whole.
- 8.2 The responsibilities of the Company Secretary include:
- (a) developing systems and processes that enable the Board and its Committees to fulfil their roles, including:
    - (i) co-ordinating the timely completion and despatch of Board and Committee papers; and
    - (ii) ensuring that the business at Board and Committee meetings is accurately captured in the minutes;
  - (b) ensuring compliance with the Company's constitution, Board procedures and legal or regulatory requirements;
  - (c) advising and providing services to the Board, its Committees and directors;
  - (d) procuring independent advisory services at the request of the Board or a Committee; and
  - (e) helping to organise and facilitate the induction and professional development of directors.
- 8.3 Each director is entitled to access the advice and services of the Company Secretary.

## 9. Dealing in Company securities

---

- 9.1 The Company has a policy for directors and employees who deal in the Company's securities.
- 9.2 All directors and employees must comply with the terms of this policy and any rules adopted by the Board from time to time.

## 10. Changes to this Charter

---

- 10.1 No changes to this Charter should be made without the approval of a substantial majority of the Board.
- 10.2 If changes to this Charter are duly approved then, if appropriate, a transition period should be agreed covering the position of the current Board members.
- 10.3 This Charter and the Charter for each Committee established by the Board is to be reviewed by the Board at three year intervals.

August 2014