

K&L GATES

Corporate Governance Policy

Kelly Partners Group Holdings Limited

ACN 124 908 363

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Corporate Governance Policy

Date:

Introduction

Corporate governance refers to the system by which companies are directed and managed. It influences how the objectives of a company are set and achieved, how risk is monitored and assessed, and how performance is optimised. What constitutes good corporate governance will evolve with the changing circumstances of a company and must be tailored to meet those circumstances.

ASX's best practice recommendations

On 27 March 2014, the ASX Corporate Governance Council (**Council**) released its guidelines in relation to corporate governance, entitled "*Corporate Governance Principles and Recommendations (Third Edition)*" effective for an entity's first full financial year commencing on or after 1 July 2014. This document articulates 8 core principles and 29 best practice recommendations that the Council believes underscore good corporate governance and includes guidelines to assist companies in complying with the principles and best practice recommendations. The board of directors (**Board**) of Kelly Partners Group Holdings Limited ACN 124 908 363 (**Company**) supports the core principles and best practice recommendations published by the Council. The current policies, procedures and practices of the Company as contained in this Corporate Governance Policy (**Policy**) comply with the Council's principles and best practice recommendations, unless disclosed otherwise in the Company's prospectus lodged with ASIC for its application to the official list of ASX, and thereafter in the Company's annual corporate governance reporting requirements.

Company corporate governance policy and charters

The Company has adopted the following corporate governance charters and policies:

1. Primary Board Charter;
2. Diversity Charter;
3. Trading Charter;
4. Audit Charter;
5. Nomination and Remuneration Charter; and
6. Supplementary policies.

Attached are copies of each of the above charters and policies as adopted by the Board.

1. Primary Board Charter

This policy sets out the major principles adopted by the Board to manage its affairs and enable it to discharge its responsibilities. It operates in conjunction with the constitution of the Company and relevant laws (including under the *Corporations Act 2001 (Cth)* (**Corporations Act**) and ASX Listing Rules).

1.1 Responsibilities and functions of the Board

The Board is responsible for setting the strategic direction of the Company and for overseeing and monitoring its businesses and affairs. Directors are accountable to the shareholders for the Company's performance.

The Board's overriding objective is to increase shareholder value within an appropriate framework that protects the rights and enhances the interests of all shareholders, whilst ensuring the Company is properly managed. Directors must fulfil their fiduciary obligations to shareholders, but will also take into consideration the interests of other stakeholders in the Company, including employees, customers, creditors and others with a legitimate interest in the Company's affairs.

The Board reviews and approves the Company's business plans and guiding policies. Day to day management of the Company's affairs and implementation of its strategy and policy initiatives are delegated to the Chief Executive Officer or Managing Director who, in turn, delegates to other senior executives.

For guidance, the Board has also developed a broad set of policies (attached as section 6 to this Policy) describing how to deal with employee conflicts of interest, disclosure to the investment community, shareholder communication strategy and performance evaluation of the Board.

The primary functions of the Board include:

- (a) setting overall goals for the Company;
- (b) approving strategies, objectives and plans for the Company's businesses to achieve these goals;
- (c) ensuring business risks are identified and approving systems and controls to manage those risks and monitor compliance;
- (d) approving the Company's major human resources policies and overseeing the development strategies for senior and high performing executives;
- (e) approving financial plans, annual budgets, major capital expenditure and the Company's remuneration framework;
- (f) monitoring executive management and business performance in the implementation and achievement of strategic and business objectives;
- (g) approving key management recommendations (such as major capital expenditure, acquisitions, divestments, restructuring and funding);
- (h) appointing and removing the Managing Director and Chief Executive Officer (**CEO**) and ratifying the appointment and removal of executives reporting directly to the Managing Director and CEO (senior executives);

- (i) appointing and removing the chairperson of the Board (**Chairperson**);
- (j) reporting to shareholders on the Company's strategic direction and performance including constructive engagement in the development, execution and modification of the Company's strategies;
- (k) overseeing the management of occupational health and safety and environmental performance;
- (l) determining that satisfactory arrangements are in place for auditing the Company's financial affairs and overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (m) meeting statutory and regulatory requirements, overseeing the way in which the business risks and the assets of the Company are managed and ensuring the Company has in place an appropriate risk management framework; and
- (n) monitoring the effectiveness of the Company's governance practices.

1.2 Composition of the Board

The composition of the Board is determined using the following principles:

- (a) the Board is comprised of a minimum of 3 and a maximum of 10 directors. The directors have power under the Company's constitution to determine the number of directors from time to time, above 3 but not exceeding 10;
- (b) the Board should at all times comprise a number of independent Directors to ensure that the Company is run in its own best interest and in the best interests of Shareholders;
- (c) the composition of, and terms of reference for, the Board is to be reviewed annually by the Board; and
- (d) the Board will strive to have a majority of independent non-executive directors (where possible).

1.3 Independent directors

All directors, whether independent or not, should bring an independent judgement to bear on Board decisions. An independent director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement.

In determining whether a non-executive director is considered by the Board to be independent, the following factors affecting independence will be taken into account:

- (a) whether the director would be a substantial shareholder of the Company or an officer of, or otherwise associated directly with a substantial shareholder of the Company (as defined in section 9 of the Corporations Act) if the Company were incorporated in Australia;

- (b) whether the director was employed in an executive capacity by the Company or another group member and such employment ceased less than three years before serving on the board;
- (c) whether the director is or has been, within the last three years, 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;
- (d) whether the director is or has within the previous three years been employed by, or a partner of, the external auditors of the Company or another group member;
- (e) whether the director is a material supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer of the company or another group member;
- (f) whether the director has a material contractual relationship with the Company or another group member other than as a director of the Company; and
- (g) whether the director is free from any interest and any business or other relationship which could materially interfere with the director's ability to act in the best interests of the Company.

Family ties and cross-directorships may also be relevant in considering interests and relationships which may compromise independence.

Directors considered by the Board to be independent will be identified as such, along with their length of service in that capacity, in the "Annual Corporate Governance" report on the Company's website. The Board will state its reasons if it considers a director to be independent, despite the existence of relationships set out above, and the "Annual Corporate Governance" report on the Company's website will disclose the existence of any such relationships.

The Board will regularly assess whether each non-executive director is considered to be independent. Information relevant to this assessment must be provided to the Board by each non-executive director. Should a director's independent status change, this will be disclosed and explained in a timely manner to the market.

1.4 Skills and diversity

The Board will ensure it collectively has the appropriate range of skills, knowledge, experience, expertise and diversity to properly fulfil its responsibilities, particularly in areas which include:

- (a) accounting;
- (b) finance;
- (c) business;
- (d) the Company's industry;
- (e) Managing Director / CEO level experience; and
- (f) relevant technical expertise.

The Board will review the range of skills and diversity of its members on a regular basis and ensure it has operational and technical expertise relevant to the operation of the Company.

1.5 Appointment and retirement of directors

The Nomination and Remuneration Committee will regularly review the composition of the Board and, if it is considered appropriate to appoint new directors to the Board, will arrange for the matter to be discussed at a full Board meeting. Nominations will be received and reviewed by the Board. The Board will then determine any special qualifications, experience or other prerequisites for the new director, and the manner of selecting that director.

The Nomination and Remuneration Committee will ensure appropriate checks (including checks as to the person's character, experience, education, criminal record and bankruptcy history) are undertaken before it appoints a person, or nominates a new candidate for election, as a director.

The Nomination and Remuneration Committee may use external consultants to access a wide base of potential directors. In considering the potential candidates, the Board will have regard to the range of skills and experience required in light of:

- (a) the current composition of the Board;
- (b) the need for independence;
- (c) the need for diversity in succession planning;
- (d) the strategic direction and progress of the Company; and
- (e) the geographic spread and diversity of the Company's business.

If the need for a new Board member is identified, the candidate must stand for election at the next general meeting of shareholders. In order to provide greater transparency around the appointment process, the Company will provide the following information to shareholders regarding the election of directors:

- (a) an overview of the process used to identify candidates, including use of a skills matrix or external consultants;
- (b) steps taken to ensure a diverse range of candidates are considered;
- (c) factors taken into account in the selection process; and
- (d) a statement from the Board as to whether it supports the proposed candidate's nomination.

The following information about the candidate standing for election or re-election as a director will be provided to shareholders to enable them to make an informed decision on whether or not to elect or re-elect the candidate:

- (a) biographical details, including their relevant qualifications and experience and the skills they bring to the Board;
- (b) details of any other material directorships currently held by the candidate;

- (c) in the case of a candidate standing for election as a director for the first time:
 - (i) any material adverse information revealed by the checks the Company has performed about the director;
 - (ii) details of any interest, position, association or relationship that might materially influence, or reasonably be perceived to materially influence the candidate's capacity to independently judge issues before the Board and to act in the best interests of the Company and its shareholders generally;
 - (iii) if the Board considers the candidate will qualify as an independent director, a statement to that effect;
- (d) in the case of a candidate standing for re-election as a director:
 - (i) the term of office currently served by the director; and
 - (ii) if the Board considers the director to be an independent director, a statement to that effect; and
- (e) a statement by the Board as to whether it supports the election or re-election of the candidate.

A candidate for appointment or election as a director should provide the Board or Nomination and Remuneration Committee with the information above and a consent for the Company to conduct any background or other checks the Company would ordinarily conduct. The candidate should also provide details of his or her other commitments and an indication of time involved, and should specifically acknowledge to the Company that he or she will have sufficient time to fulfil his or her responsibilities as a director.

No director except the Managing Director may hold office for a period in excess of 3 years, or beyond the third annual general meeting (**AGM**) following the director's election, whichever is the longer, without submitting himself or herself for re-election.

The Company does not have a policy with regard to establishing a maximum term for the appointment of a director.

The Company will enter into written agreements with each director and senior executive, which will set out the terms of their appointment.

In the case of a non-executive director, the agreement will generally set out:

- (a) the term of appointment;
- (b) the time commitment envisaged, including any expectations regarding involvement with committee work and any other special duties attaching to the position;
- (c) remuneration, including superannuation entitlements;
- (d) the requirement to disclose directors' interests and any matters which may affect the director's independence;
- (e) the requirement to comply with key corporate policies, including the Company's code of conduct and its trading policy;

- (f) the Company's policy on when directors may seek independent professional advice at the expense of the Company;
- (g) the circumstances in which the director's office becomes vacant;
- (h) indemnity and insurance arrangements;
- (i) ongoing rights of access to corporate information; and
- (j) ongoing confidentiality obligations.

In the case of an executive director or other senior executive, the agreement will generally set out the information above (to the extent applicable), as well as:

- (a) a description of their position, duties and responsibilities;
- (b) the person or body to whom they report;
- (c) the circumstances in which their service may be terminated (with or without notice); and
- (d) any entitlements on termination.

1.6 Board meetings

Board meetings are held periodically, initially on at least a quarterly basis (or more often as the Board may determine). All directors are expected to prepare fully for all Board meetings, and to attend as many Board meetings as is reasonably practicable.

The Board meeting agenda and relevant papers will be distributed to all directors at least 4 days prior to the meeting unless shorter period is agreed unanimously by the Board.

Directors are expected to be available for the full duration of the meeting as notified in the meeting agenda.

Directors will keep confidential all Board discussions, deliberations and decisions that are not publicly known. Outside the boardroom, directors will support the letter and spirit of Board decisions.

Confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been properly authorised, or is required by law.

The Board has established a number of Board committees to assist in the execution of its responsibilities. In addition to these permanent committees, it is the practice of the Board to establish ad hoc sub committees on an "as needed" basis. All directors are expected to be available for membership to these committees and such members are to prepare fully for relevant committee meetings and to attend as many as is reasonably practicable. The agenda and papers for Board committee meetings will be distributed at least 4 days prior to each meeting where possible.

In addition to formal Board and committee meetings, directors are also required to attend functions and activities on behalf of the Company. This will include meetings with staff, customers and suppliers. All directors are expected to make themselves available for these functions and activities.

1.7 Remuneration of directors

Executive directors receive no extra remuneration for their service on the Board beyond their executive salary package. Executive directors' remuneration for their service on the Board will be disclosed as required.

Remuneration of non-executive directors is determined in maximum aggregate by the shareholders, and is allocated by the Board on the recommendation of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee will take independent advice with respect to directors' fees on an as needed basis.

Directors' fees are paid on a gross fees basis (except GST where applicable). The Board may determine that a separate payment is made for attendance at Board committee meetings or for other attendances to Company or Board activities. Directors have the option of packaging their fees on the same basis as executives (eg superannuation, motor vehicles).

Directors are not required to hold shares in the Company as part of their appointment.

The reasonable expenses incurred by directors in discharging their obligations and performing their duties will be reimbursed by the Company, consistent with Company policies which are established from time to time.

There is to be no plan to provide remuneration, reward or other benefits to non-executive directors on their cessation as a director.

1.8 Board appraisal

A structured process has been established to review and evaluate the performance of the Board, its committees and individual directors. At least every two years, a survey of directors is coordinated by the Chairperson to review the role of the Board, its committees and individual directors, to assess the performance of the Board over the previous 12 months and to examine ways of assisting the Board in performing its duties more effectively, such as through further education.

For guidance, the Board has developed more detailed policies regarding performance evaluation of the Board at section 6 to this Policy

1.9 Directors' other interests

Directors' other interests, which are likely to conflict with the interests of the Company, are to be declared by the relevant director at the time the interest arises or the potential conflict becomes apparent. If a conflict actually arises, the director concerned will not attend the meeting at which the issue is discussed and will abstain from voting on the issue.

Each director is required to provide, and to continually update the Company with, details of their other interests (for example, employment, directorships, potential conflicts of interest, interests in contracts to which the Company is party, related party transactions, family ties) both before and during the holding of office.

1.10 Independent professional advice

Each director has the right, with the prior approval of the Chairperson (such approval not to be withheld except in the case of an unreasonable request by a director), to seek

independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil his or her duties and responsibilities as a director.

Where the Chairperson wishes to obtain independent professional advice, the Chairperson must obtain the prior authorisation of the chairperson of the Audit and Risk Committee (such approval not to be withheld except in the case of an unreasonable request by the Chairperson).

A copy of all the advice must be provided immediately to the Chairperson, and made available at the next Board meeting following receipt of the advice, unless it is privileged according to law and such disclosure would jeopardise that privilege.

1.11 Agreement for provision of information to ASX

Where the Company is required under the ASX Listing Rules and in contracts relevant to its securities to provide information to the ASX, then the Company will enter into an agreement with each director obliging them to provide the necessary information to the Company to enable the Company to discharge those obligations.

All directors are required to enter into such an agreement and to provide the specified information within the agreed timeframe.

1.12 Buying and selling shares

The Corporations Act prohibits "insider trading" and imposes significant penalties if a person with "inside information" engages in insider trading.

Examples of "inside information" are profit projections, knowledge of large contracts won or lost, knowledge of a merger or takeover or sale or knowledge of a significant change in personnel. The offence is to use information to trade or cause others to trade in the Company's shares. Causing others to trade means to incite, induce, encourage, or tip off.

In response to the above, the Company has developed a separate Trading Charter which directors are required to comply with in all trading activities. Set out in section 3 of this Policy, the Trading Charter:

- (a) recognises it is the individual responsibility of each director, officer and employee to ensure they comply with insider trading laws; and
- (b) prohibits directors, executive and employees from directly or indirectly buying, selling or otherwise trading in the Company's shares, or in shares of any other corporation, where:
 - (i) by reason of being a director of the Company or any other corporation they possess material, price sensitive information which is not generally available; or
 - (ii) buying or selling those shares in some way infringes the law against insider trading.

1.13 Continuous disclosure

The Board is aware of its obligations with respect to continuous disclosure of material information and embraces the principle of providing access to that information to the widest audience of investors. The Board will regularly review the effectiveness of the Company's procedures to ensure its continuous disclosure is maintained.

The Company, in accordance with the provisions of the Corporations Act and the ASX Listing Rules, will advise ASX of any transaction conducted by directors in securities in the Company. A Board policy "*Disclosures to the Investment Community*" has been issued and all directors are required to comply with that policy. A copy of the policy forms part of section 6 of this Policy.

1.14 Director education

The Company has an informal process to educate new and existing directors about the nature of its business, risk management position, current issues, corporate and financial strategy and position, and the expectations concerning performance of directors to ensure they have a thorough understanding of their roles and responsibilities.

1.15 Compliance officer

The Board will ensure a responsible executive of the Company is appointed as the Compliance Officer of the Company at all times. The Compliance Officer is responsible for arranging and monitoring the compliance obligations of the Company as well as reporting to the Board on the performance of those obligations. Unless a more appropriate officer is available, the Company Secretary will be appointed as the Compliance Officer.

1.16 Board committees

To ensure the Board has adequate time to concentrate on strategy, planning and performance enhancement, the Board will delegate certain specific duties to Board committees. There are currently 2 committees that have been established, the Nomination and Remuneration Committee and the Audit and Risk Committee. Each committee has a defined charter to assist and support the Board in the conduct of its duties and obligations. The structure and membership of each committee and their charters are reviewed annually. Other committees may be constituted from time to time, as required.

1.17 Company Secretary

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

The role of the Company Secretary includes, among other things:

- (a) advising the Board and its committees on governance matters;
- (b) monitoring whether Board and committee policies and procedures are followed;
- (c) coordinating the timely completion and despatch of Board and committee papers;
- (d) ensuring the business at Board and committee meetings is accurately captured in the minutes; and

- (e) helping to organise and facilitate the induction and professional development of directors.

The decision to appoint a Company Secretary will be formally resolved by the Board in accordance with section 204D of the Corporations Act. The decision to remove a Company Secretary will be made or approved by the Board.

2. Diversity Charter

This policy sets out the Company's approach to diversity including the key principles and measurable objectives used to support the achievement of diversity at all levels of the Company's workforce. The Company recognises diversity occurs in many forms including gender, age, ethnicity and cultural background.

The Company acknowledges increased gender, age, ethnicity, and cultural diversity is associated with better financial performance, greater innovation and has a positive impact on the entire economy. The Company aspires to promote a workplace environment that attracts, retains and supports a diverse range of talent. The Company recognises that, where possible, attracting and maintaining workforce diversity will enable the Company to improve workplace culture and most effectively achieve the corporate goals of the Company.

The Company further acknowledges its policies, culture and environment will be cast to ensure a properly functioning diverse workplace and in so doing, discrimination, harassment, vilification and victimisation will not be tolerated.

2.1 Key principles

The following principles underpin the Company's approach to diversity:

- (a) fostering a culture supportive of diversity at all levels within the Company will enhance the recruitment, development and retention of a talented and motivated workforce;
- (b) achieving an appropriate level of diversity will require establishing and maintaining career and leadership development programs;
- (c) a necessary aspect of achieving diversity includes removing barriers to diversity;
- (d) measurable objectives will be transparent and fit for purpose;
- (e) steps taken to support the Company's diversity objectives will be consistent with the established approach to performance and reward; and
- (f) recognising that employees at all levels may have domestic responsibilities and, where possible within the business, adopting reasonable flexible work practices will assist them to meet those responsibilities.

2.2 Measurable objectives

The Board is required to establish measurable objectives for achieving gender diversity and may choose to establish such objectives in relation to other aspects of diversity. On an annual basis, the Board will review these objectives and any progress made towards achieving them. Additionally, the Board, or an appropriate Board committee, will annually review and report on the placement of men and women in the Company's workplace, their relative proportions and the roles in which they are employed.

The Board will establish the following measurable objectives:

- (a) an internal review mechanism that assesses the effectiveness of the diversity policy; and

- (b) appropriate workforce representation targets or other measurement tools that will identify the achievement of gender diversity objectives.

In addition, the measurable objectives may include:

- (a) developing and implementing a diversity plan;
- (b) reviewing recruitment procedures; and
- (c) reviewing female participation in leadership development initiatives.

2.3 Disclosure requirements

The Company will include in the "Annual Corporate Governance" report on its website an account of the mix of skills and diversity it seeks to achieve in membership of the Board.

Additionally, each year in the "Annual Corporate Governance" report on the Company's website, the Company will disclose the measurable objectives for achieving gender diversity in accordance with the Diversity Charter and any progress towards achieving them. In particular, the Company will disclose the proportion of women employees in its workforce, in senior management (including how the Company has defined senior management for this purpose) and on the Board.

The Company will post a summary of the Diversity Charter on its website.

3. Trading Charter

The Board has adopted the following policies regarding the buying and selling of the Company's securities, and communication of inside information by directors, officers and other employees. If any material changes are to be made to this policy the Company must, within 5 days, give the amended trading policy to the ASX company announcements office for release to the market.

3.1 Meanings

In this Trading Charter:

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited ACN 008 624 691;

Inside Information means any information that is not generally available but which, if it were, a reasonable person would expect that information to have a material effect on the price or value of the Company's Securities;

Insider Trading means buying or selling, or procuring or encouraging another person to buy or sell Securities whilst in the possession of Inside Information;

Security means:

- (a) a share in the Company; or
- (b) a debenture of the Company; or
- (c) a right or interest in a share or debenture of the Company; or
- (d) an option to acquire a share, debenture, or right or interest in a share or debenture of the Company.

3.2 Trading in Securities - position at law

The Company's shares are listed on ASX. Under Australian law, it is a serious offence for a person who possesses Inside Information to:

- (a) engage in Insider Trading; or
- (b) communicate (directly or indirectly) Inside Information to another person if he or she knows or ought to know the other person would be likely to engage in Insider Trading.

A single offence for breach of Insider Trading provisions can result in a fine of up to \$220,000 or 5 years imprisonment or both, in addition to other consequences (eg paying compensation for damages suffered by the other party to the transaction or banning orders issued by ASIC which prohibit a person from supplying financial services).

Information possessed by one person may in certain circumstances be deemed to be possessed by another (eg information obtained by the director of a company in the course of performing his or her duties is imputed to that company, information obtained by a member of a partnership in his or her capacity as a member is imputed to that partnership) and therefore care must be taken to ensure that one does not

unintentionally breach the relevant provisions due to information being in another's possession.

3.3 Communication of Inside Information policy

Any director, officer or employee in possession of Inside Information concerning the Company has a duty to:

- (a) keep that information confidential;
- (b) take all reasonable steps to secure and keep secure that information in their possession; and
- (c) not disclose or communicate that information to any person without the prior written consent of the Board, except:
 - (i) where necessary to comply with any court order, applicable law or the rules of any applicable securities exchange, provided that written notice is first given to the Board of the proposed disclosure and, to the extent practicable, reasonable endeavours are made to comply with any request by the Board concerning the proposed disclosure; or
 - (ii) to any fellow employee, professional adviser, banker, auditor or other consultant of the Company (**Receiving Party**) strictly on a "need to know basis", provided that prior to disclosure, the Receiving Party is notified of the confidential nature of the information to be disclosed and gives a signed undertaking (for the benefit of the Company) agreeing to be bound by the confidentiality and other obligations in this policy in relation to that information.

3.4 Securities trading policy

The securities trading policy has broad application and contains several prohibitions to trading in Securities. It applies to all directors, officers and employees of the Company at all times, even during trading periods permitted under this policy.

The Company requires strict compliance with this policy.

(a) General prohibition

Trading in the Securities by all directors, officers and employees of the Company is prohibited when the relevant person is aware of any Inside Information. Without limiting the application of this general prohibition, the Chairperson of the Board may from time to time declare a "closed period" where there is the possibility of any person possessing Inside Information. During a "closed period" all directors, officers and employees of the Company are prohibited from trading in the Securities.

(b) Trading notice

Where any director, officer or employee of the Company proposes to deal at any time in the Securities, prior approval from the Chairperson (or in the case of the Chairperson, from chairperson of the Audit and Risk Committee) is required in order to determine whether such a transaction might be sensitive or infringe the general prohibition on Insider Trading (see paragraph 3.4(a) above).

For this purpose, the relevant person must provide at least 4 days prior written notice to the Chairperson (or in the case of the Chairperson, to the chairperson of the Audit and Risk Committee) of the proposed trading in the Securities. This notice may be a "standing notice" that the relevant person intends to buy or sell the Securities:

- (i) over a specified period, up to a maximum of 5 business days after expiry of the notice to the Chairperson (or in the case of the Chairperson, to the chairperson of the Audit and Risk Committee); or
- (ii) up to a maximum amount as specified in the notice to the Chairperson (or in the case of the Chairperson, to the chairperson of the Audit and Risk Committee).

(c) Specific "closed period"

Trading in the Securities is not permitted in the period leading up to the publication of yearly and half-yearly results. No director, officer or employee may buy or sell any Securities at any time during the following periods:

- (i) from 1 July until one week after the release of the Company's full year results; and
- (ii) from 1 January until one week after the release of the Company's half year results.

(d) Trading during a "closed period" in exceptional circumstances

The Company recognises that directors, officers or employees may need to trade in the Company's Securities in exceptional circumstances (even during a "closed period").

The Securities may be traded due to exceptional circumstances if:

- (i) the circumstances relate to severe financial hardship that cannot be satisfied other than by selling the Securities;
- (ii) the person is not in possession of Inside Information; and
- (iii) the person has complied with the approval process contained in this policy.

If a director, officer or employee wishes to trade in Securities of the Company in exceptional circumstances he/she must give written notice (which includes email) to the Chairperson (or in the case of the Chairperson, to the chairperson of the Audit and Risk Committee) seeking consent no less than 5 business days before the proposed trade. Such notice must set out:

- (i) the number of Securities to be traded;
- (ii) the proposed date(s) for the trade(s);
- (iii) the exceptional circumstances involved; and
- (iv) a statement confirming they are not in possession of any Inside Information.

The director, officer or employee must not trade the Securities unless and until permission for the proposed trade is received. A decision to permit or not to permit the proposed trade is at the sole discretion of the Chairperson (or in the case of the Chairperson, the chairperson of the Audit and Risk Committee), taking into account the person's circumstances and the ASX Listing Rules. Where permission is given, the notification must set out the period in which the Securities can be traded and be advised in writing (which includes by email).

Permission to trade is an exemption from the operation of this policy and is not an approval to trade. The person intending to deal in Securities is personally responsible for any decision to trade or otherwise deal and for compliance with the law.

(e) Excluded trades

The following types of trades are expressly excluded from the operation of this policy:

- (i) transfer of Securities already held into a superannuation fund; and
- (ii) acceptance of a takeover offer.

(f) Register of Dealings

Any director of the Company selling any of his or her Securities or securities of a related body corporate must submit a section 205G notice to the Company Secretary who will keep a register of all such dealings. The register will be tabled at each Board meeting and will be available for inspection by directors at any time (section 205G of the Corporations Act requires notification to ASX within 14 days of the appointment of a director to the Company, and thereafter within 14 days of a change in the director's interest in Securities and securities of its related bodies corporate). The Company Secretary will prepare and circulate to directors in advance of each Board meeting a summary of transactions notified since the previous Board meeting.

(g) Notifiable interests

Despite the provisions of section 205G, the Company requires all directors to provide in a timely manner (and in any event not more than 3 business days after any change in their notifiable interests in the Securities) details of any change. Under ASX Listing Rule 3.19A.2 the Company is required to complete and lodge with ASX an appendix 3Y within 5 business days after the change in the relevant director's notifiable interest.

Details of purchases or sales of Securities by officers and employees must also be notified as soon as possible in writing to the Company Secretary to be recorded in the register kept for that purpose.

Each director, officer and employee is obliged to ensure that each of his or her related or associated entities complies with this securities trading policy. A related or associated entity includes:

- (i) a spouse and any non-adult children;
- (ii) a "Family Company" or "Family Trust" (as those terms are defined in the ASX Market Rules); and

- (iii) a company in which a director, officer or employee of the Company is a director, has a "relevant interest" (as that term is defined in sections 608 and 609 of the Corporations Act) or in which he or she holds voting power in respect of 20% or more of the shares of that company.

(h) Restrictions on hedging

Members of the Company's key management personnel (including Directors) or a closely related party of such a member must not enter into any options, derivatives or other arrangements (including so called 'hedging contracts') which operate to limit the economic risk of either vested or unvested holdings in the Company's securities. This restriction applies to unvested entitlements under the Company's executive and employee share plans. It also applies to vested securities including shares, options and derivatives.

(i) Margin lending

Members of the Company's key management personnel (including Directors) or a closely related party of such a member must not enter into any margin lending or other secured financing arrangements in relation to the Company's securities without first notifying the Board.

(j) Breach

Any breach of this policy must be immediately advised to the Company Secretary, who, in turn, will report to the Board.

A breach of this policy may result in disciplinary action, which may include termination of employment in serious cases.

4. Audit and Risk Charter

4.1 General scope and authority

The Audit and Risk Committee is a committee of the Board and is established in accordance with the authority provided in the constitution. The Board has resolved to establish this committee and to adopt these terms of reference to govern the proceedings and meetings of the Audit and Risk Committee.

The primary role of the Audit and Risk Committee is to monitor and review the effectiveness of the Company's control environment in the areas of operational risk, legal and regulatory compliance and financial reporting. The Audit and Risk Committee also has the responsibility for the review of the Company's corporate governance policy. The Committee will advise and assist the Board in the discharge of its responsibility to exercise due care, diligence and skill in relation to:

- (a) reporting of financial information to users of financial reports, in particular the quality and reliability of such information;
- (b) assessing the consistency of disclosures in the financial statements with other disclosures made by the Company to the financial markets, governmental and other public bodies;
- (c) review and application of accounting policies;
- (d) financial management;
- (e) review of internal and external audit reports to ensure where weaknesses in controls or procedures have been identified, appropriate and prompt remedial action is taken by management;
- (f) evaluation of the Company's compliance and risk management structure and procedures, internal controls and ethical standards;
- (g) review of business policies and practices;
- (h) conduct of any investigation relating to financial matters, records or accounts, and reporting those matters to the Board;
- (i) protection of the Company's assets;
- (j) compliance with applicable laws, regulations, standards and best practice guidelines; and
- (k) review of the Company's corporate governance policy.

4.2 Composition

The Audit and Risk Committee consists of a minimum of 3 directors of the Board, with a majority of independent directors (where possible). Executive directors are not permitted to be members of the Audit and Risk Committee. The only circumstance where Executive Directors are appointed to the committee would be in circumstance where it is required to meet the minimum committee membership. All members of the Audit and Risk Committee (including its chairperson) are appointed by the Board. The chairperson of the Audit and Risk Committee will be an independent director who is not the

Chairperson of the Board (where possible). All members of the Audit and Risk Committee are to be financially literate with accounting and financial expertise and sufficient understanding of the industry in which the Company operates to be able to discharge their responsibilities. An appointment to the Audit and Risk Committee will automatically terminate on that member ceasing to be a non-executive director of the Company.

The initial Audit and Risk Committee comprises:

- (a) Stephen Rouvray Independent chairperson
- (b) Ryan Macnamee Independent member
- (c) Pauline Michelakis Executive member

The secretary of the Audit and Risk Committee will be the Company Secretary.

4.3 Meetings

The Audit and Risk Committee will meet as frequently as required but not less than twice a year. The Audit and Risk Committee may also meet at other times during the year to address specific issues referred by the Board and to review financial reports prior to presentation to the Board.

Any member of the Audit and Risk Committee may call a meeting of the Audit and Risk Committee.

A notice of meeting confirming the date, time, venue and agenda will be forwarded to each member of the Audit and Risk Committee in the week prior to the date of the meeting. The notice of meeting will include relevant supporting papers for the agenda items to be discussed.

The quorum for a meeting is 2 members or any greater number determined by the Audit and Risk Committee from time to time.

Other directors, executives and other parties may attend Audit and Risk Committee meetings but only at the invitation of the chairperson of the Audit and Risk Committee.

The Audit and Risk Committee may conduct meetings without all members being in the physical presence of one another provided that all Audit and Risk Committee members involved in the meeting are able to participate in discussion.

The chairperson of the Audit and Risk Committee, or his or her delegate, will report to the Board following each meeting.

If the chairperson of the Audit and Risk Committee is absent from a meeting and no acting chairperson has been appointed, the members of the Audit and Risk Committee present at the meeting have authority to choose 1 of their number to be chairperson for that particular meeting.

Minutes of proceedings and resolutions of the Audit and Risk Committee meetings will be kept by the secretary. Minutes will be distributed to all Audit and Risk Committee members after preliminary approval has been given by the Audit and Risk Committee chairperson.

At the end of the Company's reporting period, the number of times the Audit and Risk Committee met through the period and the individual attendances of the members of the Audit and Risk Committee will be included in the "Annual Corporate Governance" report on the Company's website.

4.4 Authority

The Audit and Risk Committee has the authority to seek any information it requires to carry out its duties from any officer or employee of the Company or related parties and such officers or employees will be instructed by the Board to cooperate fully in the provision of such information.

The Audit and Risk Committee will maintain free and open communications with the Company's external auditors, internal auditors (where applicable) and management. The Audit and Risk Committee will periodically meet with the external auditors without representatives of management present to discuss the adequacy of the Company's disclosures and policies, and to satisfy itself regarding the external auditors' independence.

The Audit and Risk Committee also has authority at the Company's expense to consult any independent professional adviser it considers appropriate to assist it in meeting its responsibilities.

The Audit and Risk Committee discharges its responsibilities by making recommendations to the Board, however it does not have any executive powers to commit the Board or management to their implementation. The Audit and Risk Committee is not responsible for supervising the performance of executives and is not involved in day-to-day operations, management functions or decision making.

4.5 Duties and responsibilities

The Audit and Risk Committee's main responsibilities are as follows:

(a) External Reporting

- (i) Consider the appropriateness of the Company's accounting policies and principles and any changes, as well as the methods of applying them, ensuring they are in accordance with the stated financial reporting framework.
- (ii) Assess significant estimates and judgements in financial reports by making inquiries of management about the process used in making material estimates and judgments and then making inquiries of the internal and external auditors as to the basis of their conclusions and the reasonableness of management's estimates.
- (iii) Review management's processes for ensuring compliance with laws, regulations and other requirements (including the Australian Accounting Standards, the Corporations Act, the ASX Listing Rules and the ASX Market Rules) relating to the external reporting of financial and non-financial information.
- (iv) Ensure that a comprehensive process is established by management to capture issues for the purposes of continuous reporting to ASX.

- (v) Assess information from internal (where applicable) and external auditors that affects the quality of financial reports (eg actual and potential material audit adjustments, financial report disclosures, non-compliance with the laws and regulations, internal control issues).
- (vi) Ask the external auditor for an independent judgement about the appropriateness of accounting principles used and the clarity of the financial disclosure practices used or proposed to be used as put forward by management.
- (vii) Review documents and reports to regulators and make recommendations to the Board on their approval or amendment.
- (viii) Assess the management of non-financial information in documents (both public and internal) to ensure the information does not conflict inappropriately with the financial statements and other documents and assess internal control systems covering information releases that have the potential to adversely reflect on the Company's conduct.
- (ix) Review the completeness and accuracy of the reporting of the Company's main corporate governance practices as required under the ASX Listing Rules or the rules of any other stock exchange where the securities of the Company are quoted.
- (x) Recommend to the Board whether the financial and non-financial statements should be signed based on the Audit and Risk Committee's assessment of them.
- (xi) Require the Managing Director / CEO and the Chief Financial Officer (or each person who performs each of those roles) to provide a declaration in the form of a certification (**Declaration**) that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. The Declaration must be given before the Board approves the financial statements for the financial year.

(b) Related party transactions

Review and monitor the propriety of related-party transactions.

(c) Internal control and risk management

An internal officer of the Company is to be appointed and responsible for reporting to the Audit and Risk Committee about:

- (i) Assessing the internal processes for determining and managing key risk areas, particularly:
 - (A) monitoring any non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations laws;
 - (B) important judgements and accounting estimates;

- (C) contractual risks and indemnities;
 - (D) litigation and claims;
 - (E) insurance program;
 - (F) fraud and theft; and
 - (G) relevant business risks other than those that are dealt with by other specific Board committees.
- (ii) Ensuring the Company has an effective risk management system.
 - (iii) Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws.
 - (iv) Addressing the effectiveness of the internal control system with management and the internal and external auditors.
 - (v) Evaluating the process for assessing and continuously improving internal controls, particularly those related to areas of significant risk.
 - (vi) Assessing whether management has controls in place for unusual types of transactions including any potential transactions that may carry more than an acceptable degree of risk.
 - (vii) Assessing the effectiveness of and compliance with the Company's code of conduct.
 - (viii) Meeting periodically with key management, internal and external auditors and compliance staff to understand and discuss the control environment.
 - (ix) Ensuring the CEO/Managing Director, Chief Operating Officer and Chief Financial Officer each provide a written statement to the Board that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

(d) Internal audit

The internal audit function is to provide an independent assessment of risk and compliance with internal controls. The results of internal audits are reported to senior management and to the Audit and Risk Committee on a regular basis. In addition, processes have been put in place to ensure that appropriate follow up actions are taken in relation to significant audit findings and identified areas of risk.

The Audit and Risk Committee's internal audit responsibilities include determining whether an internal audit function will be implemented within the Company, and if it will be;

- (i) reviewing the internal auditor's mission, charter and resourcing (including qualifications, skills, experience, funding and equipment);
- (ii) reviewing and approving the scope of the internal audit plan and work program;

- (iii) monitoring the progress of the internal audit plan and work program and considering the implications of internal audit findings for the control environment;
- (iv) monitoring and critiquing management's responsiveness to an internal audit's findings and recommendations;
- (v) evaluating the process which the Company has in place for monitoring and assessing the effectiveness of the internal auditor;
- (vi) overseeing the co-ordination of the internal auditor with the external auditor; and
- (vii) providing the opportunity for Audit and Risk Committee members to meet with the internal auditors without management personnel being present at least once a year.

(e) External audit

The Board and management need to ensure the statutory auditor is both independent and seen to be independent. The purpose of an independent statutory audit is to provide shareholders and investors with reliable and clear financial reports on which to base investment decisions.

The Audit and Risk Committee's external audit responsibilities include:

- (i) making recommendations to the Board on the appointment, remuneration and monitoring of the performance and independence of the external auditor;
- (ii) ensuring any suggestions by management that the auditor needs to be replaced or that the audit needs to be put out to tender are referred to and examined carefully by the Audit and Risk Committee with it reporting to the Board on its examination before any decision is made by the Board;
- (iii) reviewing the external auditor's fees and being satisfied that an effective, comprehensive and complete audit can be conducted for the set fee;
- (iv) at the start of each audit, agreeing on the terms of the engagement with the external auditor;
- (v) inviting the external auditor to attend Audit and Risk Committee meetings to, at least, review the audit plan, discuss audit results and consider the implications of the external audit findings for the control environment;
- (vi) together with the external auditor, reviewing the scope of the external audit (particularly the identified risk areas) and any additional agreed procedures on a regular and timely basis;
- (vii) enquiring of the auditor if there have been any significant disagreements with management irrespective of whether or not they have been resolved;
- (viii) monitoring and critiquing management's responsiveness to the external auditor's findings and recommendations;

- (ix) reviewing all representation letters signed by management and ensuring the information provided is complete and appropriate;
- (x) providing the opportunity for the Audit and Risk Committee members to meet with the external auditors without management personnel being present at least once a year;
- (xi) reviewing the external auditor's independence based on the external auditor's relationships and services with the Company and other organisations that may impair or appear to impair the external auditor's independence; and
- (xii) requesting the external auditor to attend the AGM of the Company to answer any audit related questions from shareholders.

(f) Corporate Governance

The Audit and Risk Committee will review the corporate governance procedures of the Company and, on a regular basis, consider:

- (i) external trends and developments in relation to corporate governance issues;
- (ii) the position which the Company should take in respect of those issues;
- (iii) the adequacy of the Company's corporate governance policies and practices; and
- (iv) the Company's communications with respect to corporate governance issues.

4.6 Fees and expenses

The Board may determine a separate payment is made for membership of the Audit and Risk Committee.

The reasonable expenses incurred by Audit and Risk Committee members in discharging their obligations and attending Audit and Risk Committee meetings will be reimbursed by the Company, consistent with Company policies which are established from time to time.

4.7 Review of terms of reference

The Audit and Risk Committee's terms of reference (the Company's risk management framework) are to be reviewed at least annually by the Audit and Risk Committee to ensure they remain consistent with the Audit and Risk Committee's authority, objectives and responsibilities. At the end of the Company's reporting period, details of whether such a review has taken place will be included in the "Annual Corporate Governance" report on the Company's website.

Any significant changes to the terms of reference are to be recommended by the Audit and Risk Committee to the Board for approval.

4.8 Disclosure of terms of reference

Key features of the Audit and Risk Committee's terms of reference are included in the "Annual Corporate Governance" report on the Company's website.

5. Nomination and Remuneration Charter

5.1 General scope and authority

The Nomination and Remuneration Committee proposes candidates for appointment as director to the Board, reviews the fees payable to both executive and non-executive directors and reviews and advises the Board in relation to Managing Director/CEO succession planning.

The Nomination and Remuneration Committee is a committee of the Board and is established in accordance with the authority provided in the Company's constitution. The Board has resolved to establish this committee and to adopt these terms of reference to govern the proceedings and meetings of the Nomination and Remuneration Committee.

The Board is responsible to shareholders for ensuring the Company:

- (a) has coherent remuneration policies and practices which are observed and which enable it to attract and retain executives and directors who will create value for shareholders;
- (b) fairly and responsibly rewards executives having regard to the performance of the Company, the performance of the executive and the general pay environment;
- (c) provides disclosure in relation to the Company's remuneration policies to enable investors to understand the costs and benefits of those policies and the link between remuneration paid to directors and key executives and corporate performance; and
- (d) complies with the provisions of the ASX Listing Rules and the Corporations Act.

The primary purpose of the Nomination and Remuneration Committee is to support and advise the Board in fulfilling its responsibilities to shareholders in ensuring the Board is appropriately remunerated, structured and comprised of individuals who are best able to discharge the responsibilities of directors by:

- (a) assessing the size, composition, diversity and skills required by the Board to enable it to fulfil its responsibilities to shareholders, having regard to the Company's current and proposed scope of activities;
- (b) assessing the extent to which the required knowledge, experience and skills are represented on the Board;
- (c) establishing processes for the identification of suitable candidates for appointment to the Board;
- (d) overseeing succession planning for the Board and Managing Director/CEO;
- (e) establishing processes to review the performance of individual directors and the Board as a whole;
- (f) assessing the terms of appointment and remuneration arrangements for non-executive directors; and
- (g) assessing and reporting to the Board in relation to:

- (i) executive remuneration policy;
- (ii) the remuneration of executive directors;
- (iii) the remuneration of persons reporting directly to the Managing Director, and as appropriate, other executive directors;
- (iv) remuneration by gender;
- (v) whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees;
- (vi) the Company's recruitment, retention and termination policies and procedures;
- (vii) superannuation arrangements; and
- (viii) all equity-based plans.

5.2 Composition

The Nomination and Remuneration Committee consists of a minimum of 3 directors of the Board. Where possible and to reduce the potential for conflict of interest, the Nomination and Remuneration Committee will be comprised of a majority of independent directors. The chairperson of the Nomination and Remuneration Committee will be an independent director.

All members of the Nomination and Remuneration Committee (including its chairperson) are appointed by the Board. An appointment to the Nomination and Remuneration Committee will automatically terminate on that member ceasing to be a director of the Board.

The initial Nomination and Remuneration Committee comprises:

- (a) Stephen Rouvray Independent chairperson
- (b) Ryan Macnamee Independent member
- (c) Brett Kelly Executive member

The Company Secretary will act as secretary of the Nomination and Remuneration Committee.

5.3 Meetings

The Nomination and Remuneration Committee will meet as frequently as required but not less than once a year.

Any member of the Nomination and Remuneration Committee or the secretary may call a meeting of the Nomination and Remuneration Committee.

A notice of meeting confirming the date, time, venue and agenda will be forwarded to each member of the Nomination and Remuneration Committee in the week prior to the date of the meeting. The notice of meeting will include relevant supporting papers for the agenda items to be discussed.

The quorum for a meeting is 2 members or any greater number determined by the Nomination and Remuneration Committee from time to time.

Other directors, executives or parties external to the Company may attend Nomination and Remuneration Committee meetings but only at the invitation of the chairperson of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee may conduct meetings without all Nomination and Remuneration Committee members being in the physical presence of one another provided all members involved in the meeting are able to participate in discussion.

The chairperson of the Nomination and Remuneration Committee, or his or her delegate, will report to the Board following each meeting.

If the chairperson of the Nomination and Remuneration Committee is absent from a meeting and no acting chairperson has been appointed, the members of the Nomination and Remuneration Committee present at the meeting have authority to choose one of their number to be chairperson for that particular meeting.

Minutes of proceedings and resolutions of Nomination and Remuneration Committee meetings will be kept by the secretary. Minutes will be distributed to all Nomination and Remuneration Committee members after preliminary approval has been given by the Nomination and Remuneration Committee chairperson.

For clarity, and to avoid any conflict of interests, where the Nomination and Remuneration Committee includes an executive director, that director must not be involved in any determinations regarding his or her remuneration and must be conscious of any potential or perceived conflict of interest and refrain from being involved in determinations in those instances.

At the end of the Company's reporting period, the number of times the Nomination and Remuneration Committee met through the period and the individual attendances of the members of the Nomination and Remuneration Committee will be included in the "Annual Corporate Governance" report on the Company's website.

5.4 Authority

The Nomination and Remuneration Committee has the authority to seek any information it requires to carry out its duties from any officer or employee of any entity of the Company or related parties and such officers or employees will be instructed by the Board of the company employing them to cooperate fully in the provision of such information.

The Nomination and Remuneration Committee also has authority at the Company's expense to consult any independent professional adviser it considers appropriate to assist it in meeting its responsibilities.

The Nomination and Remuneration Committee discharges its responsibilities by making recommendations to the Board, but it does not have any executive powers to commit the Board or management to their implementation. The Nomination and Remuneration Committee is not responsible for supervising the performance of executives and is not involved in day-to-day operations, management functions or decision making.

5.5 Duties and responsibilities

(a) Board composition

The Nomination and Remuneration Committee will:

- (i) devise the criteria for Board membership and periodically assess the size and membership of the Board and the skills required to competently discharge the Board's duties, having regard to the strategic direction of the Company, and report the outcome of that assessment to the Board;
- (ii) make recommendations to the Chairperson of the Board on means by which skill levels of existing directors can be enhanced;
- (iii) as and when it considers appropriate, but in any event on each occasion when an existing director retires, assess the mix of skills, experience, expertise and diversity represented on the Board by the directors and determine whether that mix meets the required director competencies as identified;
- (iv) inform the Board of those directors who are retiring in accordance with the provisions of the constitution and make recommendations to the Board as to whether the Board should support the re-nomination of the retiring director(s). In making such recommendations, the Nomination and Remuneration Committee will review (by whatever means it considers appropriate) each retiring director's performance during his or her tenure on the Board;
- (v) having regard to the skills required and the skills represented, implement a process for the identification of suitable candidates for appointment to the Board. In determining such a process, the Nomination and Remuneration Committee will ordinarily ensure that a search is undertaken by an appropriately qualified independent third party acting on a brief prepared by the Nomination and Remuneration Committee which identifies the skills sought;
- (vi) make recommendations to the Board on candidates it considers appropriate for appointment;
- (vii) ensure an effective induction process is in place for new directors and regularly review this process for its effectiveness;
- (viii) regularly review whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and on Board committees effectively and, where any gaps are identified, consider what training or development could be undertaken to fill those gaps;
- (ix) review fees payable to non-executive directors of the Board; and
- (x) review Board and Managing Director/CEO succession planning and advise the Board of any progress.

A member of the Nomination and Remuneration Committee will not participate in the review of his or her own performance.

(b) Executive remuneration policy

The Nomination and Remuneration Committee will:

- (i) review and report on the Company's policy for determining executive remuneration, and any amendments to that policy proposed from time to time;
- (ii) review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs; and
- (iii) oversee the implementation of this remuneration policy within the Company.

(c) Executive directors and senior management

The Nomination and Remuneration Committee will:

- (i) consider and make recommendations to the Board on the entire specific remuneration for each executive director (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy. The Nomination and Remuneration Committee will need to determine whether any shareholder approvals are required; and
- (ii) review and report on the proposed remuneration (including incentive awards, equity awards and service contracts) of persons reporting directly to the Managing Director, and as appropriate, other executive directors.

(d) Executive incentive plans

The Nomination and Remuneration Committee will:

- (i) review and report on the design of all executive incentive plans; and
- (ii) review and report on the total proposed payments from each executive incentive plan.

(e) Equity Based Plans

The Nomination and Remuneration Committee will:

- (i) review and report on the design of all equity-based plans;
- (ii) ensure payment of equity-based executive remuneration is made in accordance with thresholds approved by shareholders;
- (iii) continually review all plans under review in light of legislative, regulatory and market developments;
- (iv) for each equity-based plan, recommend to the Board whether awards should be made under that plan;
- (v) review and recommend proposed awards under each plan;

- (vi) in addition to considering awards to executive directors and direct reports to the Managing Director, review and recommend proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Nomination and Remuneration Committee; and
- (vii) review and make recommendations about performance criteria for each equity-based plan.

(f) Approvals

The Nomination and Remuneration Committee must, if requested by the Board, review and report to the Board on proposals concerning:

- (i) changes to the remuneration or contract terms of executive directors and persons reporting directly to the Managing Director and, as appropriate, other executive directors;
- (ii) the design of new, or amendments to current, equity-based plans or executive cash-based incentive plans;
- (iii) the total level of remuneration proposed from equity-based plans or executive cash-based incentive plans; and
- (iv) termination payments to the Managing Director, other executive directors and persons reporting directly to the Managing Director and, as appropriate, other executive directors. Termination payments to other departing executives should be reported to the Nomination and Remuneration Committee at its next meeting.

5.6 Fees and expenses

The Board may determine a separate payment is made for membership of the Audit and Risk Committee meetings.

The reasonable expenses incurred by the Nomination and Remuneration Committee members in discharging their obligations and attending Nomination and Remuneration Committee meetings will be reimbursed by the Company, consistent with Company policies which are established from time to time.

5.7 Review of terms of reference

The Nomination and Remuneration Committee's terms of reference are reviewed annually by the Nomination and Remuneration Committee to ensure they remain consistent with the Nomination and Remuneration Committee's authority, objectives and responsibilities. Any significant changes to the terms of reference are to be recommended by the Nomination and Remuneration Committee to the Board for approval.

5.8 Disclosure of terms of reference

Key features of the Nomination and Remuneration Committee's terms of reference are included in the "Annual Corporate Governance" report on the Company's website.

6. Supplementary policies

6.1 Employee conflict of interest

Employees must avoid any circumstances which may lead to a conflict of interest between their or their family's personal interests or activities and the interests or activities of the Company.

Employees must declare any such circumstances so that either proper approval to continue those interests or activities can be given or the conflict may be avoided.

Such matters may include:

- (a) employees or their families or both benefiting from a business transaction that rightfully should be made available to the Company;
- (b) personal transactions, situations or involvement in which personal interests of employees or their family's or both actually conflict or have the appearance of conflicting with those of the Company or its related parties (eg interests in companies in competition with the Company);
- (c) employees engaging in other employment or activity that prevents or restricts them from performing to their best ability;
- (d) Company information of a confidential nature being used or disclosed without proper authorisation; and
- (e) business actions which have the potential to embarrass, harm or cause reputational damage to an employee or the Company.

6.2 Disclosures to the Investment Community

(a) Background

As part of our overall policy of open disclosure, the Company ensures all material communications regarding its operations are made available to all interested stakeholders in a timely fashion. To ensure information about or concerning the Company given to the news media is timely, accurate, consistent, appropriate and conforms with Company policy, no public statement may be made on any matter concerning the Company's work, employees or customers except in accordance with this policy.

The ASX Listing Rules and the Corporations Act require listed companies to immediately advise ASX of any material information which is price sensitive (unless one of the exceptions applies).

(b) Board policy on disclosure

The Board is aware of its continuous disclosure obligations in respect of material information, and embraces the principle of providing access to that information to the widest audience.

To ensure these principles are appropriately actioned, the Board has nominated the Company Secretary as having responsibility for:

- (i) ensuring the Company complies with continuous disclosure requirements;

- (ii) overseeing and co-ordinating disclosure of information to ASX, analysts, brokers, shareholders, the media and the public;
- (iii) educating directors and staff on the Company's disclosure policies and procedures and raising awareness of the principles underlying continuous disclosure.

To safeguard against inadvertent disclosure of price sensitive information, the Board has agreed to keep to a minimum the number of directors and staff authorised to speak on the Company's behalf. In order of precedence, the following combinations of officers have authority to speak on behalf of the Company without the prior approval of the Board:

- (i) the Chairperson or Managing Director, separately; then
- (iv) the Chairperson and a non-executive director, jointly; then
- (v) any 2 non-executive directors and the Managing Director, jointly (by majority); and then
- (vi) in extreme circumstances, any 2 directors, jointly.

These officers are also authorised to clarify information the Company has released publicly through ASX, but must avoid commenting on other price sensitive matters.

The Company has determined the Company Secretary must be made aware of any information disclosures in advance, including information to be presented at private briefings. This will minimise the risk of breaching the continuous disclosure requirements.

The Company Secretary is responsible for:

- (i) ensuring the Chairperson and the Managing Director are aware of all sensitive information that may be required by the ASX Listing Rules and the law to be publicly released through ASX before disclosing it to any person, including analysts and others outside the Company;
- (ii) ensuring all information released through ASX is promptly made available to its bankers and other parties to whom it has a similar reporting responsibility;
- (iii) the further dissemination of information, after it has been released through ASX, to investors and other interested parties;
- (iv) posting such information on the Company's website immediately after ASX confirms it has received such announcements;
- (v) reviewing all briefings and discussions with media representatives, analysts and major shareholders, to check whether any price sensitive information has been inadvertently disclosed. If so, to immediately announce the information through ASX.

Responses to enquiries from market analysts are to be confined to errors in factual information and underlying assumptions. Earnings expectations are to

be managed by using the continuous disclosure regime and any change to expectations is to be made by ASX announcement before commenting to anyone outside the Company.

The Company will include in the "Annual Corporate Governance" report on its website an account of its policy for complying with its continuous disclosure obligations under the Listing Rules.

6.3 Shareholder communications strategy

The Board acknowledges the need for effective communications with shareholders. To encourage participation with shareholders at shareholder meetings, the Board has adopted the following strategy:

- (a) shareholder meetings are structured to provide effective communication to shareholders and allow reasonable opportunity for informed shareholder participation;
- (b) the external auditor attends the AGM and is available to respond to shareholder questions in relation to any audit related questions;
- (c) the Company's annual report is available to be sent to each shareholder (at the shareholder's option);
- (d) in addition to the annual report, the Company issues a report with the release of the half-year and full-year financial results, which is released to the ASX;
- (e) the Company posts on its website all relevant announcements made to the market (including information used for analyst briefings and press releases) after they have been released to ASX;
- (f) the Company posts on its website all of its relevant corporate governance information, including weblinks to the following information:
 - (i) an overview of the Company's current business;
 - (ii) a description of how the Company is structured;
 - (iii) a summary of the Company's history;
 - (iv) a key events calendar showing the expected dates in the forthcoming year (where applicable) for:
 - (A) results presentations and other significant events for investors and analysts;
 - (B) the AGM;
 - (C) books closing dates for determining entitlements to dividends or distributions; and
 - (D) ex-dividend and payment dates for dividends or distributions;
 - (v) once they are known, the time, venue and other relevant details for results, presentations and the AGM;

- (vi) historical information about the market prices of the Company's securities;
 - (vii) a description of the Company's dividend or distribution policy;
 - (viii) information about the Company's dividend or distribution history;
 - (ix) copies of media releases the Company makes;
 - (x) contact details for enquiries from security holders, analysts or the media;
 - (xi) contact details for its share registry;
 - (xii) links to download key security holder forms, such as transfer and transmission forms, dividend or distribution reinvestment plan;
 - (xiii) the names, photographs and brief biographical information for each of its directors and senior executives;
 - (xiv) its constitution, its Board charter and the charters of each of its Board committees;
 - (xv) the corporate governance policies and any other relevant corporate governance materials;
 - (xvi) copies of its annual reports and financial statements;
 - (xvii) copies of its announcements to ASX;
 - (xviii) copies of notices of meetings of security holders and any accompanying documents;
 - (xix) if it keeps them, webcasts and/or transcripts of meetings of security holders and copies of any documents tabled or otherwise made available at those meetings;
 - (xx) if it keeps them, webcasts and/or transcripts of investor or analyst presentations and copies of any materials distributed at those presentations;
- (g) the Company will disclose on its website whether it has any material exposure to economic, environmental and social sustainability risks, and if it does, how it manages or intends to manage those risks, especially where those risks could affect the Company's achievement of its financial performance or outcomes disclosed;
- (h) where possible, the Company will post advance notification of significant group briefings (eg results announcements) through the Company's website;
- (i) general shareholder questions may be posed to the Company or its share registry via email communication (please refer to the Company's website) or by written or telephone correspondence to the Company Secretary or its share registry as applicable; and
- (j) the Company will provide shareholders with the option to receive communications from it, or its share registry, electronically.

6.4 Directors and Board performance evaluation

The Chairperson of the Board has authority to develop key performance indicators for Board members to assess the performance of the Board as a whole, their own performance and the performance of each of their fellow directors. A sample of such issues is as follows:

(a) Board - General

- (i) Board agenda and papers;
- (ii) conduct of meetings;
- (iii) committee structure and performance;
- (iv) effectiveness of Board working together;
- (v) relationships with senior executives;
- (vi) relationships with shareholders; and
- (vii) AGM.

(b) Board - Activities

- (i) quality of strategy and performance indicators;
- (ii) adequacy of risk management practices;
- (iii) corporate governance practices;
- (iv) performance of Auditor;
- (v) quality of management presentations; and
- (vi) management disclosure of key information.

(c) Individual performance evaluations

- (i) contribution of individual directors;
- (ii) performance of senior executives;
- (iii) performance of Company Secretary.

(d) Looking forward

- (i) mix of skills – current and future requirements; and
- (ii) areas for improvement.

(e) Process

The Chairperson will have individual meetings with each director and selected senior executives to assess their views on these issues and to identify any areas of concern or opportunity for improvement of performance of the Board or individual directors or both.

The Chairperson will provide a summary of his or her findings to the Nomination and Remuneration Committee and to the full Board and is responsible for ensuring agreed actions are implemented. It is recognised that some findings will be of a sensitive nature and will not be included in the Chairperson's report but will be acted on by the Chairperson on a one to one basis.

This process will occur at least once each calendar year and more frequently at the discretion of the Chairperson. It is anticipated the Chairperson will undertake this performance evaluation during August and September each year and will report his or her findings to the October Board meeting.

At the end of the Company's reporting period, details of whether such a review has taken place will be included in the "Annual Corporate Governance" report on the Company's website.

6.5 Senior Management performance evaluation

The Board will annually review the performance of its senior executives and address any issues that may emerge from that review. The Board has authority to develop key performance indicators for management to assess the performance of each senior executive. The key performance indicators will be developed by the Board over the short to medium term.

At the end of the Company's reporting period, details of whether such a review has taken place will be included in the "Annual Corporate Governance" report on the Company's website.

6.6 Code of Conduct

Directors, management and staff are expected to perform their duties in a professional manner and act with the utmost integrity, objectivity and in accordance with appropriate ethical standards in all dealings with each other, the Company, customers, suppliers and the community, striving at all times to enhance the reputation and performance of the Company. All directors and employees are required to abide by laws and regulations, to respect confidentiality and the proper handling of information.

The Company's Code of Conduct consists of the following principles:

The Company will conduct its business operations with full regard to and compliance with all legal obligations of the Company.

The Company's employees, contractors and agents:

- (a) will strive to the utmost of their abilities to deliver quality services to meet customers' needs and to treat customers with respect, courtesy and a caring attitude toward their business requirements;
- (b) will present themselves in a fit and tidy condition for work and be fully equipped to perform their work safely and competently;
- (c) will, when working for customers, adhere to all workplace and occupational health and safety requirements, work instructions and directives and will refrain from any irresponsible, negligent or unsafe actions or work;

- (d) are expected to work in a supportive and cooperative manner, and the Company will not condone any form of harassment of fellow workers. All cases of harassment will be promptly resolved through counselling and conciliation processes;
- (e) will not knowingly reveal confidential information, trade secrets or information concerning intellectual property or practices, which could be injurious to customers or the Company's own business interests.

The Company encourages the reporting of unlawful/unethical behaviour by its directors, employees, contractors and agents and will actively promote ethical behaviour and protection for those who report violations in good faith.

The Company encourages individuals to join appropriate organisations and associations that can effectively represent their work interests.

The Company will communicate the code of conduct to all its employees, contractors and agents.

6.7 Standards of Conduct

The Company has established the following Standards of Conduct within the principles of the Code of Conduct, with which it expects all employees to comply.

(a) Private work

Employees may engage in work unrelated to the Company's activities in their own time. However, such work must not interfere with or affect the efficiency of the performance of the employee's normal Company duties.

Employees must not carry out any work or activity that draws upon the resources of the Company or that has any association with the Company for private profit or material gain. Employees may be dismissed for undertaking such action.

Acceptance of paid employment during periods of recreation, sick or long service leave is not permitted and employees may be dismissed for breach of this requirement.

(b) Defence reserves and civic duties

The Company recognises that employees with "defence reserve" status may be required to participate in exercises on an annual basis or to travel overseas to fulfil defence obligations. Paid or unpaid leave to attend to such commitments may be granted after considering each application, which shall be determined by the Chairman.

Paid or unpaid leave may be available for some recognised civic duties such as local government appointments, emergency services and similar volunteer work. Each case will be determined on its merits by the immediate/local manager.

(c) Use of the Company's motor vehicles

It may be necessary, as part of their job function, for employees to use a Company vehicle. Such vehicles can be used on work-related business and for limited private purposes, such as taking the employee's family

shopping. The vehicle must be left locked and parked safely while not in use and kept in a clean and tidy state.

(d) Absence from duty

Employees unable to report to work for any reason must advise their supervisor before the shift starts or as early in the day/shift as possible, giving the reason for the absence and its probable duration. If the anticipated length of the absence is not known immediately, (eg. pending the advice of a doctor) employees should arrange for their supervisor to be kept informed of progress. The appropriate leave application must be completed immediately upon return to work.

(e) Absence from the workplace

When it is necessary for an employee to leave the workplace for any reason, the supervisor must be informed.

(f) Punctuality

If an emergency prevents the employee from starting work on time, at either the beginning of work or after a break, the employee must contact either his or her supervisor or the customer (as the case may be) or both as soon as possible to explain the circumstances.

(g) Confidential work and Company property

Confidentiality must be strictly observed and confidential information must not be disclosed unless it is appropriate in the normal course of the employee's duties. Any unauthorised disclosure of confidential information will result in disciplinary action. Employees are prohibited from removing Company documents or information (in whatever form) from Company premises or vehicles without authority. All Company property must be returned to the Company upon an employee ceasing employment with the Company.

(h) Respect and care for the property of others

All employees must demonstrate respect and consideration for the property and belongings of others (the Company's, a colleague's, the customer's or the general public's). Employees shall not damage, tamper with, remove or steal property or belongings which are not their own. Any employees proven to have done so will be subject to the Company's disciplinary process, which may result in the employee's dismissal and/or criminal and civil action being taken against him or her.

