
B. BOARD CHARTER

1. Introduction

- 1.1 In carrying out its responsibilities and powers as set out in this Charter, the Board of the Company will at all times recognise its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the Company's shareholders, as well as its employees, customers, and the community. It will work to promote and maintain an environment within the Company that establishes these principles as basic guidelines for all of its employees and representatives.

2. Purpose and Role

- 2.1 The Board is responsible for:
- (a) overseeing and charting the direction, strategies and financial objectives for the Company and monitoring the implementation of those policies, strategies and financial objectives;
 - (b) monitoring compliance with regulatory requirements and ethical standards; and
 - (c) appointing, and reviewing the performance of, the chief executive officer.
- 2.2 In performing the responsibilities set out above the Board should act at all times:
- (a) in a manner designed to create and continue to build sustainable value for shareholders; and
 - (b) in accordance with the duties and obligations imposed upon them by the Constitution and by law.

3. Powers of the Board

- 3.1 In addition to matters expressly required by law to be approved by the Board, the Board specifically has the powers to:
- (a) appoint and remove the chief executive officer and determine his or her terms and conditions (including remuneration);
 - (b) appoint senior executives, such as the chief financial officer and company secretary;
 - (c) approve the issue of any shares, options, equity instruments or other securities in the Company;
 - (d) exercise any discretion that it may have from time to time delegated to the chief financial officer or senior management; and
 - (e) determine the remuneration and conditions of service including financial incentives for any executive directors or senior executives.

4. Specific Responsibilities

- 4.1 The Board has a specific responsibility to:
- (a) monitor and assess management's performance and implementation of strategies and budgets approved by the Board;
 - (b) set criteria for, and evaluate at least annually, the performance of the chief executive officer;
 - (c) provide input into and approve corporate strategy and performance objectives;
 - (d) approve and monitor:
 - (i) the progress of major capital expenditure and capital management;

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- (ii) significant changes to organisational structures;
 - (iii) financial and other reporting; and
 - (iv) any public statements which reflect significant issues of the Company policy or strategy.

4.2 In relation to item 4.1(d)(iii) above, the Board must ensure that they are provided with a written statement from the chief executive officer and chief financial officer that the Company's financial reports present a true and fair view of the Company's financial condition and operational results and are in accordance with recognised accounting standards.

4.3 The Board must also ensure that they are provided with an additional written statement from the chief executive officer and chief financial officer in relation to the Company's risk management systems and controls. This additional statement should state that:

- (a) the statement given in accordance with item 4.2 above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- (b) the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material aspects.

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

5. **Board Membership**

5.1 The Board should include an appropriate number of non-executive directors who satisfy the criteria for independence as stated in Section 6 below.

6. **Independence**

6.1 A director is only to be regarded as independent if:

- (a) the Board resolves that the director has no material relationship with the Company (either directly, or as a partner, shareholder, or executive officer of an organisation that has a material relationship with the Company);
- (b) the director is not a substantial shareholder of the Company or an officer of, or otherwise directly associated with, a substantial shareholder of the Company;
- (c) the director is not, and has not been within the previous three years:
 - (i) employed by the Company;
 - (ii) a principal of a material professional adviser or a material consultant to the Company; or
 - (iii) employed by, or a partner in, any firm that in the past three years has been the Company's external auditor; and
- (d) no immediate family member of the director is an executive officer of the Company or, except where the immediate family member has died or become incapacitated, has been an executive officer of the Company within the previous five years.

6.2 For the purpose of this Section 6, "executive officer" means a chief executive officer or a chief financial officer (or persons carrying out any equivalent functions), a head of a division or function, and any person who performs a significant policy-making function, but does not include a non-executive director.

7. **Meetings**

- 7.1 Board and Committee papers should where possible be provided to directors at least 7 days prior to the relevant meeting.
- 7.2 The non-executive directors should meet at least twice each year for private discussion of management issues.

8. **Board Committees**

- 8.1 The Board may from time to time establish Committees to assist it in carrying out its responsibilities, and shall adopt Charters setting out matters relevant to the composition, responsibilities and administration of such Committees, and other matters that the Board may consider appropriate.
- 8.2 The Board shall as a minimum establish the following Committees, and shall adopt Charters setting out matters relevant to the composition, responsibilities and administration of those Committees:
- (a) an Audit Committee;
 - (b) a Risk Management Committee;
 - (c) a Remuneration Committee; and
 - (d) a Nominations Committee; and
 - (e) a Governance Committee.
- (Some of these are combined as appropriate).

9. **Self Assessment**

- 9.1 The Board aims to undertake an annual performance evaluation of itself that:
- (a) assesses the performance of the Board with the requirements of its Charter;
 - (b) sets forth the goals and objectives of the Board for the upcoming year;
 - (c) considers the skill set of the Board; and
 - (d) effects any improvements to the Board charter deemed necessary or desirable.
- The performance evaluation shall be conducted in such manner as the Board deems appropriate.