

# CORPORATE GOVERNANCE PLAN

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## SCHEDULE 1 – BOARD CHARTER

### 1. Background

In carrying out the responsibilities and powers set out in this Charter, the Board of Directors of the Company (**the Board**) recognises its:

- (a) Overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
- (b) Duties and responsibilities to its employees, customers and the community.

### 2. Responsibilities

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

- (a) Appointment of the Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (b) Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (c) Reviewing and ratifying systems of risk management, internal compliance and control, codes of conduct and legal compliance;
- (d) Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (e) Approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (f) Approving the annual, half-yearly and quarterly accounts as required;
- (g) Approving significant changes to the organisational structure;
- (h) Approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with the ASX Listing Rules if applicable);
- (i) Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (j) Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules if applicable); and
- (k) Meeting with the external auditor, at their request, without management being present.

### 3. Composition

- (a) The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.
- (b) In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.
- (c) Where practical, the majority of the Board is comprised of non-executive Directors. Where practical, at least 50% of the Board will be independent. An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to materially interfere with, the exercise of independent judgement. Independent Directors should meet the definition of what constitutes independence as set out in the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations* as set out in Annexure A.

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- (d) Directors must disclose their interests. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.
- (e) Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.
- (f) Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- (g) No member of the Board (except for the Managing Director) may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.
- (h) Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the other members of the Board, or Nomination Committee if applicable, to ensure that they continue to contribute effectively to the Board.
- (i) The Board should comprise Directors with a mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.

## 4. Chairman

- (a) Where practical, the Chairman should be a non-executive Director. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director.
- (b) Where practical, the Managing Director should not be the Chairman of the Company during his term as Managing Director or in the future.
- (c) The Chairman must be able to commit the time to discharge the role effectively.
- (d) The Chairman is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings.
- (e) The Chairman should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.
- (e) In the event that the Chairman is absent from a meeting of the Board then the Board shall appoint a Chairman for that meeting.

## 5. Committees

- (a) Once the Board is of a sufficient size and structure and the Company's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties, the Board will establish the following committees, each with written terms of reference:
  - (i) Audit and Risk Committee;
  - (ii) Remuneration Committee;
  - (iii) Nomination Committee; and
  - (iv) Corporate Governance Committee.
- (b) The charter of the Committees is approved by the Board and reviewed following any applicable regulatory changes.
- (c) The Board will ensure that the Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.
- (d) Members of Committees are appointed by the Board. The Board may appoint additional Directors to the Committees or remove and replace members of the Committees by resolution.

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- (e) The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.
- (f) Where the Board does not consider that the Company will gain any benefit from a particular separate Committee, the full Board will carry out the duties that would ordinarily be assigned to that Committee under the written terms of reference for that Committee.

## 6. Meetings

- (a) There must be two Directors present at a meeting to constitute a quorum.
- (b) The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.
- (c) Non-executive Directors may confer at scheduled times without management being present.
- (d) The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairman and circulated to Directors after each meeting.
- (e) The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable.
- (f) Minutes of meetings must be approved at the next Board meeting.
- (g) Further details regarding Board meetings are set out in the Company's Constitution.

## 7. Company Secretary

- (a) When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committees and between senior executives and non-executive Directors.
- (b) The Company Secretary is to facilitate the induction of new Directors.
- (c) The Company Secretary is to facilitate the implementation of Board policies and procedures.
- (d) The Company Secretary is to provide advice to the Board on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and applicable other laws.
- (e) All Directors have access to the advice and services provided by the Company Secretary.
- (f) The Board has the responsibility for the appointment and removal of the Company Secretary.

## 8. Access to Advice

- (a) All Directors have unrestricted access to company records and information except where the Board determines that such access would be adverse to the Company's interests.
- (b) All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
- (c) The Board, Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is to be made available to all members of the Board.

## 9. Board's Relationship with Management

- (a) The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director.
- (b) In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Company to facilitate the carrying out of their duties as Directors.

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## 10. Performance Review

The Nomination Committee shall conduct an annual performance review of the Board that:

- (a) Compares the performance of the Board with the requirements of its Charter;
- (b) Critically reviews the mix of the Board; and
- (c) Suggests any amendments to the Charter as are deemed necessary or appropriate.

If a Nomination Committee has not yet been appointed, the Board will review its performance annually, particularly its composition, to ensure an appropriate mix of expertise and experience.

## 11. Disclosure Policy

The Board should ensure that the Company has in place effective disclosure policies and procedures so that shareholders and the financial market are fully informed, to the extent required by the applicable disclosure rules and legislation, on matters that may influence the share price of the Company or its listed debt securities.

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## SCHEDULE 2 – CORPORATE CODE OF CONDUCT

### 1. Purpose

The purpose of this Corporate Code of Conduct is to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees.

### 2. Accountabilities

#### 2.1 Managers and Supervisors

Managers and supervisors are responsible and accountable for:

- (a) Undertaking their duties and behaving in a manner that is consistent with the provisions of the Code of Conduct;
- (b) The effective implementation, promotion and support of the Code of Conduct in their areas of responsibility; and
- (c) Ensuring employees under their control understand and follow the provisions outlined in the Code of Conduct.

#### 2.2 Employees

All employees are responsible for:

- (a) Undertaking their duties in a manner that is consistent with the provisions of the Code of Conduct;
- (b) Reporting suspected corrupt conduct; and
- (c) Reporting any departure from the Code of Conduct by themselves or others.

### 3. Personal and Professional Behaviour

When carrying out their duties Managers, Supervisors and employees should:

- (a) Behave honestly and with integrity and report other employees who are behaving dishonestly;
- (b) Carry out their work with integrity and to a high standard and in particular, commit to the Company's policy of quality work;
- (c) Operate within the law at all times;
- (d) Follow the policies of the Company; and
- (e) Act in an appropriate business-like manner when representing the Company in public forums.

### 4. Conflict of Interest

Potential for conflict of interest arises when it is likely that a person could be influenced, or it could be perceived that the person is influenced by a personal interest, when carrying out their duties. Conflicts of interest that lead to biased decision making may constitute corrupt conduct.

- (a) Some situations that may give rise to a conflict of interest include situations where a person has:
  - (i) Financial interests in a matter the Company deals with or the person is aware that their friends or relatives have a financial interest in the matter;
  - (ii) Directorships/management of outside organisations;
  - (iii) Membership of Boards of outside organisations;

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- (iv) Personal relationships with people the Company is dealing with which go beyond the level of a professional working relationship;
  - (v) Secondary employment, business, commercial, or other activities outside of the workplace which impacts on a person's duty and obligations to the Company;
  - (vi) Access to information that can be used for personal gain; and
  - (vii) Offer of an inducement.
- (b) You may often be the only person aware of the potential for conflict. It is your responsibility to avoid any conflict from arising that could compromise your ability to perform your duties impartially. You must report any potential or actual conflicts of interest to your manager.
  - (c) If you are uncertain whether a conflict exists, you should discuss that matter with your manager and attempt to resolve any conflicts that may exist.
  - (d) You must not submit or accept any bribe, or other improper inducement. Any such inducements are to be reported to your manager.

## 5. Public and Media Comment

- (a) Individuals have a right to give their opinions on political and social issues in their private capacity as members of the community.
- (b) Employees must not make official comment on matters relating to the Company unless they are:
  - (i) Authorised to do so by the Managing Director or Chairman; or
  - (ii) Giving evidence in court; or
  - (iii) Otherwise authorised or required by law.
- (c) Employees must not release unpublished or privileged information unless they have the authority to do so from the Managing Director or Chairman.
- (d) The above restrictions apply except where prohibited by law, for example in relation to "whistleblowing".

## 6. Use of Company Resources

- (a) Requests to use Company resources outside core business time should be referred to management for approval.
- (b) If employees are authorised to use Company resources outside core business times they must take responsibility for maintaining, replacing and safeguarding the property and following any special directions or conditions that apply.
- (c) Employees using Company resources **without** obtaining prior approval could face disciplinary and/or criminal action. Company resources are not to be used for any private commercial purposes.

## 7. Security of Information

Employees are to make sure that confidential and sensitive information cannot be accessed by unauthorised persons. Sensitive material should be securely stored overnight or when unattended. Employees must ensure that confidential information is only disclosed or discussed with people who are authorised to have access to it. It is considered a serious act of misconduct to deliberately release confidential documents or information to unauthorised persons and may incur disciplinary action.

## 8. Intellectual Property/Copyright

- (a) Intellectual property includes the rights relating to scientific discoveries, industrial designs, trademarks, service marks, commercial names and designations and inventions that are of value to the Company.

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- (b) The Company is the owner of intellectual property created by employees in the course of their employment unless a specific prior agreement has been made. Employees must obtain written permission to use any such intellectual property from the Managing Director or Company Secretary before making any use of that property for purposes other than as required in their role as employee.

## 9. Discrimination and Harassment

- (a) Employees must not harass, discriminate, or support others who harass and discriminate against colleagues or members of the public on the grounds of sex, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), physical or intellectual impairment, homosexuality or transgender.
- (b) Such harassment or discrimination may constitute an offence under legislation. Managers should understand and apply the principles of Equal Employment Opportunity.

## 10. Corrupt Conduct

- (a) Corrupt conduct involves the dishonest or partial use of power or position which results in one person/group being advantaged over another. Corruption can take many forms including, but is not limited to:
  - (i) Official misconduct;
  - (ii) Bribery and blackmail;
  - (iii) Unauthorised use of confidential information;
  - (iv) Fraud; and
  - (v) Theft.
- (b) Corrupt conduct will not be tolerated by the Company. Disciplinary action up to and including dismissal will be taken in the event of any employee participating in corrupt conduct.

## 11. Occupational Health and Safety

- (a) It is the responsibility of all employees to act in accordance with occupational health and safety legislation, regulations and policies applicable to their respective organisations and to use security and safety equipment provided.
- (b) Specifically all employees are responsible for safety in their work area by:
  - (i) Following the safety and security directives of management;
  - (ii) Advising management of areas where there is a potential problem in safety and reporting suspicious occurrences; and
  - (iii) Minimising risks in the workplace.

## 12. Legislation

It is essential that all employees comply with the laws and regulations of the countries in which the Company operates. Violations of such laws may have serious consequences for the Company and any individuals concerned. Any known violation must be reported immediately to management.

## 13. Fair Dealing

The Company aims to succeed through fair and honest competition and not through unethical or illegal business practices. Each employee should endeavour to deal fairly with the Company's suppliers, customers and other employees.

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## 14. Insider Trading

All employees must observe the Company's "Trading Policy". In conjunction with the legal prohibition on dealing in the Company's securities when in possession of unpublished price sensitive information, the Company has established specific time periods when Directors, management and employees are permitted to buy and sell the Company's securities.

## 15. Responsibilities to Investors

The Company strives for full, fair and accurate disclosure of financial and other information on a timely basis.

## 16. Breaches of the Code of Conduct

- (a) Employees should note that breaches of certain sections of this Code of Conduct may be punishable under legislation.
- (b) Breaches of this Code of Conduct may lead to disciplinary action. The process for disciplinary action is outlined in the Company's policies and guidelines, relevant industrial awards and agreements.

## 17. Reporting Matters of Concern

Employees are encouraged to raise any matters of concern in good faith with their direct Manager or with the Managing Director, Chairman or Company Secretary, without fear of retribution.

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## SCHEDULE 3 – AUDIT AND RISK COMMITTEE CHARTER

### 1. Role

The role of the Audit and Risk Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. This Charter defines the Audit and Risk Committee's function, composition, mode of operation, authority and responsibilities.

### 2. Composition

- (a) The Committee must comprise of at least two members.
- (b) Where possible, all members of the Committee must be non-executive Directors.
- (c) Where possible, a majority of the members of the Committee must be independent non-executive Directors in accordance with the criteria set out in Annexure A.
- (d) The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.
- (e) All members of the Committee must be able to read and understand financial statements.
- (f) The Chairman of the Committee may not be the Chairman of the Board of Directors and must be independent (if possible).
- (g) The Chairman shall have leadership experience and a strong finance, accounting or business background.
- (h) The external auditors, other Directors, Managing Director, Chief Financial Officer, Company Secretary and senior executives, may be invited to attend Committee meetings at the discretion of the Committee.

### 3. Purpose

The primary purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- (a) The quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- (b) Compliance with all applicable laws, regulations and company policy;
- (c) The effectiveness and adequacy of internal control processes;
- (d) The performance of the Company's external auditors and their appointment and removal;
- (e) The independence of the external auditor and the rotation of the lead engagement partner; and
- (f) The identification and management of business risks. A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

### 4. Duties and Responsibilities

#### 4.1 Review of Financial Reports

- (a) Review the appropriateness of the accounting principles adopted by management in the financial reports and the integrity of the Company's financial reporting.
- (b) Oversee the financial reports and the results of the external audits of those reports.
- (c) Assess whether external reporting is adequate for shareholder needs.
- (d) Assess management processes supporting external reporting.

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- (e) Establish procedures for the treatment of accounting complaints.
- (f) Review the impact of any proposed changes in accounting policies on the financial statements.
- (g) Review the half-yearly and annual results.

## 4.2 Relationship with External Auditors

- (a) Recommend to the Board procedures for the selection and appointment of external auditors and for the rotation of external auditor partners.
- (b) Review performance, succession plans and rotation of lead engagement partner.
- (c) Approve the external audit plan and fees proposed for audit work to be performed.
- (d) Discuss any necessary recommendations to the Board for the approval of half-yearly or annual reports.
- (e) Review the adequacy of accounting and financial controls together with the implementation of any recommendations of the external auditor in relation thereto.
- (f) Meet with the external auditors at least twice in each financial period without management being present and at any other time the Committee considers appropriate.
- (g) Provide pre-approval of audit and non-audit services that are to be undertaken by the external auditor.
- (h) Ensure adequate disclosure as may be required by law of the Committee's approval of all non-audit services provided by the external auditor.
- (i) Ensure that the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company.
- (j) Receive from the external auditor their report on, among other things, critical accounting policies and alternative accounting treatment, prior to the filing of their audit report in compliance with the *Corporations Act 2001 (Cth)*.

## 4.3 Internal Audit Function

- (a) Monitor the need for a formal internal audit function and its scope.
- (b) Assess the performance and objectivity of any internal audit procedures that may be in place.
- (c) Review risk management and internal compliance procedures.
- (d) Monitor the quality of the accounting function.
- (e) Review the Internal Control Reports, if any, on a quarterly basis.

## 4.4 Risk Management

- (a) Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification, management and compliance with internal guidelines and external requirements.
- (b) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

## 4.5 Other

- (a) The Committee will oversee the Company's environmental risk management and occupational health and safety processes.
- (b) The Committee will oversee procedures for whistleblower protection.

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- (c) As contemplated by the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations*, and to the extent that such deviation or waiver does not result in any breach of the law, the Committee may approve any deviation or waiver from the "*Corporate Code of Conduct*". Any such waiver or deviation will be promptly disclosed where required by applicable law.
- (d) Monitor related party transactions.

## 5. Meetings

- (a) The Committee will meet at least twice each financial year and additionally as circumstances may require for it to undertake its role effectively.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- (c) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.
- (d) A quorum shall consist of two members of the Committee. In the absence of the Chairman of the Committee or their nominee, the members shall elect one of their members as Chairman of that meeting.
- (e) Decisions will be based on a majority of votes with the Chairman having a casting vote.
- (f) The Committee Chairman, through the Secretary, will prepare a report of the actions of the Committee to be included in the Board papers for the next Board meeting.
- (g) Minutes of each meeting are included in the papers for the next full Board meeting after each Committee meeting.

## 6. Secretary

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

## 7. Reliance on Information or Professional or Expert Advice

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- (a) An employee of the Company whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- (b) A professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- (c) Another Director or officer of the Company in relation to matters within the Director's or officer's authority.

## 8. Access to Advice

- (a) Members of the Committee have rights of access to management and to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- (b) Members of the Committee may meet with the auditors, both internal and external, without management being present.
- (c) Members of the Committee may consult independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities, subject to prior consultation with and authorization by the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

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**9. Review of Charter**

- (a) The Board will conduct an annual review of the membership to ensure that the Committee has carried out its functions in an effective manner and will update the Charter as required or as a result of new laws or regulations.
- (b) The Charter shall be made available to members on request, to senior management, the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.

**10. Report to the Board**

- (a) The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role and responsibilities.
- (b) The Committee must brief the Board promptly on all urgent and significant matters.

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## SCHEDULE 4 – REMUNERATION COMMITTEE CHARTER

### 1. General Scope and Authority

- (a) The Remuneration Committee is a Committee of the Board. The Charter may be subject to review by the Board at any time.
- (b) The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:
  - (i) Reviewing and approving the Executive Remuneration Policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
  - (ii) Ensuring that the Executive Remuneration Policy demonstrates a clear relationship between key executive performance and remuneration;
  - (iii) Recommending to the Board the remuneration of executive Directors;
  - (iv) Fairly and responsibly rewarding executives having regard to the performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market;
  - (v) Reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
  - (vi) Reviewing and approving the Remuneration of Director Reports to the Managing Director, and as appropriate other senior executives; and
  - (vii) Reviewing and approving any equity based plans and other incentive schemes.
- (c) The Committee shall have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice, subject to prior consultation with and authorization by the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

### 2. Composition

- (a) The Committee shall comprise at least two Directors, the majority being independent non-executive Directors where possible.
- (b) The Committee will be chaired by an independent Director, where possible, who will be appointed by the Board.
- (c) The Board may appoint such additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.
- (d) A quorum will comprise any two independent non-executive Director Committee members. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman for that meeting.

### 3. Secretary

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee, and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meeting of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

### 4. Meetings

- (a) The Committee will meet at least once per year and additionally as circumstances may require.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.

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- (c) A quorum shall comprise any two members of the Committee. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their members as Chairman.
- (d) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or a conference call.
- (e) Decisions will be based on a majority of votes with the Chairman having the casting vote.
- (f) The Committee may invite any executive management team members or other individuals, including external third parties, to attend meetings of the Committee as they consider appropriate.

## 5. Access

- (a) Members of the Committee have rights of access to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- (b) The Committee shall have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice, subject to prior consultation with and authorization by the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

## 6. Duties and Responsibilities

In order to fulfill its responsibilities to the Board the Committee shall:

### (a) Executive Remuneration Policy:

- (i) Review and approve the Company's recruitment, retention and termination policies and procedures for senior executives to enable the Company to attract and retain executives and Directors who can create value for shareholders.
- (ii) Review the on-going appropriateness and relevance of the Executive Remuneration Policy and other executive benefit programs.
- (iii) Ensure that remuneration policies fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and prevailing remuneration expectations in the market.

### (b) Executive Directors and Senior Management:

- (i) Consider and make recommendations to the Board on the remuneration for each executive Director (including base pay, incentive payments, equity awards, retirement rights and service contracts).
- (ii) Review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for the direct reports of the Managing Director. As part of this review the Committee will oversee an annual performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, if any, whether strategic objectives are being achieved and the development of management and personnel.

### (c) Executive Incentive Plan:

Review and approve the design of any executive incentive plans.

### (d) Equity Based Plans:

- (i) Review and approve any equity based plans that may be introduced (Plans) in the light of legislative, regulatory and market developments.
- (ii) For each Plan, determine each year whether awards will be made under that Plan.
- (iii) Review and approve total proposed awards under each Plan.

## CORPORATE GOVERNANCE PLAN

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(iv) In addition to considering awards to executive Directors and direct reports to the Managing Director, review and approve proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee.

(v) Review, approve and keep under review performance hurdles for each equity based plan.

**(e) Other:**

The Committee shall perform other duties and activities that it or the Board considers appropriate.

### 7. Approvals

The Committee must approve the following prior to implementation:

- (a) Changes to the remuneration or contract terms of executive Directors and direct reports to the Managing Director;
- (b) The Plans or amendments to current equity plans or executive cash-based incentive plans;
- (c) Total level of awards proposed from equity plans or executive cash-based incentive plans; and
- (d) Termination payments to executive Directors or direct reports to the Managing Director. Termination payments to other departing executives should be reported to the Committee at its next meeting.

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## SCHEDULE 5 – NOMINATION COMMITTEE CHARTER

### 1. General Scope and Authority

- (a) The Nomination Committee is a Committee of the Board. The Charter may be subject to review by the Board at any time.
- (b) The primary purpose of the Committee is to support and advise the Board in:
  - (i) Maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
  - (ii) Ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

### 2. Composition

- (a) The Committee shall comprise at least two non-executive Directors, where possible, the majority of whom must be independent, one of whom will be appointed the Committee Chairman.
- (b) The Board may appoint additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

### 3. Secretary

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

### 4. Meetings

- (a) The Committee will meet at least once a year and additionally as circumstances may require.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- (c) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or conference call.
- (d) A quorum shall comprise any two members of the Committee. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman.
- (e) Decisions will be based on a majority of votes with the Chairman having a casting vote.
- (f) The Committee may invite executive management team members or other individuals, including external third parties to attend meetings of the Committee, as they consider appropriate.

### 5. Access

- (a) Members of the Committee have rights of access to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- (b) The Committee shall have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice, subject to prior consultation with and authorization by the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

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## 6. Responsibilities

The Committee shall periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors. In particular, the Committee is to:

- (a) Identify and recommend to the Board candidates for the Board after considering the necessary and desirable competencies of new Board members to ensure an appropriate mix of skills and experience is maintained at all times. This process also includes an assessment of how the candidates can contribute to the strategic direction of the Company;
- (b) Approve and review induction procedures for new appointees of the Board to ensure they can effectively discharge their responsibilities;
- (c) Assess and consider the time required to be committed by a non-executive Director to properly fulfill their duty to the Company and advise the Board;
- (d) Consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
- (e) Review Directorships in other public companies held by or offered to Directors and senior executives of the Company;
- (f) Review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
- (g) Arrange an annual performance evaluation of the Board, its Committee and individual Directors;
- (h) Make recommendations to the Board on the appropriate size and composition of the Board; and
- (i) Make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board.

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## SCHEDULE 6 – DISCLOSURE – PERFORMANCE EVALUATION

### 1. Evaluation

- (a) The Nomination Committee will arrange a performance evaluation of the Board, its Committees and its individual Directors on an annual basis. To assist in this process an independent advisor may be used.
- (b) The Nomination Committee will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively.
- (c) The review will include:
  - (i) Comparing the performance of the Board with the requirements of its Charter;
  - (ii) Examination of the Board's interaction with management;
  - (iii) The nature of information provided to the Board by management; and
  - (iv) Management's performance in assisting the Board to meet its objectives.
- (d) A similar review will be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.
- (e) The Remuneration Committee will oversee the performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, if any, whether strategic objectives are being achieved and the development of management and personnel.

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## SCHEDULE 7 – DISCLOSURE – CONTINUOUS DISCLOSURE

### 1. The Company's Obligation of Disclosure

#### (a) Compliance

As a listed entity, the Company must comply with certain continuous disclosure obligations imposed by the *Corporations Act* and the ASX Listing Rules. Chapter 3 of the ASX Listing Rules requires the Company to provide the ASX with immediate notice of certain material information.

The general disclosure rule imposed on the Company is contained in clauses 3.1 and 3.1A of the ASX Listing Rules:

*"3.1 Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information.*

*3.1A Listing Rule 3.1 does not apply to particular information while each of the following are satisfied:*

*3.1A.1 A reasonable person would not expect the information to be disclosed*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential*

*3.1A.3 One or more of the following applies*

- It would be a breach of a law to disclose the information.*
- The information concerns an incomplete proposal or negotiation.*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
- The information is generated for the internal management purposes of the entity.*
- The information is a trade secret."*

There is also the "false market"/"rumours" disclosure rule in clause 3.1B as follows:

*"3.1B If ASX considers that there is or is likely to be a false market in an entity's securities and asks the entity to give it information to correct or prevent a false market, the entity must give ASX the information needed to correct or prevent the false market."*

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The provisions of Chapter 3 are reinforced by Chapter 6CA of the *Corporations Act*. In particular, section 674(2) provides that:

"If:

- (a) *[provisions of the listing rules of a listing market in relation to an entity require an entity to notify the market operator of information about specified events or matters as they arise for the purpose of the operator making that information available to participants in the market]; and*
- (b) *the entity has information that those provisions require the entity to notify to the market operator; and*
- (c) *that information:*
  - (i) *is not generally available; and*
  - (ii) *is information that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of securities of the entity;*

*the entity must notify the market operator of that information in accordance with those provisions."*

It is therefore essential that directors acquaint themselves not only with their personal obligations of disclosure, but also the disclosure obligations imposed on the Company.

## **(b) The Disclosure Obligation**

Under the provisions of Listing Rule 3.1, the Company is required to immediately notify the ASX of any information concerning the Company of which it is, or becomes, aware, and which a reasonable person would expect to have a material effect on the price and value of the Company shares.

### **(i) When is the Company aware of information**

The Listing Rules provide that the Company is aware of information if a Director or executive officer has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a Director or executive officer of the Company.

An "executive officer" of the Company means a person who is concerned in, or takes part in, management of the Company. A person can be an executive officer regardless of his or her designation, and irrespective of whether or not the person is a Director.

### **(ii) What information has a material effect on price?**

The effect of information on the price or value of the Company shares is to be judged by the expectations of a "reasonable person". A reasonable person would expect information to have a material effect on the price or value of the Company shares if the information would, or would be likely to, influence investors who commonly invest in shares in deciding whether or not to deal in the Company shares.

The Company and each director should be aware of ASX policy with respect to the disclosure of material information relating to the:

- financing arrangements of the Company; and
- existence and terms of any finance arrangements that may be in place in relation to director's shareholdings (for example margin loans).

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## Finance Arrangements

Where the Company has in place or enters into new material financing arrangements or alters existing material financing arrangements which include terms that may be activated upon the occurrence of certain events (particularly those beyond the control of the Company, such as market events) disclosure may be required under Listing Rule 3.1 at the time any such term is activated or becomes likely to be activated.

The disclosure required may include the nature and terms of the arrangements, the trigger event, any other material information such as any impact that triggering of the term may have on the Company's relationship with its bankers, or financial position or financial performance. It may also be appropriate in some circumstances for the Company to request a trading halt if the Company is unable to immediately release the information.

Unless the exceptions in the Listing Rule 3.1 apply to the terms of the Company's material financial arrangements, the Company should disclose to the ASX, upon entering into the arrangements, the nature and terms of the arrangements, the trigger event, any other material information such as any impact that triggering of the term may have on the Company's relationship with its bankers, or financial position or financial performance.

## Margin Loans

Listing Rule 3.19A and 3.19B require the Company to disclose the notifiable interests of a director within five business days of the appointment or resignation of the director or a change to the notifiable interests occurring. Information about shareholders and their shareholdings can be material under Listing Rule 3.1 and require immediate disclosure.

Where a director has entered into a margin loan or similar funding arrangements for a material number of securities, Listing Rule 3.1 in appropriate circumstances, may operate to require the Company to disclose the key terms of the arrangements, including the number of securities involved, the trigger points, any right of the lender to sell unilaterally and any other material details. Whether a margin loan arrangement is material is a matter which the Company must decide having regard to the nature of its operations and the particular circumstances of the Company.

Listing Rule 3.1B applies where the ASX considers that there is or is likely to be a false market, and in such circumstances the Company must disclose information necessary to correct or prevent a false market. This requirement may arise even though the Company is not aware of any information that would be required to be disclosed under Listing Rule 3.1.

A Director must disclose to the Company any financial arrangements or margin loan the Director has entered into in respect of any securities which the Director holds in the Company. Such disclosure by the Director should be on entering into the arrangements and should include key terms of the arrangements, including the number of securities involved, the trigger points, any right of the lender to sell unilaterally and any other material details.

### (c) Ramifications of Failing to Comply

The ramifications of failing to comply with the continuous disclosure obligations under Listing Rule 3.1 are extremely serious, and may result in the following actions being taken:

#### (i) Removal from the ASX

The ASX may at any time remove an entity from the Official List of the ASX if the entity breaks a Listing Rule.

#### (ii) Criminal Liability

Under the *Corporations Act*, a failure to make a disclosure under Listing Rule 3.1, intentionally or recklessly, amounts to a criminal offence, and may result in a fine of \$100,000 for a corporation.

In addition, individuals who are "involved" in the contravention (who would include officers or advisers who aid, abet, counsel, procure or are knowingly concerned in the contravention) are also liable. The maximum penalty for individuals is \$20,000, or imprisonment for five years, or both.

A negligent failure to make a disclosure under Listing Rule 3.1 is a contravention of the *Corporations Act*, but will not amount to a criminal offence.

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## (iii) Civil Liability

Civil liability arises if the failure to disclose is intentional, reckless or negligent. A person who suffers loss or damage as a result of such failure may recover that loss or damage from the Company, or against “any person involved in the contravention”. This could include the directors or executives officers of the Company.

## (d) Exemption from Disclosure

The Listing Rules provide that the Company does not need to disclose information under Listing Rule 3.1A if each of the following is satisfied:

- (i) A reasonable person would not expect the information to be disclosed (Listing Rule 3.1A.1); **and**
- (ii) The information is confidential (Listing Rule 3.1A.2); **and**
- (iii) One or more of the following applies (Listing Rule 3.1A.3)
  - (A) It would be a breach of a law to disclose the information;
  - (B) The information concerns an incomplete proposal or negotiation;
  - (C) The information comprises matters of supposition, or is insufficiently definite to warrant disclosure;
  - (D) The information is generated for internal management purposes of the Company; or
  - (E) The information is a trade secret.

It must be noted that the above exemption from the requirement to make disclosure only operates while all three elements are satisfied. If any of the requirements cease to be satisfied, the entity must disclose the information immediately.

By way of example, if information that has not been disclosed by relying on the exemption becomes known in some way to participants in the market, then it **must** be given to the ASX for release to the market, as it would no longer satisfy the confidentiality requirement. It does not matter how the matter became known in the market.

Looking at each of the three elements that must be established for information to be exempt from disclosure:

### (i) A reasonable person would not expect the information to be disclosed (Listing Rule 3.1A.1)

A reasonable person would not expect information to be disclosed if the result would be to cause unreasonable prejudice to the entity. Similarly, a reasonable person would not expect disclosures of an inordinate amount of detail.

### (ii) Confidentiality (Listing Rule 3.1A.2)

Listing Rule 3.1A.2 requires that the information that is not to be disclosed be confidential. “Confidential” in this context has the sense of secret, and generally implies control by the Company of the use that can be made of the information.

The mere fact that a confidentiality agreement has been entered into will not automatically satisfy this element. Confidential means that no one in possession of the information is entitled to trade in the Company’s shares. Unusual activity in the Company’s shares may suggest that the information is no longer confidential.

The ASX accepts that confidentiality is not breached if information is given to the Company’s advisers, a person with whom the Company is negotiating, or other regulatory authorities, if it is given on a basis which restricts its use to the stated purpose.

### (iii) One of the Elements in Listing Rule 3.1A.3

One of the five elements in Listing Rule 3.1A.3 must also be established. These elements are:

- (A) It would be a breach of the law to disclose the information;
- (B) The information concerns an incomplete proposal or negotiation;
- (C) The information comprises matters of supposition, or is insufficiently definite to warrant disclosure;
- (D) The information is generated for internal management purposes of the Company; or
- (E) The information is a trade secret.

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## **(e) Applying the Exemption in Practice**

The exemption from disclosure would apply, for example, to information which is confidential, which a reasonable person would not expect to be disclosed, and which falls within any one of the following descriptions:

- (i) Proposed acquisitions or disposals or other commercial arrangements in the process of negotiation;
- (ii) Internal budgets and forecasts;
- (iii) Management accounts;
- (iv) Business plans;
- (v) Internal market intelligence;
- (vi) Information prepared for lenders;
- (vii) Dispute settlement negotiations.

It is possible to foresee, however, matters which are commercially sensitive, the disclosure of which would be **detrimental** to the Company, which may be required to be disclosed because they do not fall within the exemptions. For example:

- (i) A serious claim against the company prior to the commencement of proceedings;
- (ii) An investigation or allegation by a regulatory body (that is not being disputed by the company);
- (iii) Information about a “complete” proposal;
- (iv) Terms of settlement of a dispute which the parties wish to keep confidential, and which is not supported by a Court order of confidentiality;
- (v) Material terms of a trading agreement with a major supplier.

Whether these sorts of matters will fall within any of the exceptions will depend on, and require, an assessment of particular facts.

The Listing Rules and Guidance Note issued by the ASX provide a number of examples of matters that may require disclosure.

## **(f) ASX Policy**

The ASX has issued a Guidance Note in relation to Listing Rule 3.1A. The ASX states that the guidance note is only a guide to ASX practice, and that entities should contact the ASX to discuss their particular circumstances and the application of the Listing Rules. Set out below is a brief summary of some of the more pertinent aspects of the Guidance Note.

### **(i) Prime Importance**

The ASX states that timely disclosure of relevant information is of prime importance to the operation of an efficient market. The fundamental principle under which the Listing Rules operate is that *“timely disclosure must be made of information in which security holders, investors and ASX have a legitimate interest”*.

### **(ii) Continuous Disclosure Practice**

The Listing Rules make it clear that all Listing Rules (including Listing Rule 3.1A) must be complied with in the “spirit” of continuous disclosure. The ASX states that the Listing Rules are not intended to be interpreted in a legalistic or restrictive manner.

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## **(iii) Market Speculation**

The ASX notes that from time to time it may be necessary to respond to speculation in order for the market to remain properly informed.

The ASX states that it does not expect companies to respond to all comments made in the media, or to respond to all market speculation. However, when the comment or speculation becomes reasonably specific, or the market moves in a way that appears to be referable to the comment or speculation, the company should make a statement in response to ensure the market remains properly informed.

It is ASX policy that whatever the information, and however much it might otherwise have been reasonable not to disclose it, the information should be released to the whole market once it becomes known to any part of the market.

## **(iv) Disclosure of Information to Brokers and Press**

Listing Rule 15.7 has the effect that the Company must not release information which is for release to the market to any person (including the media, even on an embargoed

basis) until it has given the information to the ASX, and has received an acknowledgement that the ASX has released it to the market.

With respect to analysts, the ASX states that a company must only disclose public information in answering analysts' questions, or reviewing analysts' draft reports. The ASX states that it is inappropriate for a question to be answered, or a report corrected, if doing so involves providing material information that is not public. The ASX states that when analysts visit the company, care should be taken to ensure that they do not obtain material information that is not public.

## **(v) Internal Disclosure**

Employees will have access to information that is confidential. The employees with such access should be made aware of its confidential nature. The ASX notes that companies should ensure that confidential information does not find its way into "in house" publications.

## **(g) Analyst and Institutional Briefings**

In November 1999 ASIC issued its draft "Heard it on the Grapevine ..." Guidance Paper dealing with the selective disclosure of information to institutional investors and analysts.

This Guidance Paper addresses ASIC's concern that "ordinary" shareholders have a perception that significant information is disclosed by listed companies to analysts and institutions such that they can profit by trading on that information at the expense of the "ordinary" shareholders. ASIC is concerned that this perception could cause "ordinary" shareholders to lose trust in the fairness of the market place.

In this regard, ASIC notes that documents lodged with the ASX are often supplemented with more comprehensive background information provided to analysts and institutions at private briefings.

ASIC specifically identifies the following situations at which there is a risk that selective disclosure may occur:

- (i) Analyst briefings, roadshows and presentations;
- (ii) Individual analyst briefings;
- (iii) Ad hoc communications with analysts and institutions;
- (iv) Reviewing draft analyst reports;
- (v) Informal social events.

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ASIC states that it wishes to see companies exploring ways of improving investor access, both to:

- (i) their ASX announcements; and
- (ii) all significant information provided at private briefings to analysts or institutions (regardless of whether it is viewed as price sensitive)

To this end, ASIC suggests:

- (i) Information disclosed to the ASX be added to the releasing company's web site (following ASX acknowledgement of receipt and release to the market);
- (ii) Non-material information and supplementary material made available to institutions and analysts to be made available to shareholders and the wider investment community on the disclosing company's web site.

ASIC notes that some companies are giving investors access via the internet to live broadcasts of analyst briefings and are posting transcripts of briefings (including questions and answers) on their web sites. ASIC states that it encourages other companies to follow these practices. ASIC in its Paper suggests a number of procedures to ensure that:

- (i) price sensitive material is disclosed to the ASX;
- (ii) briefings do not disclose price sensitive material that has not been released; and
- (iii) information disclosed at private briefings is captured for disclosure to "ordinary investors",

such that there is equal access to information for all investors. Certain of these ASIC suggestions are incorporated in the Disclosure Program set out in (h) below.

ASIC's focus is on giving investors access to all significant information disclosed to analysts or institutions that is not already publicly available, regardless of whether it is considered price sensitive. ASIC considers it is good practice to provide shareholders with access to all significant background information that is provided to analysts and institutions.

## **(h) Information Disclosure Program Procedures**

As will be apparent from the above, it is essential for the Company to design a disclosure system to ensure:

- (i) A breach of Listing Rule 3.1A does not occur; and**
- (ii) That information is made available to all investors equally.**
- (iii) Directors and Executive Officers**

Each of the following personnel (the "Reporting Group") will need to participate in the "continuous disclosure" system, because information in their possession will need to be considered in order to comply with the continuous disclosure obligation:

- (A) the Chairperson
- (B) the Managing Director
- (C) the Company Secretary

## **(iv) Overseeing and Co-ordinating Disclosure**

The Chairperson, Managing Director and Company Secretary will be responsible for:

- (A) ensuring the Company complies with its continuous disclosure obligations;
- (B) overseeing and co-ordinating disclosure of information to the ASX; and
- (C) reviewing information to be provided to analysts, brokers, the media and the public, in order to ensure any market sensitive material has first been released to the ASX.

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**(v) Information Collecting Procedures to ensure Listing Rule 3.1A (market sensitive information) is identified**

The responsibilities of each member of the Reporting Group are:

- (A) To ensure all notifiable (market sensitive) information is kept confidential within Reporting Group;
- (B) To collect and forward to the other members of the Reporting Group all information which is, or may be required to be disclosed, and consult with those other members if in doubt;
- (C) To make other senior personnel within his or her area of responsibility aware of the Company's disclosure obligations to ensure that all relevant information is provided to him or her in the first place.

**(vi) Releasing Information to the ASX**

The system for releasing information to the ASX is as follows:

- (A) When any member of the Reporting Group becomes aware of information which he or she believes may need to be disclosed on the basis of the principles described in this document, he or she should immediately contact and give full details to each of the other members of the Reporting Group.
- (B) The Reporting Group will take the following steps in relation to information received by them:
  - Assess whether disclosure is required;
  - Consult legal and other advisers (including the ASX) as necessary;
  - Prepare an announcement for release to the ASX; and
  - Forward the release to the ASX.
- (C) For each meeting of the Board, there should be an agenda item entitled "Continuous Disclosure". In the Minutes of each Board meeting, the Company Secretary should either:
  - record that there was no material known to or brought to the attention of the Reporting Group for disclosure since the previous meeting; or
  - briefly outline material which has been disclosed.

**(vii) Company Spokespersons**

In order to maintain control over disclosures, the following persons only will be authorised to speak on the Company's behalf to analysts, brokers and institutional investors, and to respond generally to shareholder queries:

- (A) The Chairperson;
- (B) The Managing Director;
- (C) The Company Secretary; and
- (D) Any other person who has been given express prior authority by the Chairperson.

In order to safeguard against inadvertent disclosure of non-public information to brokers, investors, analysts and institutions prior to it being disclosed to the ASX, contact must be made with each member, or each other member, of the Reporting Group prior to making contact with these persons in order to clear the provision of the proposed information to them.

**(viii) Authorising Disclosures in Advance**

Again, in order to avoid an inadvertent breach of the continuous disclosure obligations, materials to be presented and issues to be discussed at any external presentation must be discussed with each member, or each other member, of the Reporting Group prior to presentation in order to confirm that no non-public material information is being disclosed.

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**(ix) Maintenance of Released Material**

The Company Secretary will maintain a register of information disclosed to the ASX and also register of information disclosed on the Company web site.

**(x) The Company Website**

It is intended to implement the inclusion of information released to the ASX on the Company website. In addition, it is intended to add to the website:

- (A) Other materials presented to analysts and institutions; and
- (B) A summary of briefings made to analysts and institutions.

**(xi) Handling Rumours, Leaks and Inadvertent Disclosures**

It should be noted that any unauthorised leak of information may place the Company in breach of the Listing Rules and could expose persons to allegations of insider trading.

If external contact is made seeking clarification of a rumour in the market place, the enquiry should be referred to the Chairperson or, in his absence, any other member of the Reporting Group. The recommended response to such query is that "the Company does not respond to market rumours". Consideration will then be given by the Reporting Group as to whether a public announcement is required.

The Reporting Group should be made aware of any unauthorised disclosure of information (even if regarded as non-public sensitive). Consideration will then be given to the need to make an ASX disclosure.

**(xii) Reviewing Discussions**

In order to ensure no price sensitive material has been inadvertently disclosed, each member of the Reporting Group should be kept apprised of the contents of any substantive contact with analysts, brokers and institutional investors.

**(xiii) Draft Financial Statement and Reports**

Typically, analysts will seek to obtain Management's review of draft analyst reports. It is permissible to comment on errors in factual information and underlying assumptions, but comment on price sensitive information should be avoided.

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## SCHEDULE 8 – DISCLOSURE – RISK MANAGEMENT

### 1. Review Procedure

- (a) The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.
- (b) The Board has delegated to the Audit and Risk Committee responsibility for implementing the risk management system.
- (c) The Audit and Risk Committee will submit particular matters to the Board for its approval or review. Among other things it will:
  - (i) Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification, management and compliance with internal guidelines and external requirements;
  - (ii) Assist management to determine the key risks to the Company and prioritise work to manage those risks; and
  - (iii) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

### 2. Internal Compliance and Control

- (a) The Company's process of risk management and internal compliance and control includes:
  - (i) Identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives and monitoring the environment for emerging factors and trends that affect these risks;
  - (ii) Formulating risk management strategies to manage identified risks, designing and implementing appropriate risk management policies and internal controls; and
  - (iii) Monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.
- (b) To this end, comprehensive practices are in place that are directed towards achieving the following objectives:
  - (i) Compliance with applicable laws and regulations;
  - (ii) Preparation of reliable published financial information; and
  - (iii) Implementation of risk transfer strategies where appropriate eg insurance.

### 3. Delegation to Management

- (a) The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back to the Audit and Risk Committee.
- (b) The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

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## SCHEDULE 9 – TRADING POLICY

### 1. Introduction

- (a) These guidelines set out the policy on the sale and purchase of securities in the Company by its Key Management Personnel.
- (b) Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.
- (c) The Company has determined that its Key Management Personnel are its Directors and those employees directly reporting to the Managing Director.
- (d) Key Management Personnel are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any purchase or sale of such securities.
- (e) The purpose of these guidelines is to assist Key Management Personnel to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the *Corporations Act 2001 (Cth)*.

### 2. What types of transactions are covered by this policy?

This policy applies to both the sale and purchase of any securities of the Company and its subsidiaries, if any, on issue from time to time.

### 3. What is insider trading?

#### 3.1 Prohibition

Insider trading is a criminal offence. It may also result in civil liability. In broad terms, a person will be guilty of insider trading if:

- (a) that person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of the Company's securities (ie. information that is 'price sensitive'); and
- (b) that person:
  - (i) Buys or sells securities in the Company; or
  - (ii) Procures someone else to buy or sell securities in the Company; or
  - (iii) Passes on that information to a third party where that person knows, or ought to reasonably know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

#### 3.2 Examples

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to materially affect the price of the Company's securities:

- (a) The Company considering a major acquisition;
- (b) The threat of major litigation against the Company;
- (c) The Company's revenue and profit or loss results materially exceeding (or falling short of) the market's expectations;
- (d) A material change in debt, liquidity or cash flow;
- (e) A significant new development proposal (e.g. new product or technology);

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- (f) The grant or loss of a major contract;
- (g) A management or business restructuring proposal;
- (h) A share issue proposal;
- (i) An agreement or option to acquire an interest in a mining tenement, or to enter into a joint venture or farm-in or farm-out arrangement in relation to a mining tenement; and
- (j) Significant discoveries, exploration results, or changes in reserve/resource estimates from mining tenements in which the Company has an interest.

### 3.3 Dealing through Third Parties

The insider trading prohibition extends to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as "Associates" in these guidelines).

### 3.4 Information However Obtained

It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute inside information.

### 3.5 Employee Share Schemes

The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. However, the prohibition does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

## 4. Guidelines for Trading in the Company's Securities

### 4.1 General Rule

Key Management Personnel must not, except in exceptional circumstances deal in securities of the Company during the following periods:

- (a) Two weeks prior to, and 24 hours after the release of the Company's Annual Financial Report;
- (b) Two weeks prior to, and 24 hours after the release of the Half-Year Financial Report of the Company; and
- (c) One week prior to, and 24 hours after the release of the Company's quarterly reports, (together the **Closed Periods**).

The Company may at its discretion vary this rule in relation to a particular Closed Period by general announcement to all Key Management Personnel either before or during the Closed Periods. However, if Key Management Personnel is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company's securities at **any** time.

### 4.2 No Short-term Trading in the Company's Securities

Key Management Personnel should never engage in short-term trading of the Company's securities except for the exercise of options where the shares will be sold shortly thereafter.

### 4.3 Securities in Other Companies

Buying and selling securities of other companies with which the Company may be dealing is prohibited where an individual possesses information which is not generally available to the market and is 'price sensitive'. For example, where an individual is aware that the Company is about to sign a major agreement with another company, they should not buy securities in either Company.

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## 4.4 Exceptions

### (a) Key Management Personnel may at any time:

- (i) Acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
- (ii) Acquire Company securities under a bonus issue made to all holders of securities of the same class;
- (iii) Acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders or securities of the same class;
- (iv) Acquire, or agree to acquire, or exercise options under a Company share, option or performance rights plan;
- (v) Withdraw ordinary shares in the Company held on behalf of the Key Management Personnel in an employee share scheme where the withdrawal is permitted by the rules of that scheme;
- (vi) Acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme or performance rights scheme;
- (vii) Transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (viii) Make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (ix) Where a restricted person is a trustee, trade in the securities of the Company by that trust, provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- (x) Undertake to accept, or accept, a takeover offer;
- (xi) Trade under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (xii) Dispose of securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;
- (xiii) Exercise (but not sell securities following exercise) an option or a right under an employee incentive scheme, or convert a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period or the Company has had a number of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so; or
- (xiv) Trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this policy.

- (b) In respect of any share or option schemes adopted by the Company, it should be noted that it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs outside the periods specified in paragraph 4.1. Were this to occur at a time when the person possessed inside information, then the sale of Company securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the inside information that the person possessed and the person may not have made a profit on the sale. Where Company securities are provided to a lender as security by way of mortgage or charge, a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

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## 4.5 Notification of Periods when Key Management Personnel are Not Permitted to Trade

The Company Secretary will endeavour to notify all Key Management Personnel of the times when they are not permitted to buy or sell the Company's securities as set out in paragraph 4.1.

## 5. Approval and Notification Requirements

### 5.1 Approval Requirements

- (a) Any Key Management Personnel (other than the Managing Director) wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior written approval of the Managing Director or the Board before doing so.
- (b) If the Managing Director wishes to buy, sell or exercise rights in relation to the Company's securities, the Managing Director must obtain the prior approval of the Chairman or the Board before doing so.

### 5.2 Approvals to Buy or Sell Securities

- (a) All requests to buy or sell securities as referred to in paragraph 5.1 must include the intended volume of securities to be purchased or sold and an estimated time frame for the sale or purchase.
- (b) Copies of written approvals must be forwarded to the Company Secretary prior to the approved purchase or sale transaction.

### 5.3 Notification

Subsequent to approval obtained in accordance with paragraphs 5.1 and 5.2, any Key Management Personnel who (or through his or her associates) buys, sells, or exercises rights in relation to Company securities **must** notify the Company Secretary in writing of the details of the transaction within five (5) business days of the transaction occurring. This notification obligation **operates at all times** but does not apply to acquisitions of shares or options by employees made under employee share, option or performance rights schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme or the conversion of rights into shares under a performance rights scheme.

### 5.4 Key Management Personnel Sales of Securities

Key Management Personnel need to be mindful of the market perception associated with any sale of Company securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of Company securities (ie. a volume that would represent a volume in excess of 10% of the total securities held by the seller prior to the sale, or a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of the Company on the ASX for the preceding 20 trading days) by a Key Management Personnel needs to be discussed with the Board and the Company's legal advisers prior to the execution of any sale. These discussions need to be documented in the form of a file note, to be retained by the Company Secretary.

### 5.5 Exemption from Closed Periods Restrictions Due to Exceptional Circumstance

Key Management Personnel who are not in possession of inside information in relation to the Company, may be given prior written clearance by the Managing Director (or in the case of the Managing Director by all other members of the Board) to sell or otherwise dispose of Company securities in a Closed Period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this policy.

### 5.6 Severe Financial Hardship or Exceptional Circumstances

- (a) The determination of whether a Key Management Personnel is in severe financial hardship will be made by the Managing Director (or in the case of the Managing Director by all other members of the Board).
- (b) A financial hardship or exceptional circumstances determination can only be made by examining all of the facts and if necessary obtaining independent verification of the facts from banks, accountants or other like institutions.

### 5.7 Financial Hardship

- (a) Key Management Personnel may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the securities of the Company.

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- (b) In the interests of an expedient and informed determination by the Managing Director (or all other members of the Board as the context requires), any application for an exemption allowing the sale of Company securities in a Closed Period based on financial hardship must be made in writing stating all of the facts and be accompanied by copies of relevant supporting documentation, including contact details of the person's accountant, bank and other such independent institutions (where applicable).
- (c) Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

### 5.8 Exceptional Circumstances

- (a) Exceptional circumstances may apply to the disposal of Company securities by a Key Management Personnel if the person is required by a court order, a court enforceable undertaking for example in a bona fide family settlement, to transfer or sell securities of the Company, or there is some other overriding legal or regulatory requirement to do so.
- (b) Any application for an exemption allowing the sale of Company securities in a Closed Period based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation (where applicable).
- (c) Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

### 6. ASX Notification for Directors

The ASX Listing Rules require the Company to notify the ASX within 5 business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company. The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by the ASX.

### 7. Effect of Compliance with this Policy

Compliance with these guidelines for trading in the Company's securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company's securities.

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## SCHEDULE 10 – DIVERSITY POLICY

### 1. Introduction

- (a) The Company and all its related bodies corporate are committed to workplace diversity.
- (b) The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.
- (c) Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.
- (d) To the extent practicable, the Company will address the recommendations and guidance provided in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.
- (e) The Diversity Policy does not form part of an employee's contract of employment with the Company, nor does it give rise to contractual obligations. However, to the extent that the Diversity Policy requires an employee to do or refrain from doing something and at all times subject to legal obligations, the Diversity Policy forms the direction of the Company with which an employee is expected to comply.

### 2. Objectives

- (a) The Diversity Policy provides a framework for the Company to achieve:
  - (i) A diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
  - (ii) A workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
  - (iii) Improved employment and career development opportunities for women;
  - (iv) A work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
  - (v) Awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity, (collectively, the **Objectives**).
- (b) The Diversity Policy does not impose on the Company, its Directors, officers, agents or employees any obligation to engage in, or justification for engaging in, any conduct which is illegal or contrary to any anti-discrimination or equal employment opportunity legislation or laws in any State or Territory of Australia or of any foreign jurisdiction.

### 3. Responsibilities

#### 3.1 The Board's Commitment

- (a) The Board is committed to workplace diversity, with a particular focus on supporting the representation of women at the senior level of the Company and on the Board.
- (b) The Board is responsible for developing measurable objectives and strategies to meet the Objectives of the Diversity Policy (**Measurable Objectives**) and monitoring the progress of the Measurable Objectives through the monitoring, evaluation and reporting mechanisms listed below.
- (c) The Board may also set Measurable Objectives for achieving gender diversity and monitor their achievement.
- (d) The Board will conduct all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates and using external experts where necessary.

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## 3.2 Strategies

The Company's diversity strategies include:

- (a) Recruiting from a diverse pool of candidates for all positions, including senior management and the Board;
- (b) Reviewing succession plans to ensure an appropriate focus on diversity;
- (c) Identifying specific factors to take account of in recruitment and selection processes to encourage diversity;
- (d) Developing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including workplace development programs, mentoring programs and targeted training and development;
- (e) Developing a culture which takes account of the domestic responsibilities of employees; and
- (f) Any other strategies the Board develops from time to time.

## 4. Monitoring and Evaluation

- (a) The Chairman will monitor the scope and currency of this policy.
- (b) The Company is responsible for implementing, monitoring and reporting on measurable objectives.

## 5. Measurable Objectives

### 5.1 Reporting

The Board will include on the website:

- (a) Measurable objectives, if any, set by the Board;
- (b) Progress against the objectives; and
- (c) The proportion of women employees in the whole organisation, at senior management level and at Board level.

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## SCHEDULE 11 – SHAREHOLDER COMMUNICATIONS STRATEGY

- (a) The Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.
- (b) Information is communicated to shareholders through:
  - (i) The Annual Report delivered by post and which is also placed on the Company's website;
  - (ii) The half-yearly report which is placed on the Company's website;
  - (iii) The quarterly reports which are placed on the Company's website;
  - (iv) Disclosures and announcements made to the Australian Securities Exchange (**ASX**) copies of which are placed on the Company's website;
  - (v) Notices and explanatory memoranda of Annual General Meetings (**AGM**) and Extraordinary General Meetings (**EGM**) copies of which are placed on the Company's website;
  - (vi) The Company's website on which the Company posts all announcements which it makes to the ASX; and
  - (vii) The auditor's lead engagement partner being present at the AGM to answer questions from shareholders about the conduct of the audit and the preparation and content of the Auditor's Report.
- (c) Shareholders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the annual, half-yearly and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.
- (d) The Company continually reviews its website to identify ways in which it can promote its greater use by shareholders and make it more informative.
- (e) All historical years of the Company's Annual Report, since listing on the ASX, are provided on the Company's website.
- (f) Shareholders queries should be referred to the Company Secretary in the first instance.

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## ANNEXURE A – DEFINITION OF INDEPENDENCE

### 1. Independent Director

- (a) According to the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations* an independent Director is a non-executive Director (ie. is not a member of management) and:
- (i) Holds less than 5% of the voting shares of the Company and is not an officer of, or otherwise associated directly or indirectly with, a shareholder of more than 5% of the voting shares of the Company;
  - (ii) Within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
  - (iii) Within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
  - (iv) Is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
  - (v) Has no material contractual relationship with the Company or another group member other than as a Director of the Company;
  - (vi) 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; and
  - (vii) 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.
- (b) The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.