
**SCHEDULE 1
BOARD CHARTER**

In carrying out the responsibilities and powers set out in this Charter, the Board:

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

1. THE SPECIFIC RESPONSIBILITIES OF THE BOARD

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

- (a) validating and approving corporate strategy;
- (b) reviewing the assumptions and rationale underling the annual plans and approving such plans;
- (c) ensuring that the Board has an in-depth understanding of each substantial segment of the business;
- (d) appointing, evaluating, rewarding and, if necessary, removing the Managing Director, or the Executive Chairman, as the case may be, Chief Financial Officer, senior executives and the Company Secretary;
- (e) monitoring the performance of senior management including the implementation of strategy and ensuring appropriate resources are available;
- (f) reviewing business results and monitoring budgetary control and corrective actions (if required);
- (g) authorising and monitoring major investment commitments and strategic commitments;
- (h) establishing appropriate levels of delegation to the Managing Director, or the Executive Chairman, as the case may be, and other executive Directors to allow them to manage the business efficiently;
- (i) monitoring and influencing the culture, reputation and ethical standards of the Company and the group;
- (j) monitoring the Board composition, Director selection and Board processes and performance;
- (k) reviewing the performance of the Chairman;
- (l) reviewing and approving executive remuneration;
- (m) overseeing the management of business risks, safety, occupational health and environmental issues;

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- (n) satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
 - (o) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately;
 - (p) assuring itself that appropriate audit arrangements are in place, when considered appropriate by the Board;
 - (q) authorising the issue of any shares, options, equity instruments or other securities within the constraints of the Corporations Act and the Australian Securities Exchange Listing Rules; and
 - (r) ensuring regulatory compliance including compliance with prudential regulations and standards.

2. COMPOSITION OF THE BOARD

- (a) The Board will be comprised of a minimum of three Directors. The maximum number of Directors allowed for under the Company's Constitution is fifteen. However, it is the current intention to limit the number of Directors to no more than six.
- (b) The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.
- (c) 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.
- (d) The majority of the Board is comprised of non-executive Directors. Where practical, at least 50% of the Board will be independent. An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the exercise of independent judgement. Independent Directors should meet the definition of what constitutes independence as set out in the ASX Corporate Government guidelines as set out in Annexure A.
- (e) 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.
- (f) Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.
- (g) Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.

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- (h) 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.
 - (i) Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Board to ensure that they continue to contribute effectively to the Board.
 - (j) 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.

3. THE ROLE OF THE CHAIRMAN

- (a) The Chairman should be an independent non-executive Director. However, in the circumstances of the 2008/2009 Global Economic Crisis the Company has appointed an Executive Chairman to provide both the operational management and chairmanship to the Company.
- (b) The Managing Director should not be the Chairman of the Company during his term as Managing Director or in the future. However, given the circumstances outlined in 3(a) above, the Company does not expect to appoint a Managing Director or Chief Executive Officer in the near term.
- (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.

4. BOARD COMMITTEES

- (a) The current size and composition of the Board and the operations of the Company are not sufficient to establish Committees to assist the Board in fulfilling its duties and that would meet the requirements of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, in the future, should the size and composition of the Board and the operations of the Company warrant it, the Board will give consideration to the establishment of the following committees:
 - (i) Audit and Risk Committee;
 - (ii) Remuneration Committee; and
 - (iii) Nomination Committee.

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- (b) The charter of any of the Committees is approved by the Board upon establishment and reviewed following any applicable regulatory changes.
 - (c) The Board will ensure that any Committees established will be sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.
 - (d) Members of any Committees established will be appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.
 - (e) The minutes of the meetings of any Committees established will be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.

5. 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 six times a year and hold additional meetings, including by telephone, as may be required.
- (c) Non-executive Directors may confer at scheduled times without management being present.
- (d) The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairman and circulated to Directors after each meeting.
- (e) The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable.
- (f) Minutes of meetings must be approved at the next scheduled Board meeting.

6. 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 (where applicable) and between senior executives and non-executive Directors.
- (b) The Company Secretary is to facilitate the induction of new Directors.
- (c) The Company Secretary is to facilitate the implementation of Board policies and procedures.
- (d) The Company Secretary is to provide advice to the Board, on corporate governance matters and law.
- (e) All Directors have access to the advice and services provided by the Company Secretary.

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- (f) The Board has the responsibility for the appointment and removal of the Company Secretary.

7. 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 made available to all members of the Board.

8. THE BOARD'S RELATIONSHIP WITH MANAGEMENT

- (a) The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director, or the Executive Chairman, as the case may be.
- (b) 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.

9. PERFORMANCE REVIEW

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

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

10. DISCLOSURE POLICY

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