

## **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. MEMBERSHIP**

- (a) The Committee must comprise at least three members.
- (b) Where practicable, all members of the Committee must be non-executive Directors.
- (c) A majority of the members of the Committee must be independent in accordance with the criteria set out in Annexure A.
- (d) The Board will appoint members of the Committee and may remove and replace members of the Committee by resolution.
- (e) All members of the Committee must be financially literate, with at least one member, where practicable, possessing accounting or related financial expertise and qualifications.
- (f) The Chairman of the Committee may not be the Chairman of the Board of Directors and must be independent.
- (g) The Chairman of the Committee shall have leadership experience and a strong finance, accounting or business background.
- (h) The external auditors, other Directors, the Managing Director (or equivalent), Chief Financial Officer, Company Secretary and senior executives, may be invited to 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 OF THE COMMITTEE**

### **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.
- (e) Establish procedures for treatment of accounting complaints.
- (f) Review the impact of any proposed changes in accounting policies on the financial statements.
- (g) Review the quarterly, 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 quarterly, 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.

#### **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.

#### **4.4 Risk Management**

- (a) Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
- (b) Review at least annually the Company's risk management and internal control system and report to the Board on its efficiency and effectiveness;
- (c) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.
- (d) Develop and maintain a risk register which identifies the business risks to the Company and its operations (including economic, environmental and social sustainability risks) and assess the likelihood of their occurrence;
- (e) Review the insurance strategy and determine the extent to which it aligns with the risk profile of the Company.

#### **4.5 Other**

- (a) Oversee treasury and tax management practices.
- (b) Oversee the Company's environmental risk management and occupational health and safety processes.
- (c) Oversee procedures for whistle-blower protection.
- (d) Monitor related party transactions.

#### **5. MEETINGS**

- (a) The Committee will meet at least two times yearly 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) In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their members as Chairman for that meeting.
- (d) A quorum shall consist of two members of the Committee. In the absence of the Chairman of the Committee or their nominees, 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) Minutes of each Committee meeting are to be 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 Group 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 Group 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 the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

**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, to 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.

## **BOARD CHARTER**

The Board's role is to set the strategic direction of the Company, guide and monitor the management of the Company in achieving its strategic plans and oversee overall good governance practice.

### **1. RESPONSIBILITIES OF THE BOARD**

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 (or equivalent) and the determination of his/her 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) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (d) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (e) approving the annual, half yearly and quarterly accounts;
- (f) approving material changes to the organisational structure;
- (g) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (h) approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with applicable legislation and ASX Listing Rules);
- (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) (see Section 2 below); and
- (k) meeting with the external auditor, at their request, without management being present.

### **2. PROCEDURE FOR SELECTION, APPOINTMENT AND ROTATION OF EXTERNAL AUDITOR**

- (a) The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as per the recommendations of the Audit and Risk Committee (or its equivalent). Any appointment made by the Board must be ratified by shareholders at the next Annual General Meeting of the Company.
- (b) **Selection Criteria**
  - (i) *Mandatory criteria*

Candidates for the position of external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period. Further, the successful candidate must have arrangements in place for the rotation of the audit engagement partner on a regular basis.

(ii) *Other criteria*

Other than the mandatory criteria mentioned above, the Board may select an external auditor based on criteria relevant to the business of the Company, such as experience in the industry in which the Company operates, references, cost and any other matters deemed relevant by the Board.

**3. COMPOSITION OF THE BOARD**

- (a) 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. The Board has developed a Skills Matrix and the composition of the Board is to be reviewed regularly to ensure the appropriate mix of qualifications, experience and expertise is present.
- (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. In determining new members to the Board the following process shall occur:
  - (i) The Remuneration and Nomination Committee (or equivalent) evaluates the range of skills, experience and expertise of the existing Board. In particular, the Remuneration and Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors on the Board.
  - (ii) A potential candidate is considered with reference to their skills and expertise in relation to other Board members. Appropriate background checks as to a candidate's character, experience, education, criminal record and bankruptcy history will be conducted.
  - (iii) If relevant, the Remuneration and Nomination Committee recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next Annual General Meeting;
  - (iv) Formal letters of appointment will be prepared on appointment of a Board member setting out the key terms and conditions relative to the appointment.
- (c) Where practical, the majority of the Board is comprised of independent, non-executive Directors. 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 Corporate Governance Principles and Recommendations (3<sup>rd</sup> Ed.) as set out in Annexure A.

- (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 actual 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) The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Re-appointment of Directors is not automatic and no member of the Board 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) Shareholders shall be informed of the names of candidates submitted for election or re-election as Directors. In order to enable shareholders to make an informed decision regarding the election, the following information shall be supplied to shareholders:
  - (i) biographical details (including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate);
  - (ii) a statement by the Board as to whether it supports the nomination of the proposed candidate(s);
  - (iii) details of relationships between the candidate and the Company; and the candidate and directors of the Company;
  - (iv) directorships held;
  - (v) particulars of other positions which involve significant time commitments;
  - (vi) the term of office currently served by any Directors subject to re-election; and
  - (vii) any other particulars required by law.
- (i) Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Remuneration and Nomination Committee to ensure that they continue to contribute effectively to the Board.

#### **4. THE ROLE OF THE CHAIRMAN**

- (a) Where practical, the Chairman should be an independent, non-executive Director. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director.
- (b) The Chairman should not be the Managing Director of the Company during his term as Chairman 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.
- (f) 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. BOARD COMMITTEES**

- (a) The Board may from time to time, if considered appropriate, establish committees, each with written terms of reference, including:
  - (i) Audit and Risk Committee; and
  - (ii) Nomination and Remuneration Committee.
- (b) The charter of each Board Committee is approved by the Board and reviewed following any applicable regulatory changes.
- (c) The Board will ensure that any Committees are sufficiently resourced and 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 Committees or remove and replace members of Committees by resolution.
- (e) The draft minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following 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. BOARD 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 as soon as practicable 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 included in the Company's minute book within one month of the meeting and formally approved at the next Board meeting.
- (g) Further details regarding Board meetings are set out the Company's Constitution.

## **7. THE 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, in consultation with the Chairman and Managing Director, is to facilitate the induction of new Directors, in accordance with the Company's Induction and Professional Development Policy.
- (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 Company Secretary is accountable to the Board, through the Chairman, on all governance matters to do with the proper functioning of the Board;
- (g) 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, 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. THE BOARD'S RELATIONSHIP WITH MANAGEMENT**

The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director (or equivalent), including:

- (a) Developing business plans, budgets and strategies for the Board's consideration and, to the extent approved by the Board, implementing these plans, budgets and strategies.
- (b) Ensuring appropriate funding arrangements are in place for Company activities.
- (c) Operating the Company's businesses and operations within the parameters set by the Board from time to time and keeping the Board informed of all material developments relating to the businesses and operations.
- (d) Where proposed transactions, commitment or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval.
- (e) Identifying and managing operational and other risks and, where those risks could have a material impact on the Company's businesses and operations, formulating strategies for managing these risks for consideration by the Board.
- (f) Managing the Company's current financial and other reporting mechanisms to ensure that these mechanisms are functioning effectively to capture all relevant material information on a timely basis.
- (g) Implementing the Company's internal controls; establishing procedures for monitoring these controls; and ensuring that these controls and procedures are appropriate and effective.
- (h) Taking all reasonable steps to ensure that the Board is provided with accurate and sufficient information regarding the Company's operations on a timely basis and, in particular, that the Board is made aware of all relevant matters relating to the Company's performance (including future performance), financial condition, operating results and prospects and potential material risks so that the Board is in an appropriate position to fulfil its corporate governance responsibilities; and
- (i) Implementing all policies, procedures and codes approved by the Board.

In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors.

## **10. PERFORMANCE REVIEW**

The Board will arrange an annual performance review of the Board and any Board Committees (if applicable) in accordance with the Company's Performance Evaluation Policy.

The Board will oversee the performance evaluation of the Managing Director on an annual basis, in accordance with the Company's Performance Evaluation Policy.

## **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 by Directors, officers and employees of the Company. 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 Directors, officers and employees.

### **2. ACCOUNTABILITIES**

#### **2.1 Directors and Officers**

Directors and officers 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, Directors, officers 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 producing quality goods and services;
- (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 Director, officer or employee could be influenced, or it could be perceived that they are 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 Director, officer or employee has:
  - (i) financial interests in a matter the Company deals with or they are aware that friends or relatives have a financial interest in the matter;
  - (ii) directorships/management of outside organisations;
  - (iii) membership of boards of outside organisations;
  - (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 their duty and obligations to the Company;
  - (vi) access to information that can be used for personal gain; and
  - (vii) offer of an inducement.
- (b) The Director, officer or employee may often be the only person aware of the potential for conflict. It is their responsibility to avoid any conflict from arising that could compromise their ability to perform duties impartially. Any potential or actual conflicts of interest must be reported to the applicable manager, or to the Board in the case of Directors.
- (c) If uncertain whether a conflict exists, an officer or employee should discuss that matter with their manager and attempt to resolve any conflicts that may exist.
- (d) Directors, officers and employees must not submit or accept any bribe, or other improper inducement. Any such inducements are to be reported to the applicable manager, or to the Board in the case of Directors.

## **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 equivalent); or
  - (ii) giving evidence in court; or
  - (iii) otherwise authorised or required to by law.
- (c) Employees must not release unpublished or privileged information unless they have the authority to do so from the Managing Director (or equivalent).
- (d) The above restrictions apply except where prohibited by law, for example in relation to “whistleblowing”.

## **6. USE OF COMPANY RESOURCES**

Requests to use Company resources outside core business time should be referred to management for approval.

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.

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**

Directors, officers and 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. You 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**

Intellectual property includes the rights relating to scientific discoveries, industrial designs, trademarks, service marks, commercial names and designations, and inventions and is valuable to the Company.

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 Company Secretary before making any use of that property for purposes other than as required in their role as employee.

## **9. DISCRIMINATION AND HARASSMENT**

Directors, officers and 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.

Such harassment or discrimination may constitute an offence under legislation. Managers should understand and apply the principles of Equal Employment Opportunity.

## **10. CORRUPT CONDUCT**

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 not limited to:

- (a) official misconduct;
- (b) bribery and blackmail;

- (c) unauthorised use of confidential information;
- (d) fraud; and
- (e) theft.

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**

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.

Specifically all employees are responsible for safety in their work area by:

- (a) following the safety and security directives of management;
- (b) advising management of areas where there is potential problem in safety and reporting suspicious occurrences; and
- (c) minimising risks in the workplace.

## **12. LEGISLATION**

It is essential that all Directors, officers and 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 Director, officer and employee should endeavour to deal fairly with the Company's suppliers, customers and other employees.

## **14. INSIDER TRADING**

All Directors, officers and employees must observe the Company's "*Securities 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, officers 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**

Breaches of certain sections of this Code of Conduct may be punishable under legislation.

Breaches of this Code of Conduct may lead to disciplinary action. The process for disciplinary action is outlined in Company policies and guidelines, relevant industrial awards and agreements.

**17. REPORTING MATTERS OF CONCERN**

Directors, officers and employees are encouraged to raise any matters of concern in good faith with the head of their business unit or with the Company Secretary, without fear of retribution.



## **REMUNERATION AND NOMINATION COMMITTEE CHARTER**

This Charter sets out the specific responsibilities delegated by the Board to the Remuneration and Nomination Committee and details the manner in which the Remuneration and Nomination Committee will operate.

### **1. GENERAL SCOPE AND AUTHORITY**

- (a) The Remuneration and 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 fulfilling its responsibilities to shareholders by:
  - (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.
  - (iii) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
  - (iv) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
  - (v) recommending to the Board the remuneration of executive Directors;
  - (vi) fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
  - (vii) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
  - (viii) reviewing and approving the remuneration of direct reports to the Managing Director (or equivalent), and as appropriate other senior executives; and
  - (ix) 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 at the Company's expense.

### **2. MEMBERSHIP**

- (a) The Committee shall comprise at least three Directors, the majority being independent non-executive Directors.
- (b) The Committee will be chaired by an independent Director 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.

### **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.
- (c) A quorum shall comprise any two members of the Committee.
- (d) In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their members as Chairman for that meeting.
- (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.
- (g) Minutes of each Committee meeting are to be included in the papers for the next full Board meeting after each Committee meeting.

### **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 may consult independent experts to assist it in carrying out its duties and responsibilities. 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 fulfil its responsibilities to the Board, the Committee shall:

#### **(a) Board Composition**

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:

- (i) identify and recommend to the Board candidates for the Board after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience and after assessment of how the candidates can contribute to the strategic direction of the Company;
- (ii) conduct appropriate background checks as to a potential Board candidate's character, experience, education, criminal record and bankruptcy history;
- (iii) approve and review induction procedures for new appointees to the Board to ensure that they can effectively discharge their responsibilities;
- (iv) assess and consider the time required to be committed by a non-executive Director to properly fulfil their duty to the Company and advise the Board.
- (v) consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
- (vi) review Directorships in other public companies held by or offered to Directors and senior executives of the Company;
- (vii) review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
- (viii) arrange an annual performance evaluation of the Board, its Committees and individual Directors;
- (ix) make recommendations to the Board on the appropriate size and composition of the Board;
- (x) make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board;
- (xi) conduct all Board appointment processes in a manner that promotes gender diversity.

(b) **Executive Directors and Senior Executives**

- (i) Consider and make recommendations to the Board on the remuneration for each executive Director (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the Remuneration Policy.
- (ii) Review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for the direct reports of the Managing Director (or equivalent). 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, whether strategic objectives are being achieved and the development of management and personnel.

- (iii) Review and approve the Group's recruitment, retention and termination policies and procedures for senior executives to enable the Company to attract and retain executives and executive Directors who can create value for shareholders.
  - (iv) Review the on-going appropriateness and relevance of the remuneration policy and other executive benefit programs.
  - (v) 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.
- (c) **Executive Incentive Plans**
  - (i) 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.
  - (iv) In addition to considering awards to executive Directors and direct reports to the Managing Director (or equivalent), 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) **Diversity**

Where considered appropriate, develop measurable objectives and strategies to meet the objectives of the Company's Diversity Policy and monitor the progress of the measurable objectives through the monitoring, evaluation and reporting mechanisms listed in the Diversity Policy.
- (f) **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 material contract terms of executive Directors and direct reports to the Managing Director (or equivalent);
- (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 (or equivalent). Termination payments to other departing executives should be reported to the Committee at its next meeting.