



ATLAS PEARLS LTD ACN 009 220 053

(Company)

## **CORPORATE GOVERNANCE PLAN**

Reviewed and adopted by the Board on 19 October 2018.

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## SCHEDULE 1 – BOARD CHARTER

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### 1. ROLE OF THE BOARD

The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from the Company's Constitution.

### 2. 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 Chief Executive Officer/Managing Director.
- (b) Specific limits on the authority delegated to the Chief Executive Officer/Managing Director and the Executive Team must be set out in the Delegated Authorities approved by the Board.
- (c) The role of management is to support the Chief Executive Officer/Managing Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.
- (d) In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Company to facilitate the carrying out of their duties as Directors.

### 3. SPECIFIC RESPONSIBILITIES OF THE BOARD

In addition to matters it is expressly required by law to approve, the Board has reserved the following matters to itself.

- (a) Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance.
- (b) Appointment, and where necessary, the replacement, of the Chief Executive Officer/Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination.
- (c) Approving the Company's remuneration framework.
- (d) Monitoring the timeliness and effectiveness of reporting to Shareholders.
- (e) Reviewing and ratifying systems of audit, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters.
- (f) Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures.
- (g) Approving and monitoring the budget and the adequacy and integrity of financial and other reporting such that the financial performance of the company has sufficient clarity to be actively monitored.
- (h) Approving the annual, half yearly and quarterly accounts.
- (i) Approving significant changes to the organisational structure.
- (j) Approving decisions affecting the Company's capital, including determining the Company's dividend policy and declaring dividends.
- (k) 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 if applicable).
- (l) Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making.
- (m) Procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

### 2. 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.
- (b) In appointing new members to the Board, consideration must be given to the demonstrated ability and also future potential of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfill the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.
- (c) The composition of the Board is to be reviewed regularly against the Company's Board skills matrix prepared and maintained by the Nominations Committee to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.
- (d) Where practical, the majority of the Board should be comprised of non- executive Director. Where practical, at least 50% of the Board should be independent.

- (i) An independent Director is a director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.
- (ii) In considering whether a Director is independent, the Board should consider the definition of what constitutes independence as detailed in Box 2.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3<sup>rd</sup> Edition as set out in Annexure A (Independence Tests).
- (e) 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.
- (f) The Company must disclose the length of service of each Director in, or in conjunction with, its Annual Report.
- (g) The Company must disclose the relevant qualifications and experience of each Board Member in, or in conjunction with, its Annual Report.

### **3. DIRECTOR RESPONSIBILITIES**

- (a) Where a Director has an interest, position, association or relationship of the type described in the Independence Tests, but the Board is of the opinion that it does not compromise the independence of the Director, the Company must disclose the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion.
- (b) Directors must disclose their interests, positions, associations or relationships. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.
- (c) 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.
- (d) Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- (e) No member of the Board (other than a Managing Director) 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.

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

- (a) The Chairman is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings, ensuring then approving that an accurate record of the minutes of board meetings is held by the Company and conducting the shareholder meetings.
- (b) Where practical, the Chairman should be a non-executive Director. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director.
- (c) Where practical, the Chief Executive Officer/Managing Director should not be the Chairman of the Company during his term as Chief Executive Officer/Managing Director or in the future.
- (d) The Chairman must be able to commit the time to discharge the role effectively.
- (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 in an Acting capacity

### **5. BOARD COMMITTEES**

- (a) Once the Board is of a sufficient size and structure, reflecting that the Company's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties, the Board must establish the following committees, each with written charters:
  - (i) Audit and Risk Committee;
  - (ii) Remuneration Committee; and
  - (iii) Nomination Committee.
- (b) The charter of each Committee must be approved by the Board and reviewed following any applicable regulatory changes.
- (c) The Board will ensure that the Committees are sufficiently 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 Company must disclose the members and Chairman of each Committee in, or in conjunction with, its annual report.
- (f) The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.

- (g) The Company must disclose in, or in conjunction with, its annual report, in relation to each reporting period relevant to a Committee, the number of times each Committee met throughout the period and the individual attendances of the members at those Committee meetings.
- (h) Where the Board does not consider that the Company will benefit from a particular separate committee:
  - (i) the Board must carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee; and
  - (ii) the Company must disclose in, or in conjunction with, its annual report:
    - (A) the fact a Committee has not been established; or
    - (B) if an Audit and Risk Committee has not been established, the processes the Board employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner, and the process it employs for overseeing the Company's risk management framework.

## **6. BOARD MEETINGS**

- (a) The Directors may determine the quorum necessary for the transaction of business at a meeting, however, until otherwise determined, 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 after each meeting.
- (e) The Company Secretary shall ensure that the business at Board and committee meetings is accurately captured in the minutes.
- (f) The Company Secretary shall co-ordinate the timely completion and distribution of Board and committee papers for each meeting of the Board and any committee.
- (g) Minutes of meetings must be approved at the next Board meeting.
- (h) Further details regarding Board meetings are set out in 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 is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- (c) The Company Secretary is to facilitate the induction and professional development of Directors.
- (d) The Company Secretary is to facilitate and monitor the implementation of Board policies and procedures.
- (e) 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.
- (f) All Directors have access to the advice and services provided by the Company Secretary.
- (g) The Board has the responsibility for the appointment and removal, by resolution, 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, 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.

## **9. PERFORMANCE REVIEW**

The Nomination Committee 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.

## SCHEDULE 2–CORPORATE CODE OF CONDUCT

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### 1. PURPOSE

The purpose of this Corporate Code of Conduct is to provide a framework for decisions and actions in relation to ethical conduct in employment.

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 employees.

### 2. ACCOUNTABILITIES

#### 2.1 Managing Director/Chief Executive Officer and Managers

The Managing Director/Chief Executive Officer and Managers 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;
- (c) ensuring employees under their control understand and follow the provisions outlined in the Code of Conduct; and
- (d) reporting suspected corrupt 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 your duties, you should:

- (a) behave honestly and with integrity and report other employees who are behaving dishonestly;
- (b) carry out your work with integrity and to a high standard;
- (c) operate within the law at all times;
- (d) act in the best interests of the Company;
- (e) follow the policies of the Company; and
- (f) 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 you could be influenced, or it could be perceived that you are influenced by a personal interest when carrying out your 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 you have:
  - (i) financial interests in a matter the Company deals with or you are aware that your 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 your duty and obligations to the Company;
  - (vi) access to information that can be used for personal gain; and
  - (vii) offer of an inducement.
- (b) You may often be the only person aware of the potential for conflict. It is your responsibility to avoid any conflict from arising that could compromise your ability to perform your duties impartially. You must report any potential or actual conflicts of interest to your manager.
- (c) If you are uncertain whether a conflict exists, you should discuss that matter with your manager and attempt to resolve any conflicts that may exist.
- (d) You must not submit or accept any bribe, or other improper inducement. Any such inducements are to be reported to your manager.

## **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 Chief Executive Officer/Managing Director; 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 Chief Executive Officer/Managing Director.
- (d) The above restrictions apply except where prohibited by law, for example in relation to "whistle blowing".

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

Requests to use Company resources outside core business times should be referred to the Managing Director/Chief Executive Officer 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**

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. Employees 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/Chairman before making any use of that property for purposes other than as required in their role as employee.

## **9. DISCRIMINATION AND HARASSMENT**

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. The Company's executives 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) at all times acting responsibly, such that their behaviours do not endanger themselves and/or colleagues through horseplay, irrational risk-taking and any other such behaviours that could cause distraction from a focus upon the safe conduct of work
- (b) following the safety and security directives of management;
- (c) advising management of areas where there is potential problem in safety and reporting suspicious occurrences; and
- (d) minimising risks in the work place through proactive engagement in safety management individually and collectively.

## **12. LEGISLATION**

It is essential that all employees comply with the laws and regulations of the jurisdictions in which we operate. 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 employee should endeavour to deal fairly with the Company's suppliers, customers and other employees.

## **14. INSIDER TRADING**

All employees and contractors must observe the Company's "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, management, employees and contractors 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, technical (including exploration results) and other information on a timely basis.

## **16. BREACHES OF THE CODE OF CONDUCT**

Employees should note that 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**

Employees are encouraged to raise any matters of concern in good faith with the Managing Director/Chief Executive Officer or with the Chairman/Company Secretary, without fear of retribution.

## SCHEDULE 3–AUDIT AND RISK COMMITTEE CHARTER

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### 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 composition, purpose, duties and responsibilities, mode of operation and authority.

### 2. COMPOSITION

The Board will strive to adhere to the following composition requirements for the Committee where at all possible. However the Board acknowledges that the composition of the Board may not allow adherence to the following composition requirements from time to time.

- (a) The Committee must comprise at least three members.
- (b) All members of the Committee must be non-executive Directors.
- (c) A majority of the members of the Committee must be independent non- executive Directors in accordance with the criteria set out in Annexure A.
- (d) The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.
- (e) All members of the Committee must be able to read and understand financial statements.
- (f) The Chairman of the Committee must not be the Chairman of the Board of Directors and must be independent.
- (g) The Chairman shall have leadership experience and a strong finance, accounting or business background.
- (h) The external auditors, the other Directors, the Managing Director/Chief Executive Officer, 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;
- (f) the identification and management of business, economic, environmental and social sustainability risks; and
- (g) the review of the Company's risk management framework at least annually to satisfy itself that it continues to be sound and to determine whether there have been any changes in the material business risks the Company faces and to ensure that they remain within the risk appetite set by the Board.

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

#### 3.1 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) Over see 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) Review the impact of any proposed changes in accounting policies on the financial statements.
- (f) Review the quarterly, half yearly and annual results.
- (g) Ensure that, before the Board approves the Company's financial statements for a financial period, the Chief Executive Officer and Chief Financial Officer (or, if none, the person(s) fulfilling those functions) have declared that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

### **3.2 Relationship with External Auditors**

- (a) Recommend to the Board procedures for the selection and appointment of external auditors and for the rotation of external audit or 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 there to.
- (f) Meet with the external auditors at least twice in each financial year 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.
- (k) Ensure that the external auditor attends the Company's Annual General Meeting and is available to answer questions from security holders relevant to the audit.

### **3.3 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.
- (e) Review the internal controls of the Company via consideration of any comments from the Company's internal and/or external auditors and/or commissioning an independent report on the Company's internal controls.

### **3.4 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) Assist in identifying and managing potential or apparent business, economic, environmental, legal and social sustainability risks (if appropriate).
- (c) Review the Company's risk management framework at least annually to satisfy itself that it continues to be sound.
- (d) Review reports by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.

### **3.5 Other**

- (a) The Committee will oversee the Company's environmental risk management and occupational health and safety processes.
- (b) The Committee will oversee procedures for whistle-blower protection.
- (c) As contemplated by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, and to the extent that such deviation or waiver does not result in any breach of the law, the Committee may approve any deviation or waiver from the "Corporate code of conduct". Any such waiver or deviation will be promptly disclosed where required by applicable law.
- (d) Monitor related party transactions.

## **5. MEETINGS**

- (a) The Committee will meet at least twice in each financial year 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 or any other member of the Committee.
- (c) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.
- (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) The Committee Chairman, through the Secretary, will prepare are port of the actions of the Committee to be included in the Board papers for the next Board meeting.
- (g) Minutes of each meeting are 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 Company 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 Company 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.

## SCHEDULE 4–REMUNERATION COMMITTEE CHARTER

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### 1. ROLE

The role of the Remuneration Committee is to assist the Board in monitoring and reviewing any matters of significance affecting the remuneration of the Board and employees of the Company. This Charter defines the Remuneration Committee's composition, purpose, duties and responsibilities, mode of operation and authority.

### 2. COMPOSITION

The Board will strive to adhere to the following composition requirements for the Committee where at all possible. However the Board acknowledges that the composition of the Board may not allow adherence to the following composition requirements from time to time.

- (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. PURPOSE

The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:

- (a) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- (b) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- (c) recommending to the Board the remuneration of executive Directors;
- (d) fairly and responsibly rewarding executives having regard to the performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market;
- (e) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
- (f) reviewing and approving the remuneration of direct reports to the Chief Executive Officer/Managing Director, and as appropriate other senior executives; and
- (g) reviewing and approving any equity based plans and other incentive schemes.

### 4. DUTIES AND RESPONSIBILITIES

#### 4.1 Executive Remuneration Policy

- (a) Review and approve the Company's recruitment, retention and termination policies and procedures for senior executives to enable the Company to attract and retain executives and Directors who can create value for shareholders.
- (b) Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs.
- (c) 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 practices and expectations in the market.

#### 4.2 Executive Directors and Senior Management

- (a) 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 executive remuneration policy.
- (b) Review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for the direct reports of the Chief Executive Officer/Managing Director. As part of this review the Committee will oversee an annual performance evaluation of the senior 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.
- (c) Approve changes to the remuneration or contract terms of executive Directors and direct reports to the Chief Executive Officer/Managing Director.
- (d) Approve termination payments to executive Directors or direct reports to the Chief Executive Officer/Managing Director. Termination payments to other departing executives should be reported to the Committee at its next meeting.

#### 4.3 Executive Incentive Plans (including Equity Based Plans)

- (a) Review and approve the design of any executive incentive plans (**Plans**).
- (b) Review and approve any Plans that may be introduced in the light of legislative, regulatory and market developments.
- (c) For each Plan, determine each year whether awards will be made under that Plan.
- (d) Review and approve total proposed awards under each Plan.
- (e) In addition to considering awards to executive Directors and direct reports to the Chief Executive Officer/Managing Director,

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.

- (f) Review, approve and keep under review performance hurdles for each Plan.
- (g) Review, manage and disclose the policy (if any) under which participants to a Plan may be permitted (at the discretion of the Company) to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Plan.

#### **4.4 Other**

The Committee shall perform other duties and activities that it or the Board considers appropriate.

### **5. 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. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their members as Chairman.
- (d) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or a conference call.
- (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.

### **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 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.

### **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 Company 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 Company 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 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.

### **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. REPORTING**

- (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.
- (c) The Company must disclose the policies and practices regarding the remuneration of non-executive directors, executive directors and other senior executives in the annual report and as otherwise required by law.

## SCHEDULE 5–NOMINATION COMMITTEE CHARTER

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### 1. ROLE

The role of the Nomination Committee is to assist the Board in monitoring and reviewing any matters of significance affecting the composition of the Board and the Executive Team. This Charter defines the Nomination Committee's composition, purpose, duties and responsibilities, mode of operation and authority.

### 2. COMPOSITION

The Board will strive to adhere to the following composition requirements for the Committee where at all possible. However the Board acknowledges that the composition of the Board may not allow adherence to the following composition requirements from time to time.

- (a) The Committee shall comprise at least three non-executive Directors, the majority of whom must be independent, one of whom will be appointed the Committee Chairman.
- (b) The Board may appoint additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

### 3. PURPOSE

The primary purpose of the Committee is to support and advise the Board in:

- (a) maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
- (b) 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.

### 4. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

- (a) Periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors.
- (b) Make recommendations to the Board on the appropriate size and composition of the Board.
- (c) 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.
- (d) Undertake appropriate checks before appointing a candidate, or putting forward to security holders a candidate for election, as a Director, including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate).
- (e) Ensure that all material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director, including:
  - (i) biographical details (including relevant qualifications and experience and skills);
  - (ii) details of any other material directorships currently held by the candidate;
  - (iii) where standing as a Director for the first time, any material adverse information revealed by the checks, details of any interest, position, association or relationship that might materially influence their capacity to be independent and act in the best interests of the Company and its shareholders, and a statement whether the Board considers the candidate is considered to be independent;
  - (iv) where standing for re-election as a Director, the term of office served by the Director and a statement whether the Board considers the candidate is considered to be independent; and
  - (v) a statement by the Board whether it supports the election or re- election of the candidate.
- (f) Ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. For these purposes, a senior executive is a member of key management personnel (as defined in the Corporations Act), other than a Director.
- (g) Prepare and maintain a Board skills matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve). The Company must disclose this matrix in, or in conjunction with, its Annual Report.
- (h) Approve and review induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.
- (i) 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.
- (j) Consider and recommend to the Board candidates for election or re- election to the Board at each annual shareholders' meeting.
- (k) Review Directorships in other public companies held by or offered to Directors and senior executives of the Company.
- (l) Review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board.
- (m) Arrange an annual performance evaluation of the Board, its Committee, individual Directors and senior executives as appropriate.

## **5. MEETINGS**

- (a) The Committee will meet at least once a 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) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or conference call.
- (d) A quorum shall comprise any two members of the Committee. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman.
- (e) Decisions will be based on a majority of votes with the Chairman having a casting vote.
- (f) The Committee may invite executive management team members or other individuals, including external third parties to attend meetings of the Committee, as they consider appropriate.

## **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 Company 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 Company 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 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.

## **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. REPORTING**

- (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.
- (c) The Company must disclose the policies and practices regarding the nomination of non-executive directors, executive directors and other senior executives in, or in conjunction with, the annual report and as otherwise required by law.

## SCHEDULE 6 – DISCLOSURE - PERFORMANCE EVALUATION

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The Nomination Committee will arrange a performance evaluation of the Board, its Committees, individual Directors and senior executives on an annual basis as appropriate. To assist in this process an independent advisor may be used.

The Nomination Committee will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively.

The review will include:

- (a) comparing the performance of the Board with the requirements of its Charter;
- (b) examination of the Board's interaction with management;
- (c) the nature of information provided to the Board by management; and
- (d) management's performance in assisting the Board to meet its objectives.

A similar review may be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.

The Remuneration Committee will oversee the evaluation of the remuneration of the Company's senior executives. This evaluation must be 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.

The Company must disclose, in relation to each financial year, whether or not the relevant annual performance evaluations have been conducted in accordance with the above processes.

## SCHEDULE 7 – DISCLOSURE - CONTINUOUS DISCLOSURE

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The Company must comply with continuous disclosure requirements arising from legislation and the ASX Listing Rules.

The general rule, in accordance with ASX Listing Rule 3.1, is that once the Company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities, the Company must immediately disclose that information to the ASX.

The Company has in place a written policy on information disclosure and relevant procedures.

The focus of these procedures is on continuous disclosure compliance and improving access to information for investors.

The Company Secretary is responsible for:

- (a) overseeing and co-ordinating disclosure of information to the relevant stock exchanges and shareholders; and
- (b) providing guidance to Directors and employees on disclosure requirements and procedures.

Price sensitive information is publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants is also managed through disclosure to the ASX.

All announcements (and media releases) must be:

- (a) prepared in compliance with ASX Listing Rules continuous disclosure requirements;
- (b) factual and not omit material information; and
- (c) expressed in a clear and objective manner to allow investors to assess the impact of the information when making investment decisions.

The Company's protocol in relation to the review and release of ASX announcements (and media releases) is as follows:

- (a) All key announcements at the discretion of the Managing Director/Chief Executive Officer are to be circulated to and reviewed by all members of the Board.
- (b) All members of the Board are required to seek to provide to the Managing Director/Chief Executive Officer (or in his/her absence, the Company Secretary) with verbal or written contribution of each key announcement, prior to its release.
- (c) Any relevant parties named in the announcement should also be given the opportunity to review the announcement prior to its release, to confirm all information is factually correct.
- (d) The Managing Director/Chief Executive Officer (and in his/her absence, the Chairman) is to be given the final sign off before release to the ASX of the announcement.

Information is posted on the Company's website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

The Company Secretary is to maintain a copy of all announcements released.

## SCHEDULE 8–DISCLOSURE –RISK MANAGEMENT

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### 1. DISCLOSURE – RISK MANAGEMENT REVIEW PROCEDURE AND INTERNAL COMPLIANCE AND CONTROL

The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

The Board has delegated to the Audit and Risk Committee responsibility for implementing the risk management system.

The Audit and Risk Committee will submit particular matters to the Board for its approval or review. Among other things it will:

- (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) assist management to determine whether it has any material exposure to economic, environmental and/or social sustainability risks (as those terms are defined in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations) and, if it does, how it manages, or intends to manage, those risks;
- (c) assist management to determine the key risks to the businesses and prioritise work to manage those risks; and
- (d) review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The Company's process of risk management and internal compliance and control includes:

- (a) identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- (e) formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls;and
- (f) monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

To this end, comprehensive practises are in place that are directed towards achieving the following objectives:

- (a) compliance with applicable laws and regulations;
- (b) preparation of reliable published financial information;and
- (c) implementation of risk transfer strategies where appropriate eg insurance.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back at each Audit and Risk Committee at least annually.

The Board will review assessments of the effectiveness of risk management and internal compliance and control at least annually.

The Company must disclose at least annually whether the Board(or a committee of the Board) has completed a review of the Company's risk management framework to satisfy itself that it continues to be sound.

The Company will disclose if it has any material exposure to economic, environmental and/or social sustainability risks (as those terms are defined in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations) and, if it does, how it manages, or intends to manage, those risks.

## SCHEDULE 9 – TRADING POLICY

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### 1. BACKGROUND TO AND PURPOSE OF THIS POLICY

- (a) This policy is the Company's trading policy adopted for the purposes of the ASX Listing Rules and forms part of the Company's corporate governance policies.
- (b) The purpose of this policy is to:
  - (i) provide a brief and high level summary of the law of insider trading;
  - (ii) set out the restrictions on dealing in securities by people who work for or are associated with the Company; and
  - (iii) assist in maintaining market confidence in the integrity of dealings in the Company's securities.
- (c) This policy is for the protection of each of the Company and its staff. Any queries regarding its operation should be directed to the Company Secretary at first instance.

### 2. APPLICATION OF THIS POLICY

Who does it apply to?

- (a) This policy applies to and imposes constraints on:
  - (i) Directors (both executive and non-executive),
  - (ii) officers and senior executives (including the Company Secretary); and
  - (iii) all full time, part time and casual employees and consultants, contractors and advisors (unless informed otherwise in writing by the Company Secretary)(together "**Restricted Persons**")
- (b) This is because the job description, nature of the duties, access to information, or work on transactions by Restricted Persons is considered to involve access to 'inside information'.

**What does it apply to?**

- (c) This policy extends to dealing in all financial products (including shares, options, other convertible instruments and derivatives issued by the Company from time to time and herein referred to as **Company's Securities**) including those owned or controlled by a Restricted Person and whether those financial products are held in the name of that person, through a company, through a trust, by a family member, by a friend or in some other entity or arrangement.
- (d) This policy also extends to trading in financial products of any other company that may be affected by inside information (such as a major supplier or customer of the Company, a joint venture partner of the Company, a competitor of the Company etc) and the term Company's Securities must in those cases be read accordingly.

### 3. DEALING IN THE COMPANY'S SECURITIES – AN OVERVIEW OF INSIDER TRADING

- (a) Sections 1042B to 1043O of the Corporations Act 2001 prohibit persons who are in possession of price sensitive information in relation to particular securities that is not generally available to the public from:
  - (i) dealing in the securities; or
  - (ii) communicating the information to others who might deal in the securities.
- (b) For the purposes of this policy, 'dealing' includes:
  - (i) trading in securities (i.e. subscribing for, buying, selling or entering into an agreement to do any of those things); and
  - (ii) advising, procuring or encouraging another person (such as a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust) to trade in securities.
- (c) The central test of what constitutes price sensitive information is found in section 1042A. It provides that the insider trading and continuous disclosure rules apply to information concerning a company that a reasonable person would expect to have a material affect on the price or value of the Company's Securities ("**price sensitive information**").
- (d) The definition of 'information' is extremely broad and can include rumours, matters of supposition, intentions of a person (including the Company) and information which is not definite enough to warrant public disclosure.
- (e) What constitutes price sensitive information is a complex question of fact. It may for example include:
  - (i) a potential takeover bid for the Company;
  - (ii) the sale or acquisition of one of the Company's assets;
  - (iii) changes to the Board or senior management;
  - (iv) information relating to changes in the Company's production levels, financial position or profitability;
  - (v) entry into, termination of or changes to a material contract;
  - (vi) a contemplated share issue or other type of change to the capital structure of the Company (such as a buy-back or capital reduction);
  - (vii) financing arrangements;

- (viii) impact of weather conditions on the Company's assets;
  - (ix) any possible litigation involving the Company; and
  - (x) any information required to be disclosed to ASX under its continuous disclosure rules, provided that it is material enough to be likely to influence a reasonable person to deal in the Company's Securities.
- (f) Restricted Persons will on many occasions be in a situation where they are in possession of price sensitive information that is not generally available to the public (i.e. the information is not generally available to the public).
- (g) In these instances, dealing in the Company's Securities may well breach the terms of this policy and/or give rise to potential civil or criminal actions concerning that Restricted Person.
- (h) This guidance is a brief and high level summary of the law on insider trading. It does not constitute legal advice and Restricted Persons are encouraged either to consult with the Company Secretary or take their own legal advice as to the application of the law of insider trading to any contemplated trading in the Company's Securities.

#### 4. OPERATION OF THE POLICY

##### **Overview**

- (a) This policy:
- (i) prohibits a Restricted Person from dealing in the Company's Securities:
    - during a Closed and Prohibited Period (defined **paragraphs (e) and (f)** below) save for dealings that constitute Exceptional Circumstances (defined **paragraph (k)** below);
    - if the dealing constitutes short term or speculative trading in the Company's Securities (see **paragraph (h)** below);
    - if neither of the above two prohibitions apply, without having first obtained the prior written consent of the Chairman or in his/her absence, the Company Secretary (as appropriate) (see **paragraph (i)** below), unless that dealings is of the type expressly excluded from this policy (see **paragraph 5** below).
  - (b) prohibits pledging and margin lending arrangements relating to the Company's Securities or acquiring derivatives over Company Securities without prior consent (see **paragraph (l)** below); and
  - (c) prohibits the communication by Restricted Persons of price sensitive information (see **paragraph (m)** below); and
  - (d) requires notification of all dealing in securities after they occur (see **paragraph (n)** below).

##### **No dealing during a Prohibited Period**

- (e) Subject to **paragraph (i)** of this policy, Restricted Persons must not deal in the Company's Securities in the following periods (each a "Closed Period"):
- (i) within the period commencing on the balance date for the relevant half yearly or annual results and ending on the date of release of those results;
  - (ii) within the period of 1 month prior to the issue of a prospectus;
- (f) Restricted Persons must also not deal in the Company's Securities where:
- (i) a blackout period (being a period where all Restricted Persons are prohibited by order of the Board from trading) has been notified to the Restricted Person by the Company Secretary or Chairman; or
  - (ii) there is in existence price sensitive information that has not been disclosed to ASX because of an ASX Listing Rule exception, (here after Closed Periods and the above two exceptions are referred to as **Prohibited Period**)
- (g) Restricted Persons should wait at least 24 hours after the end of the relevant Prohibited Period before dealing in securities so that the market has had time to absorb any information that has been released to end the relevant Prohibited Period.

##### **No short term or speculative trading**

- (h) Restricted Persons must not at any time engage in short term or speculative trading in securities of the Company (which will be determined by the Board in its discretion).

##### **No dealing without prior written consent**

- (i) A Restricted Person may deal in the Company's Securities outside of a Prohibited Period if:
  - (i) the dealing is not otherwise prohibited by paragraph (h);
  - (ii) the Restricted Person has first notified the Managing Director/ Chief Executive Officer (or the Chairman in the case of the Managing Director/Chief Executive Officer's absence or that the Restricted Person is the Managing Director/Chief Executive Officer);
  - (iii) the Restricted Person does not deal in the Company's Securities until approval is given by the Managing Director/Chief Executive Officer or Chairman as appropriate.
- (j) Any approval required under this clause is in the discretion of the Managing Director/Chief Executive Officer having regards to the purpose of this policy and is given on the strict condition that it is a compliance monitoring function only and not an endorsement of the proposed dealing.

### **Exception for Exceptional Circumstances**

- (k) Restricted Persons, who are not in possession of price sensitive information that is not generally available to the public, may be permitted to sell or otherwise dispose of Company Securities where they would otherwise be restricted by this policy, if:
- (i) they are in severe financial difficulty which cannot otherwise be satisfied by the selling of the Company's Securities (for example, a liability to pay tax that the person has no other means of satisfying other than through the sale of shares);
  - (ii) they are required to do so by court order or similar requirement; or
  - (iii) there are other exceptional circumstances.

In such 'other' circumstances, Restricted Persons may only deal in securities of the Company after they have obtained written clearance from the Chairman or Managing Director/Chief Executive Officer (or Non-Executive Director in the case of the Chairman or Managing Director/Chief Executive Officer) or in their absence, the Company Secretary. There is no obligation on the Company's representative under this policy to provide that clearance. Any such clearance will be valid for 7 days from the date it is given, meaning the relevant dealing can only occur during that period (subject to the other requirements of this policy).

### **No pledging or margin lending Company Securities without prior consent**

- (l) Restricted Persons must not enter into agreements that provide lenders with rights over their interests in the Company's Securities (such as margin loans) or trade in derivatives (such as hedging arrangements, equity swaps, caps or collars) which have the effect of reducing or limiting exposure to the Company's Securities without the prior written approval of the Chairman (or the Board in the case of the Chairman) such consent not to be unreasonably withheld.

### **No communication of price sensitive information**

- (m) Restricted Persons must not communicate price sensitive information to a person who may deal in securities of the Company. In addition, a Restricted Person should not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee or a family trust or Directors of a family company) the buying or selling of securities in the Company.

### **Post dealing notification**

- (n) Restricted Persons are required to notify the Company Secretary in writing of any dealings in Company Securities within 5 business days of the dealing occurring.

### **Non-discretionary trading plans**

- (o) The Board may in its discretion approve trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this policy.
- Otherwise, Restricted Persons must inform their brokers or financial advisers who have discretion to trade on their behalf or that they are restricted from trading in the Company's Securities under this policy.

## **5. THIS POLICY DOES NOT APPLY TO CERTAIN DEALINGS**

- (a) The following dealings in securities of the Company are excluded from the operation of this policy:
- (i) transfers of securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
  - (ii) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in these securities of the entity) where the assets of the fund or other scheme are invested at the discretion of a third party;
  - (iii) where a Restricted Person is a trustee, trading in the securities of the entity by that trust provided the Restricted Person is not a beneficiary of the trust and any decision to trade during a Prohibited Period is taken by the other trustees or by the investment managers independently of the Restricted Person;
  - (iv) undertakings to accept, or the acceptance of, a take over offer;
  - (v) trading under an offer or invitation made to all or most of the security holders (such as, a rights issue, a security purchase plan, a dividend or distribution investment plan and an equal access buy-back) where the plan that determines the timing and structure of the offer has been approved by the board. This includes decision relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue; a disposal of securities of the entity that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
  - (vii) exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and the entity has been in an exceptionally long Prohibited Period or the entity has had a number of consecutive Prohibited Periods and the Restricted Person could not reasonably have been expected to exercise it at a time when free to do so; and
  - (viii) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this policy and where:
    - the Restricted Person did not enter into the plan or amend the plan during a prohibited period;
    - the trading plan does not permit the Restricted Person to exercise any influence or discretion over how, when, or whether to trade; and
    - the entity's policy does not allow the Restricted Person to cancel the trading plan or cancel or otherwise vary the terms of his or her participation in the trading plan during a prohibited period other than in Exceptional Circumstances.

**6. CONSEQUENCES OF BREACHING THIS POLICY**

- (a) Strict compliance with this policy is mandatory for all Company and Restricted Persons. Contravention of the Corporations Act is a serious matter which may result in criminal or civil liability. In addition, breaches of this policy may damage Company's reputation in the investment community and undermine confidence in the market for Company securities. Accordingly, breaches will be taken very seriously by Company and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

**7. OTHER MATTERS**

- (a) In accordance with the ASX Listing Rules the Company will release to ASX any material amendments to this policy.
- (b) This policy should be read in conjunction with the Company's other corporate governance policies.

## SCHEDULE 10 – DIVERSITY POLICY

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### 1. INTRODUCTION

The Company and all its related bodies corporate are committed to workplace diversity.

The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

To the extent practicable, the Company will consider the recommendations and guidance provided in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations where appropriate to the Company.

The Diversity Policy does not form part of an employee's contract of employment with the Company, nor gives rise to contractual obligations. However, to the extent that the Diversity Policy requires an employee to do or refrain from doing something and at all times subject to legal obligations, the Diversity Policy forms a direction of the Company with which an employee is expected to comply.

### 2. OBJECTIVES

The Diversity Policy provides a framework for the Company to achieve:

- (a) a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- (b) a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- (c) improved employment and career development opportunities for women;
- (d) a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- (e) awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity, (collectively, the **Objectives**).

The Diversity Policy does not impose on the Company, its directors, officers, agents or employee any obligation to engage in, or justification for engaging in, any conduct which is illegal or contrary to any anti-discrimination or equal employment opportunity legislation or laws in any State or Territory of Australia or of any foreign jurisdiction.

### 3. RESPONSIBILITIES

#### 3.1 The Board's commitment

The Board is committed to workplace diversity and supports representation of women at the senior level of the Company and on the Board where appropriate.

The Board is responsible for developing measurable objectives and strategies to meet the objectives of the Diversity Policy (**Measurable Objectives**) and monitoring the progress of the Measurable Objectives through the monitoring, evaluation and reporting mechanisms listed below. The Board shall annually assess any Measurable Objectives (if any), and the Company's progress towards achieving them.

The Board may also set Measurable Objectives for achieving gender diversity and monitor their achievement.

The Board will consider conducting all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary.

#### 3.2 Strategies

The Company's diversity strategies may include:

- (a) recruiting from a diverse pool of candidates for all positions, including senior management and the Board;
- (b) reviewing succession plans to ensure an appropriate focus on diversity;
- (c) identifying specific factors to take account of in recruitment and selection processes to encourage diversity;
- (d) developing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development;
- (e) developing a culture which takes account of domestic responsibilities of employees; and
- (f) any other strategies the Board develops from time to time.

**4. MONITORING AND EVALUATION**

The Chairman will monitor the scope and currency of this policy.

The Company is responsible for implementing, monitoring and reporting on the Measurable Objectives.

Measurable Objectives (if any) as set by the Board will be included in the annual key performance indicators for the Chief Executive Officer/Managing Director and senior executives.

In addition, the Board will review progress against the Measurable Objectives (if any) as a key performance indicator in its annual performance assessment.

**5. REPORTING**

The Company will disclose, for each financial year:

- (a) any Measurable Objectives set by the Board;
- (b) progress against these Measurable Objectives;and
- (c) either:
  - (i) the respective proportions of men and women on the Board, in senior executive positions (including how the Company has defined "senior executive" for these purposes) and across the whole Company; or
  - (ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act.

## SCHEDULE 11–SHAREHOLDER COMMUNICATIONS STRATEGY

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The Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

Information is communicated to shareholders through:

1. the Annual Report delivered by post or via email (if requested by the shareholder) and which is also released to Australian Securities Exchange (**ASX**) and placed on the Company's website;
2. the half yearly report which is released to ASX and also placed on the Company's website;
3. the quarterly reports which are released to ASX and also placed on the Company's website;
4. disclosures and announcements made to the ASX copies of which are placed on the Company's website;
5. notices and explanatory statements of Annual General Meetings (**AGM**) and General Meetings (**GM**) copies of which are released to ASX and placed on the Company's website;
6. the Chairman's address and the Managing Director/Chief Executive Officer's address made at the AGMs and the GMs, copies of which are released to ASX and placed on the Company's website;
7. the Company's website on which the Company posts all announcements which it makes to the ASX; and
8. the auditor's lead engagement partner being present at the AGM to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

As part of the Company's developing investor relations program, Shareholders can register with the Company to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.

Shareholders are encouraged to participate at all GMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.

Historical Annual Reports of the Company are provided on the Company's website. Shareholders queries should be referred to the Company Secretary in the first instance.

## ANNEXUE A - DEFINITION OF INDEPENDANCE

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Examples of interests, positions, associations and relationships that might cause doubts about the independence of a director include if the director:

- (a) is, or has been, employed in an executive capacity by the Company 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;
- (b) is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services or a material consultant to the Company or any of its child entities;
- (c) is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the Company or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- (d) is a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company;
- (e) has a material contractual relationship with the Company or its child entities other than as a director;
- (f) has close family ties with any person who falls within any of the categories described above; or
- (g) has been a director of the Company for such a period that his or her independence may have been compromised.

In each case, the materiality of the interest, position, association or relationship needs to be assessed 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 interests of the Company and its security holders generally.