

CORPORATE GOVERNANCE PLAN AND BOARD CHARTER

FORRESTANIA RESOURCES LIMITED

Introduction

The Board of Forrestania Resources Limited (**Company**) (**Board**) has the ultimate responsibility to its shareholders for the strategy and performance of the Company in general. The Board is dedicated to fulfilling these duties in a lawful and professional manner, and with the utmost integrity and objectivity. As such, the Board actively pursues best practice governance processes.

Good governance policies and processes are critical for ensuring that the Company is governed in the best interests of the Company as a whole. With this point in mind, the Board has decided to articulate and formalise the corporate governance framework within which the Company operates.

This document outlines the Company's corporate governance policy in the form of a Board Charter, which is a written policy document that defines the respective roles, responsibilities and authorities of the Board, both individually and collectively, and of management in setting the direction, management and the control of the organisation. As such, it establishes the guidelines within which the Directors and Officers are to operate as they carry out their respective roles. It does not in any way constitute legal advice or act as a substitute for legal advice.

The Board is cognisant of the Company's current size, nature and scale of activities and that it currently may not comply with all of the Corporate Governance Principles and Recommendations (4th Edition) published by the ASX Corporate Governance Council. However, the Company will state in its Annual Report its current position on these matters and a regular review will be undertaken to assess the applicability of the current procedures.

The purpose of this Board Charter is to document the policies upon which the Board has decided to meet its legal and other responsibilities.

The Company's Board Charter has four major sections:

(a) Part A – Defining Governance Roles;

(b) Part B – Board Processes;

(c) Part C – Key Board Functions; and

(d) Part D – Continuing Improvement.

While it is acknowledged that good governance is an important component of a successful company, it is also recognised that it is contingent upon the context in which it is practiced. Therefore, corporate governance needs to be a dynamic process. This Charter will need to be regularly reviewed and updated to reflect changes in the legal framework within which the Company operates, and amendments and developments in Board policies and procedures. It is the responsibility of the Company Secretary to ensure that the Board is consulted regarding any changes and updates, that the Charter is kept current and is reviewed and amended on a yearly basis, and that all Board members are provided with the latest versions of the Charter.

The Company recognises the overriding importance of its legal obligations which arise from various sources. Accordingly, nothing in this Charter must conflict with the Company's Constitution (**Constitution**), the Corporations Act or the ASX Listing Rules. If such a conflict occurs, the Constitution, Corporations Act and the ASX Listing Rules shall prevail.

Any reference to gender in this Charter should be interpreted as applicable to both males and females.

PART A - DEFINING GOVERNANCE ROLES

01 THE ROLE OF THE BOARD

01.1 The Board is ultimately responsible for all matters relating to the running of the Company.

01.2 The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties. Thus, except when dealing with specific management delegations of individual Directors (particularly Executive Directors), it is misleading to refer to the management function of the Board.

01.3 The Board has the final responsibility for the successful operations of the Company. In general, it is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company. In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.

01.4 Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

(a) providing leadership to the Company by:

(i) defining the Company's purpose;

(ii) approving the Company's Statement of Values and code of conduct to underpin the desired culture within the Company;

(iii) always acting in a manner consistent with the Company's culture and Code of Conduct and Statement of Values;

(b) overseeing the development and implementation of an appropriate strategy, the instilling of the Company's values and performance by:

(i) working with the senior management team to ensure that an appropriate strategic direction and array of goals are in place;

(ii) regularly reviewing and amending or updating the Company's strategic direction and goals;

(iii) ensuring that an appropriate set of internal controls are implemented and reviewed regularly;

(iv) ensuring an appropriate framework exists for relevant information to be reported by the management to the Board;

(v) when required, overseeing planning activities including the development and approval of strategic plans, annual plans, annual corporate budgets and long-term budgets including operating budgets, capital expenditure budgets and cash flow budgets; and

(vi) reviewing the progress and performance of the Company in meeting these plans and corporate objectives, including reporting the outcome of such reviews on at least an annual basis;

(c) overseeing the control and accountability systems that ensure the Company is progressing towards the goals set by the Board and in line with the Company's purpose, the agreed corporate strategy, legislative requirements and community expectations;

(d) ensuring corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy, encouraging effective participation at general meetings and, through the Chair, being the key interface between the Company and its shareholders;

(e) ensuring the integrity of the Company's accounting systems including the external audit;

(f) ensuring robust and effective risk management (for both financial and non-financial risks), compliance, continuous disclosure and control systems (including legal compliance) are in place and operating effectively;

(g) appointing, and where necessary removing and/or replacing, the Chair;

(h) being responsible for the Company's senior management and personnel including:

(i) directly managing the performance of the Executive Chairman **(EC)** including:

(A) appointing and remunerating the EC;

(B) providing advice and counsel to the EC including formal reviews and feedback on his or her performance; and

(C) overseeing the development or removal of the EC, where necessary;

(ii) ratifying the appointment, the terms and conditions of the appointment and, where appropriate, removal of the Chief Financial Officer (**CFO**) and/or Company Secretary and other senior executives;

(iii) ensuring appropriate checks are undertaken prior to the appointment of directors and senior executives;

(iv) ensuring that an appropriate succession plan for the EC, CFO and Company Secretary is in place; and

(v) when required, ensuring appropriate human resource systems (including OH&S systems) are in place to ensure the well-being and effective contribution of all employees;

(i) ensuring that the Company's remuneration and nomination policies are aligned with the entity's purpose, values, strategic objectives and risk appetite;

(j) delegating appropriate powers to the EC, management and committees to ensure the effective day-to-day management of the business and monitoring the exercise of these powers;

(k) ensuring Directors receive briefings on material developments in laws, regulations and accounting standards relevant to the Company;

(l) where required, challenging management and holding it to account; and

(m) making all decisions outside the scope of these delegated powers.

01.5 The detail of some Board functions will be handled through Board Committees as and when the size and scale of operations requires such committees. However, the Board as a whole is responsible for determining the extent of powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.

02 BOARD STRUCTURE

02.1 Number of Directors

(a) The Board has determined that, consistent with the size of the Company and its activities, the Board shall be comprised of a minimum three (3) Directors, at least one of whom shall be non-executive.

(b) The Board's policy is that the majority of Directors shall be independent, non-executive Directors at a time when the size of the Company and its activities warrants such a structure. This will ensure that all Board discussions or decisions have the benefit of outside views and experience, and that the majority of Directors will be free of any interests or influences that could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

(c) The Board has adopted the definition of independence set out in the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (4th Edition) as set out in Annexure A.

(d) The independence of the Company's Non-Executive Directors will be assessed on an ongoing basis.

(e) In the opinion of the Board, all Directors should bring specific skills and experience that add value to the Company.

(f) When considering the potential reappointment of an existing director, the Board will take into account its skills matrix which sets out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

(g) When considering vacancies, the Board will take into account a candidate's capacity to enhance the skills matrix and experience of the Board.

02.2 Appointment of Directors

The Company may, by ordinary resolution, increase or decrease the number of Directors and may also determine in what rotation the increased or decreased number is to go out of office and otherwise in accordance with the Constitution. The Company will undertake appropriate checks before appointing a person and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

02.3 Skills required on the Board

The Board will review capabilities, technical skills and personal attributes of its directors. It will normally review the Board's composition against those attributes and recommend any changes in Board composition that may be required. An essential component of this will be the time availability of Directors.

02.4 Written agreement

The Company shall have a written agreement with each Director and senior executive setting out the terms of their appointment. The agreement should be with the Director or senior executive personally unless the Company is engaging a bona fide professional services firm.

The written agreement should include:

(a) the requirement to disclose director's interests and any matters which could affect the director's independence;

(b) the requirement to comply with the Company's corporate governance policies and charters;

(c) the requirement to notify the Company of or seek the Company's approval before accepting, any new role that could impact upon the time commitment expected of the Director or give rise to a conflict of interests;

(d) the Company's policy around independent professional advice;

(e) indemnity and insurance arrangements;

(f) rights of access to corporate information; and

(g) ongoing confidentiality obligations.

02.5 Duration of appointment

In the interest of ensuring a continual supply of new talent to the Board, non-executive Directors will serve for a maximum of 10 years unless there are exceptional circumstances. The exception to this policy is that a Director who is serving as Chair at the conclusion of the usual maximum term may serve an additional term in that role. If a Director has served in their position for more than 10 years, the Board will regularly assess if their independence may have been compromised.

02.6 Vacation of office

Subject to clause 2.5, it is envisaged that Directors shall remain on the Board until required to vacate the office by law or as detailed in the Constitution.

03 THE ROLE OF INDIVIDUAL DIRECTORS

As members of the peak decision-making body in the Company, Directors share ultimate responsibility for the Company's overall success. Therefore, Directors have an individual responsibility to ensure that the Board is undertaking its responsibilities. Directors need to ensure that the Board is providing:

(a) leadership to the Company, particularly in the areas of ethics and culture;

(b) a clear and appropriate strategic direction;

(c) upholding the Company's values;

(d) accountability to key stakeholders, particularly shareholders;

(e) oversight of policies;

(f) oversight of all control and accountability systems including all financial operations and solvency, risk management, monitoring conduct that is inconsistent with the Company's code of conduct and compliance with material legal and regulatory requirements;

(g) an effective senior management team and appropriate personnel policies as and when required; and

(h) timely and effective decisions on matters reserved to it.

Directors' code of conduct

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company:

(i) will act honestly, in good faith and in the best interests of the whole Company;

(j) owe a fiduciary duty to the Company as a whole;

(k) have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;

(l) will undertake diligent analysis of all proposals placed before the Board;

(m) will act with a level of skill expected from directors and key executives of a publicly listed company;

(n) will use the powers of office for a proper purpose, in the best interests of the Company as a whole;

(o) will demonstrate commercial reasonableness in decision making;

(p) will not make improper use of information acquired as Directors and key executives;

(q) will not disclose non-public information except where disclosure is authorised or legally mandated;[1]

(r) will keep confidential, information received in the course of the exercise of their duties and such information remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information is provided, or is required by law;

(s) will not take improper advantage of the position of Director[2] or use the position for personal gain or to compete with the Company;

(t) will not take advantage of Company property or use such property for personal gain or to compete with the Company;

(u) will protect and ensure the efficient use of the Company's assets for legitimate business purposes;[1]

(v) will not allow personal interests, or the interest of any associated person, to conflict with the interests of the Company;

(w) have an obligation to be independent in judgment and actions and directors will take all reasonable steps to be satisfied as to the soundness of all decisions of the Board;

(x) will make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally, towards achieving its goals;

(y) will not engage in conduct likely to bring discredit upon the Company;[2]

(z) will encourage fair dealing by all employees with the Company's customers, suppliers, competitors and other employees as and when those dealings occur;[1]

(aa) will encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations in good faith;[1]

(bb) will give their specific expertise generously to the Company; and

(cc) have an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Charter.[2]

[1] From the ASX Corporate Governance Council's Corporate Governance Principles.

[2] From the AICD Code of Conduct.

Expectations of Directors

(a) Since the Board needs to work together as a group, Directors need to establish a set of standards for Board meetings. At the Company, it is expected that Directors shall, in good faith, behave in a manner that is consistent with generally accepted procedures for the conduct of meetings at all meetings of the Board. This will include, but not be limited to:

(i) behaving in a manner consistent with the letter and spirit of the Code of Conduct;

(ii) acting in a businesslike manner;

(iii) acting in accordance with the Constitution and Board policies;

(iv) addressing issues in a confident, firm and friendly manner;

(v) preparing thoroughly for each Board or Committee event;

(vi) using judgment, common sense and tact when discussing issues;

(vii) minimising irrelevant conversation and remarks;

(viii) ensuring that others are given a reasonable opportunity to put forward their views;

(ix) refraining from interruption or interjection when a speaker has the floor; and

(x) being particularly sensitive in interpreting any request or direction from the Chair that aims to ensure the orderly and good-spirited conduct of the meeting.

(b) Directors are expected to be forthright in Board meetings and have a duty to question, request information, raise any issue, and fully canvas all aspects of any issue confronting the Company, and cast their vote on any resolution according to their own judgment.

(c) Outside the boardroom, however, Directors will support the letter and spirit of Board decisions in discussions with all stakeholders including any shareholders, special interest groups, customers, staff, suppliers and any other parties.

(d) Directors will keep confidential all Board discussions and deliberations. Similarly, all confidential information received by a Director in the course of the exercise of the Director's duties remains the property of the Company and is not to be discussed outside the boardroom. It is improper to disclose it, or allow it to be disclosed, unless that disclosure is required by law and in any event should not be disclosed without appropriate authorisation.

Conflict of interest and related party transactions

(a) Conflicts of interest

(i) Directors must disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director and the interests of the Company. On appointment, Directors will have an opportunity to declare any such interests.

(ii) Directors should update this disclosure by notifying the Company Secretary in writing as soon as they become aware of any conflicts. Directors are also expected to indicate to the Chair any actual or potential conflict of interest situation as soon as it arises.

(iii) The Board can request a Director to take reasonable steps to remove the conflict of interest. If a Director cannot or is unwilling to remove a conflict of interest then the Director must absent himself or herself from the room when discussion and voting occur on matters to which the conflict relates. The entry and exit of the Director concerned will be minuted by the Company Secretary. Directors do not have to give notice of a conflict or absent themselves in accordance with section 191(2) or section 195 of the Corporations Act, including, without limitation when either:

(A) conflict of interest relates to an interest common to all Company members/shareholders; or

(B) the Board passes a resolution that:

(1) identifies the Director, the nature and extent of the Director's interest; and

(2) clearly states that the other Directors are satisfied that the interest should not disqualify the Director concerned from discussion and/or voting on the matter.

(b) Related party transactions

(i) Related party transactions include any financial transaction between a Director or officer and the Company and will be reported in half yearly and annual reports.

(ii) In general, the Corporations Act requires related party transactions to be approved by the shareholders; the Board cannot, except in certain limited circumstances, approve these transactions. Examples of exemptions to this requirement occur where the financial benefit is given on arm's length terms, or is considered to be reasonable remuneration to an officer or employee.

(iii) The Board has also resolved that where applications are made by a related party to a Director or officer of the Company then the Director or officer shall exclude himself/herself from the approval process.

(iv) "Related party" for this process has the meaning given to that term in section 228 of the Corporations Act and includes:

(A) a spouse or de facto spouse of the Director or officer;

(B) a parent, son or daughter of the Director or officer or their spouse or de facto spouse; or

(C) an entity over which the Director or officer or a related party defined in paragraph (A) or (B) has a controlling interest.

Emergency contact procedures

As there is the occasional need for urgent decisions, Directors should leave with the Company Secretary any contact details, either for themselves or for a person who knows their location, so that all Directors can be contacted within 24 hours in cases of a written resolution or other business.

04 THE ROLE OF THE CHAIR

To the extent possible, the Chair of the Board is to be an independent Director and is not to be the same person as the Managing Director.

The Chair's role is a key one within the Company. The Chair is considered the "lead" Director and utilises his/her experience, skills and leadership abilities to facilitate the governance processes.

There are two main aspects to the Chair's role. They are the Chair's role within the boardroom and the Chair's role outside the boardroom.

04.1 Inside the boardroom

Inside the boardroom the role of the Chair is to:

(a) establish and approving the agenda for Board meetings;

(b) chair Board meetings;

(c) ensuring adequate time in Board meeting for discussion of all agenda items including strategic issues;

(d) be clear on what the Board has to achieve, both in the long and short term;

(e) provide guidance to other Board members about what is expected of them;

(f) facilitating effective contribution of all directors and promoting constructive and respectful relations between directors and between the Board and management;

(g) ensure that Board meetings are effective in that:

(i) the right matters are considered during the meeting (for example, strategic and important issues);

(ii) matters are considered carefully and thoroughly;

(iii) all Directors are given the opportunity to effectively contribute; and

(iv) the Board comes to clear decisions and resolutions are noted;

(h) brief all Directors in relation to issues arising at Board meetings;

(i) ensure that the decisions of the Board are implemented properly; and

(j) ensure that the Board behaves in accordance with its Code of Conduct.

The Chairman has authority to act and speak for the Board between its meetings, including engaging with the Managing Director.

04.2 Outside the boardroom

Outside the boardroom the role of the Chair is to:

(a) undertake appropriate public relations activities;

(b) be the spokesperson for the Company at the AGM and in the reporting of performance and profit figures;

(c) be the major point of contact between the Board and the Company;

(d) be kept fully informed of current events on all matters which may be of interest to Directors;

(e) regularly review with senior officers of the Company, progress on important initiatives and significant issues facing the Company; and

(f) provide mentoring to senior executives.

05 THE ROLE OF THE COMPANY SECRETARY

05.1 The Company Secretary is charged with facilitating the Company's corporate governance processes and so holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively. The Company Secretary is accountable to the Board, through the Chair, on all governance matters and reports directly to the Chair as the representative of the Board. The Company Secretary is appointed and dismissed by the Board and all Directors have, as of right access to the Company Secretary.

05.2 The tasks of the Company Secretary shall include:

(a) Meetings and minutes

(i) notifying the directors in advance of a meeting of the Board;

(ii) ensuring that the agenda and Board papers as and when they are required, are prepared and forwarded to Directors prior to Board meetings;

(iii) recording, maintaining and distributing the minutes of all Board and Board Committee meetings as required;

(iv) maintaining a complete set of Board papers at the Company's main office, preparing for and attending all annual and extraordinary general meetings of the Company; and

(v) recording, maintaining and distributing the minutes of all general meetings of the Company.

(b) Compliance

(i) overseeing the Company's compliance program and ensuring the Company's compliance and reporting obligations are met;

(ii) ensuring all requirements of ASIC, the ATO and any regulatory bodies are fully met; and

(iii) providing counsel on corporate governance principles and Director liability.

(c) Governance administration

(i) maintaining a Register of Company Policies as approved by the Board;

(ii) maintaining, updating and ensuring that all Directors have access to an up-to-date copy of the Board Charter and associated governance documentation;

(iii) maintaining the complete list of the delegations of authority;

(iv) reporting at Board meetings the documents executed under a power of attorney, or under the common seal; and

(v) any other services the Chair or Board may require.

06 THE ROLE OF THE MANAGING DIRECTOR

06.1 Where the position is in place, the Managing Director **(MD)** is responsible for the attainment of the Company's goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by the Board. The position reports directly to the Board.

06.2 If there is no Managing Director appointed at any given time, the Board will nominate an Executive Chairman to undertake the role/responsibilities assigned to under this Board Charter.

06.3 The MD's primary objective is to ensure the ongoing success of the Company through being responsible for all aspects of the management and development of the Company. The MD is of critical importance to the Company in guiding the Company to develop new and imaginative ways of winning and conducting business. The MD must have the industry knowledge and credibility to fulfil the requirements of the role.

06.4 The MD will, as and when the size, nature and scale of the Company's activities requires it, manage a team of executives responsible for all functions contributing to the success of the Company.

06.5 The MD's specific responsibilities will include:

(a) develop, in conjunction with the Board, the Company's vision, values, and goals;

(b) responsibility for the achievement of corporate goals and objectives;

(c) development of short, medium and long term corporate strategies and planning to achieve the Company's vision and overall business objectives;

(d) preparation of business plans and reports with the senior management;

(e) developing with the Board the definition of ongoing corporate strategy;

(f) implementing and monitoring strategy and reporting/presenting to the Board on current and future initiatives;

(g) advise the Board regarding the most effective organisational structure and oversee its implementation;

(h) assessment of business opportunities of potential benefit to the Company;

(i) responsibility for proposals for major capital expenditure to ensure their alignment with corporation strategy and justification on economic grounds;

(j) sustain competitive advantage through maximising available resources, encouraging staff commitment and strategically aligning the corporate culture with the organisation's goals and objectives;

(k) establish and maintain effective and positive relationships with Board members, shareholders, customers, suppliers and other government and business liaisons;

(l) undertake the role of key Company spokesperson;

(m) recommend policies to the Board in relation to a range of organisational issues including delegations of authority, consultancies and performance incentives;

(n) ensure statutory, legal and regulatory compliance and comply with corporate policies and standards;

(o) ensure appropriate risk management practices and policies are in place;

(p) develop and motivate direct reports and their respective teams;

(q) select and appoint key staff as and when required (direct reports); and

(r) ensure there is an appropriate staff appraisal system in place in the Company.

PART B - BOARD PROCESSES

07 BOARD MEETINGS

07.1 Board meetings are a fundamental component of governance processes. Each Board meeting is the main opportunity for directors to:

(a) obtain and exchange information with the senior management team;

(b) obtain and exchange information with each other; and

(c) make decisions.

07.2 The Board meeting agenda is equally as important because it shapes the information flow and subsequent discussion.

07.3 Meeting frequency

Given the size of the Company and the scale of its activities the Board will meet approximately 10 times per year but not less than six times per year and, unless otherwise agreed, Committees will generally meet on a quarterly basis. Where Board and Committee meetings are scheduled for the same month, where possible, Committee meetings will precede the Board meeting by at least one week to allow the circulation of the minutes of the Committee meeting prior to the Board meeting.

07.4 Meeting time and location

The Board usually meets at the offices of the Company in Australia. The commencement time will vary depending on the agenda of each individual meeting, the availability of key participants and the location in which the meeting is taking place.

07.5 Meeting language

If a Director does not speak the language in which the Board meeting is proposed to be held in and key documents written, processes will be adopted to ensure that the Director understands and can contribute to discussions at those meetings and understand and discharge their obligations in relation to those documents.

07.6 Conduct of meeting

The Chair will determine the degree of formality required at each meeting while maintaining the decorum of such meetings. As such the Chair will:

(a) ensure that all members are heard;

(b) retain sufficient control to ensure that the authority of the Chair is recognised. This may require a degree of formality to be introduced if this is necessary to advance the discussion;

(c) take care that the decisions are properly understood and well recorded; and

(d) ensure that the decisions and debate are completed with a formal resolution recording the conclusions reached.

07.7 Quorum and voting at meetings

In order for a decision of the Board to be valid a quorum of Directors must be present. Given requisite notice, a quorum will be two Directors present in person or by instantaneous communication device or as otherwise stipulated in the Constitution. Questions arising at Board meetings are to be decided by a majority vote of Directors who are present and entitled to vote.

07.8 Emergency decision making

A resolution in writing signed by all Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held and otherwise in accordance with the Company's Constitution.

08 BOARD MEETING AGENDA

08.1 Agenda content

An agenda will be prepared for each Board and Committee meeting.

08.2 Agenda preparation

The Company Secretary, in consultation with the Chair and the EC is responsible for preparing an agenda for each Board meeting. However, any Director may request items to be added to the agenda for upcoming meetings.

09 BOARD PAPERS

09.1 Preparation and circulation of Board papers

The Company Secretary together with the EC is responsible for the preparation and circulation of Board papers should they be required. The Board papers if so required will be circulated to Directors prior to the Board meeting. If a Board paper relates to a matter in which there is a known conflict of interest with a particular Director then the relevant Board paper will be removed by the Company Secretary on the instructions of the Chair, from the set of Board papers sent to that Director. In the case of the Chair having a conflict of interest, the Board will appoint another Director to make final decisions on the forwarding of Board papers to the Chair.

09.2 Retention of Board papers

The Company Secretary maintains a complete set of Board papers at the Company's headquarters. However, individual Directors may retain their own Board papers in a secure location.

10 BOARD MINUTES

Minutes are to be a concise summary of the matters discussed at a Board Meeting. Minutes will contain a brief reference to relevant Board papers tabled plus any official resolutions adopted by Directors. All decisions will be recorded in the minutes by means of a formal resolution.

11 BOARD CALENDAR

In order to provide an even distribution of work over each financial year, the Board will adopt a twelve-month Board Calendar. Included will be all scheduled Board and Committee meetings as well as major corporate and Board activities to be carried out in particular months. Once initiated it will be updated and approved prior to the start of each financial year.

12 COMMITTEES

When the size of the Company and the scale of its activities warrant it the Board will institute the following committees:

(a) Audit and Risk Committee; and

(b) Remuneration and Nomination Committee.

The Committee Charter for each of these Committees is available on the Company's website. Nevertheless, the Board has the ability to alter the roles of each Committee as it sees fit.

As at the date of this Board Charter, the Board has not instituted a:

(c) Remuneration and Nomination Committee.

PART C – KEY BOARD FUNCTIONS

01 THE BOARD AND STRATEGY

The Board will approve a formal strategic planning process that articulates the respective roles and levels of involvement of the Board, senior management and other employees and will review the strategic plan for the Company on a regular basis.

02 CONTACTS AND ADVISORY ROLE

02.1 Protocol for interaction with internal and external parties

(a) Media contact and comment

The Board has designated the EC to speak to the press on matters associated with the Company. In speaking to the press, the EC will not comment on price sensitive information that has not already been disclosed to a relevant authority, however, they may clarify previously released information. To assist in safeguarding against the inadvertent disclosure of price sensitive information the EC will be informed of what the Company has previously disclosed to the market on any issue prior to briefing anyone outside the Company.

Subject to the policies of the Board and any committee that the Board may appoint from time to time, the Chair is authorised to comment on:

(i) annual and half yearly results at the time of the release of the annual or half yearly report;

(ii) resolutions to be put to General Meetings of the Company;

(iii) changes in Directors, any matter related to the composition of the Board or Board processes;

(iv) any speculation concerning Board meetings or the outcomes of Board meetings; and

(v) other matters specifically related to shareholders.

Subject to the policies of the Board and any committee that the Board may appoint from time to time, the EC is authorised to comment on:

(i) the Company's future outlook;

(ii) any operational matter;

(iii) media queries concerning operational issues which reflect either positively or negatively on the Company;

(iv) proposed or actual legal actions; and

(v) queries and general discussion concerning the Company's industry.

See the Code of Conduct for further information relating to conduct of Employees and the Continuous Disclosure and Communications Policy for further information relating to communications to external parties.

(b) External communications including analyst briefings and responses to Shareholder questions

The Company discloses its financial and operational results to the market each year/half year/quarter as well as informing the market of other events throughout the year as they occur. Annual, half yearly and quarterly financial reports, media releases and AGM speeches are all lodged with the appropriate authority. As all financial information is disclosed, the Company will only comment on factual errors in information and underlying assumptions when commenting on market analysts' financial projections, rather than commenting on the projections themselves.

In addition to the above disclosures, the Company does conduct briefings and discussions with analysts and institutional investors. However, price sensitive information will not be discussed unless that particular information has been previously formally disclosed to the market via an announcement. Slides and presentations used in briefings will also be released immediately prior to the briefing to the market.

After the conclusion of each briefing or discussion if any price sensitive information was disclosed it will be announced immediately to the market.

02.2 Hospitality and gifts

While the Company recognises the need from time to time to give or accept customary business courtesies in accordance with ethical business practices, Directors and officers will not solicit such courtesies and will not accept gifts, services, benefits or hospitality that might influence, or appear to influence, the Directors' and officers' conduct in representing the Company.

Refer to the Company's Anti-Bribery and Anti-Corruption Policy for further information.

03 MONITORING

Another essential function of the Board is to monitor the performance of the organisation in implementing its strategy and overall operational performance.

04 RISK AND COMPLIANCE MANAGEMENT

The Board is charged with overseeing, reviewing and ensuring the integrity and effectiveness of the Company's risk and compliance systems. The Board has an external independent auditor who is responsible for verifying the Company's compliance systems and reporting to the Board on those systems.

Since risk management is a complex and critical component of the Company's governance, the Board has established an Audit and Risk Committee to oversee and guide the detail of this topic. The EC will be charged with implementing appropriate risk systems within the Company. Aspects of this process may be delegated. Refer to the Audit and Risk Management Committee Charter.

Risk management is considered a key governance and management process. It is not an exercise merely to ensure regulatory compliance. Therefore, the primary objectives of the risk management system at the Company will be to ensure:

(a) all major sources of potential opportunity for and harm to the Company (both existing and potential) are identified, analysed and treated appropriately;

(b) business decisions throughout the Company appropriately balance the risk and reward trade off;

(c) regulatory compliance and integrity in reporting is achieved; and

(d) Senior Management, the Board and investors understand the risk profile of the Company.

In line with these objectives, the risk management system will cover:

(e) operations risk;

(f) financial reporting; and

(g) compliance.

The Board reviews all major strategies and purchases for their impact on the risk facing the Company, and makes appropriate recommendations to the Board. The Company reviews annually its operations to update its risk profile. This occurs in conjunction with the strategic planning process.

The Board will create a semi-annual report on those areas of risk identified. In addition, as specified by Recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition), the EC and CFO provide a written declaration of assurance that their opinion, that the financial records of the Company for any financial period have been properly maintained, comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Company produces a number of periodic reports, including its Annual Report, Half-year financial report and quarterly activity and cash flow reports. The Company has in place processes to review and confirm the accuracy and reasonableness of the disclosures contained in these reports at both management and Board level, including where a corporate report of this type is not subject to audit or review by an external auditor. Management prepares the disclosures in these reports whereby subject matter experts and the relevant executives review and approve the disclosures which are then reviewed by the Company's EC and approved by the Board. In the event further legal or financial review is required, the proposed disclosure is run past the Company's advisors, lawyers or auditors (as appropriate) for review.

05 DELEGATION OF AUTHORITY

Directors are responsible for any delegations of their responsibilities with regard to corporate operations. As such, they decide as a Board what Company matters are delegated to either specific Directors or management. In addition, they outline what controls are in place to oversee the operation of these delegated powers.

As a consequence, individual Directors have no individual authority to participate in the day-to-day management of the Company including making any representations or agreements with member companies, suppliers, customers, employees or other parties or organisations.

The exception to this principle occurs where the Board explicitly delegates any authority to the Director individually. Additionally, it is recognised that all Executive Directors will carry significant delegated authority by virtue of their management position.

Similarly, Committees and their members require specific delegations from the Board as a whole and these will be contained in each Committee's respective Terms of Reference.

05.1 General delegations

In general, the Board delegates all powers and authorities required to effectively and efficiently carry out the Company's business. Listed below are the exceptions to these delegations, whereby the Board or appropriate Committee reserves the powers as indicated.

05.2 Decisions requiring Board approval

In addition to those decisions requiring approval pursuant to the respective Committee Charters (if any), the following decisions must be referred to the Board for approval:

(a) Directors acquiring or selling shares of the Company;

(b) issuing shares of the Company;

(c) acquiring, selling or otherwise disposing of property in excess of the amount set out in the Company's approval matrix;

(d) founding, acquiring or selling subsidiaries of or any company within the Company, participating in other companies or dissolving or selling the Company's participation in other companies (including project joint ventures);

(e) acquiring or selling patent rights, rights in registered trademarks, licences or other intellectual property rights of the Company;

(f) founding, dissolving or relocating branch offices or other offices, plants and facilities;

(g) starting new business activities, terminating existing business activities or initiating major changes to the field of the Company's business activities;

(h) approving and/or altering the annual business plan (including financial planning) for the Company or any part of the Company;

(i) taking or granting loans which exceed the amount set out in the Company's approval matrix (including, without limitation, the placing of credit orders, issuing of promissory notes or loans against IOUs);

(j) granting securities of any type;

(k) granting loans to Company officers or employees and taking over guarantees for the Company's officers and employees;

(l) entering into agreements for recurring, voluntary, or additional social benefits, superannuation agreements or agreements for general wage and salary increases;

(m) determining the total amount of bonuses and gratuities for Company officers and employees;

(n) determining the appointment, termination, prolongation of employment or amendment to conditions of employment of members of the Board of Directors; and

(o) granting or revoking a power of attorney or limited authority to sign and/or act on behalf of the Company.

PART D – CONTINUING IMPROVEMENT

01 DIRECTOR PROTECTION

01.1 Information seeking protocol

Directors will adhere to the following protocol when seeking information:

(a) approach the EC to request the required data; and

(b) if the information is still not forthcoming, write a letter to all Board detailing the information that is required, purpose of the information, and who the Director intends to approach in order to obtain the information.

01.2 Access to professional advice

A Director of the Company is expected to exercise considered and independent judgment on the matters before them. To discharge this expectation a Director may, from time to time, need to seek independent, expert opinion on matters before them. All Directors have the individual authority to commit the company to up to $5,000 per annum in professional advice.

Prior to seeking professional advice a director shall inform the Chair about the nature of the opinion or information sought, the reason for the advice, the terms of reference for the advice and the estimated cost of the advice. Where more than one Director is seeking advice about a single issue, the Chair shall endeavour to coordinate the provision of the advice.

If the cost of professional advice is likely to exceed $5,000, the Director shall seek authority from the Chair prior to engaging an external expert. The Chair has delegated authority to authorise expenditures up to $10,000. If the Chair withholds authorisation, the Director has the right to seek authority from the Board at the next Board meeting. If the cost of professional advice is likely to exceed $10,000, then the Board's approval for the engagement of an external expert is required.

Advice so received should be received on behalf of the Board as a whole.

01.3 Access to Board papers

The Directors have the right to access board papers as granted by the Corporations Act. Such access shall be provided on a timely basis.

01.4 Insurance

The Company currently holds Directors' and Officers' Insurance Policies. The Company will ensure that all new Directors and Officers are included on the Company's insurance policies. The Company will also review the D&O Insurance Policies on at least an annual basis to ensure that they are sufficient.

02 BOARD AND SENIOR EXECUTIVE EVALUATION

02.1 Evaluation process

The Board considers the evaluation of its own and senior executive performance as fundamental to establishing a culture of performance and accountability.

02.2 Board and Director evaluations

The Board considers the ongoing development and improvement of its own performance as a critical input to effective governance. As a result, the Board will undertake an evaluation of Board and Director performance.

The review will be based on a number of goals for the Board and individual Directors that will be established. The goals are based on corporate requirements and any areas for improvement that may be identified. The Board will consider the outcome of such reviews in a dedicated meeting and develop a series of actions and goals to guide improvement. The Chair will provide each Director with confidential feedback on his or her performance. This feedback is used to develop a development plan for each Director. The Board does not endorse the reappointment of a Director who is not satisfactorily performing the role.

The performance evaluation of the Board, its Committees and individual Directors is to be conducted on an annual basis.

02.3 Board Committee evaluations

The Board will set a number of expectations for its Committees. These expectations are to be derived after considering the results of previous reviews if any, an assessment of the Company's current and future needs, and a review of each Committee's Charter or purpose. As a result of a review, the Board may amend or revoke a Committee's Charter.

The Board will review the performance of the Committees against expectations. Based upon the review, individuals and groups will be provided with feedback on their performance. The results of the review will be a key input into the expectations set by the Board.

02.4 Senior Executive evaluations

All senior executives at the Company will be subject to an annual performance evaluation by the Board. Each year, senior executives (including the EC) will establish a set of performance targets. These targets are aligned to overall business goals and the Company's requirements of the position. In the case of the EC, these targets are negotiated between the EC and the Board and signed off by the whole Board.

An informal assessment of progress is carried out throughout the year. A full evaluation of the executive's performance against the agreed targets takes place annually. This will normally occur in conjunction with goal setting for the coming year.

Since the Company is committed to continuous improvement and the development of its people, the results of the evaluation form the basis of the executive's development plan. Performance pay components of executives' packages are dependent on the outcome of the evaluation.

03 EXECUTIVE DIRECTOR REMUNERATION

03.1 Composition

Remuneration packages for Executive Directors and other senior executives include an appropriate balance of fixed remuneration and performance-based remuneration.

03.2 Fixed remuneration

Fixed remuneration is reasonable and fair, taking into account the Company's obligations at law and labour market conditions, and is relative to the scale of the Company's business. It reflects core performance requirements and expectations.

03.3 Performance-based remuneration

Performance-based remuneration should be linked to clearly specified performance targets. These targets should be aligned to the Company's short, medium and long-term performance objectives and should be appropriate to its circumstances, goals and risk appetite. This target should also be consistent with the Company's Statement of Values. Discretion will be retained where appropriate to prevent performance based remuneration rewarding conduct that is contrary to the entity's value or risk appetite.

03.4 Equity-based remuneration

The Company strives to have a well-designed equity-based remuneration, including options or performance rights, which can be an effective form of remuneration, especially when linked to hurdles that are aligned to the Company's longer-term performance objectives. The Company takes care in the design of equity-based remuneration schemes to ensure that they do not lead to "short-termism" on the part of senior executives or the taking of undue risks.

03.5 Termination and other benefits

Termination payments, if any, for senior executives are agreed in advance and the agreement clearly addresses what will happen in the case of early termination. There is no payment for removal for misconduct.

04 NON-EXECUTIVE DIRECTOR REMUNERATION

04.1 Composition

Non-Executive Directors are remunerated by way of cash fees, superannuation contributions and non-cash benefits in lieu of fees (such as salary sacrifice into superannuation or equity).

04.2 Fixed remuneration

Levels of fixed remuneration for Non-Executive Directors reflect the time commitment and responsibilities of the role.

Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. The sum each Non-Executive Director is paid is determined by the Board from time to time. Additional fees can be paid for participation on Board Committees; however, the total fees paid to Non-Executive Directors, including fees paid for participation on Board Committees, are kept within the total amount approved by shareholders.

04.3 Performance-based bonus

The Company's Non-Executive Directors do not receive performance-based bonuses.

04.4 Equity-based remuneration

It is generally acceptable for Non-Executive Directors to receive securities as part of their remuneration to align their interests with the interests of other security holders.

The Company's Non-Executive Directors cannot choose to receive shares in the Company as part of their remuneration instead of receiving cash and may not participate in equity schemes of the Company, such as option schemes, that are designed to encourage enhanced performance of the participant, unless the Board determines this is reasonable taking into account the current size, nature and scale of the Company.

04.5 Superannuation benefits

Non-Executive Directors should not be provided with retirement benefits other than superannuation.

The Company's Non-Executive Directors are entitled to statutory superannuation.

04.6 Written Agreement

The Written Agreement with the Non-Executive Director should include:

(a) the requirement to disclose director's interests and any matters which could affect the director's independence;

(b) the requirement to comply with the Company's corporate governance policies and charters;

(c) the requirement to notify the Company of or seek the Company's approval before accepting, any new role that could impact upon the time commitment expected of the Director or give rise to a conflict of interests;

(d) the Company's policy around independent professional advice;

(e) indemnity and insurance arrangements;

(f) rights of access to corporate information; and

(g) ongoing confidentiality obligations.

05 DIRECTOR DEVELOPMENT

The Company is committed to continuing development of its Directors and executives.as required.

The Board will undertake an annual review in relation to whether there is a need for existing Directors to undertake professional development.

06 DIRECTOR INDUCTION

New directors will undergo an induction process in which they will be given a full briefing on the Company. This will include meeting with key executives, tours of the premises, an induction package and presentations. Information conveyed to the new Director will include:

(a) details of the roles and responsibilities of a Director with an outline of the qualities required to be a successful Director;

(b) formal policies on Director appointment as well as conduct and contribution expectations;

(c) details of all relevant legal requirements;

(d) access to a copy of the Board Charter and all other Company Corporate Governance Policies;

(e) guidelines on how the Board processes function;

(f) details of past, recent and likely future developments relating to the Board including anticipated regulatory changes;

(g) key accounting matters and outlines of the responsibilities of Directors in relation the Company's financial statements;

(h) background information on and contact information for key people in the organisation including an outline of their roles and capabilities;

(i) an analysis of the Company including:

(i) core competencies of the Company;

(ii) an industry background briefing;

(iii) a recent competitor analysis;

(iv) details of past financial performance;

(v) current financial structure; and

(vi) any other important operating information;

(j) a synopsis of the current strategic direction of the Company including a copy of the current strategic plan and annual budget;

(k) access to a copy of the Constitution of the Company; and

(l) Directors Deed of Indemnity and Right of Access to Documents, if applicable.

Annexure A DEFINITION OF INDEPENDENCE

The Board considers the interests, positions and relationships which may raise issues about the independence of a director as set out in Box 2.3 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (*4th Edition*) as follows:

01 is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;

02 receives performance-based remuneration (including options or performance rights) from or participates in an employee incentive scheme of the entity;

03 is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;

04 is, represents, or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;

05 has close personal ties with any person who falls within any of the categories described above; or

06 has been a director of the entity for such a period that their independence from management and substantial holders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the board to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity as a whole rather than in the interests of an individual security holder or other party.

The Board notes that the mere fact that a director has served on a board for a substantial period does not mean that the director has become too close to management or a substantial holder to be considered independent.