



Operating Specialised Automotive Aftercare and Accessory Companies

# Board Charter

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## 1. INTRODUCTION

The Company is currently listed on the Australian Stock Exchange, holding investments in the wholesale vehicle aftercare and accessories market, including smash repair panel shops, vehicle protection equipment, brakes and transmission service workshops and the wholesale distribution of automotive and electrical accessories.

The Company will continue to evaluate investment opportunities as and when they arise which in the view of the Board have the potential to provide an opportunity for future returns to shareholders.

The Board of the 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 in mind, the Board has reviewed and updated 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 anyway constitute legal advice or act as a substitute for legal advice.

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 Charter is structured in accordance with the Company's view of a Corporate Governance Charter.



Geoffrey Kiel and Gavin Nicholson,  
*Boards that Work: A New Guide for Directors*, Sydney: McGraw-Hill, 2003.

The Company's Board Charter has four major sections:

- Part A – Defining Governance Roles;
- Part B – Board Processes;
- Part C – Key Board Functions; and
- Part D – Continuing Improvement.

This Board Charter is a living document. The Board Charter will 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.

Nothing in this Charter must conflict with the Company's Constitution ("Constitution"). If such a conflict occurs, the Constitution shall prevail.

Any reference to gender in this Charter should be interpreted as applicable to all genders.

## **PART A – DEFINING GOVERNANCE ROLES**

### **2. THE ROLE OF THE BOARD**

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

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.

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.

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

- Providing leadership to the Company by guiding the development of an appropriate culture and values for the Company.
- Overseeing the development and implementation of appropriate strategy.
- Ensuring corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy, encouraging effective participation at General Meetings and through the Chairman being the key interface between the Company and its shareholders;
- Overseeing the control and accountability systems that ensure the Company is progressing towards the goals set by the Board.
- Ensuring robust and effective Audit Risk & Compliance systems (including legal compliance) are in place and operating effectively;
- Being responsible for management of the Company's Senior Management Personnel.
- Ensuring that Board membership and structure is suitable to the current circumstances of the Company; having in place effective succession planning procedures and evaluating performance where possible.
- Delegating appropriate powers to the CEO, Management and Committees to ensure the effective day-to-day management of the business and monitoring the exercise of these powers; and
- Making all decisions outside the scope of delegated powers.

The detail of some Board functions will be handled through Board 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.

### **3. BOARD STRUCTURE**

#### **3.1 Number of Directors**

The Board has determined that, consistent with the size of the Company and its activities, the Board shall be comprised of at least 3 Directors.

The Board's policy is that the majority of Directors shall be independent, Non-executive Directors.

The Board has adopted the definition of independence set out in the ASX Corporate Governance Council *Principles of Good Corporate Governance and Best Practice Recommendations* (2003).

The independence of the Company's Non-executive Directors will be assessed on an ongoing basis.

In the opinion of the Board, all Directors should bring specific skills and experience that add value to the Company. The balance of skills and experience of the Board is to be regularly reviewed by the Nomination Committee (or full Board in the absence of a Nomination Committee).

When considering the potential reappointment of an existing Director, the Board will take into account the individual's performance as well as the skills and experience mix required by the Board into the future.

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

#### **3.2 Appointment of Directors**

The Directors may at any time appoint a person to be Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following General Meeting and is then eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Any person seeking election as a Director (other than a Director seeking re-election) may submit their application and signed nomination at least 6 weeks before the General Meeting, to the Registered Office of the Company. All nominations shall then be treated as in regards to the Company's Constitution.

#### **3.3 Skills Required on the Board**

The Board, through the Nomination Committee (or full Board in the absence of a Nomination Committee), will regularly review the technical skills, capabilities and personal attributes required of Board members. An essential component of this matrix is the time availability of Directors.

### 3.4 Duration of Appointment

Directors will serve for as long as the Directors' skill base and contribution is considered beneficial to the Company and otherwise of course, at the pleasure of the shareholders.

### 3.5 Vacation of Office

It is envisaged that Directors shall remain on the Board until required to vacate the office by law or as detailed in the Constitution. The Terms and Conditions for Directors are contained in their Letter of Appointment.

## 4. 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. Directors need to ensure that the Board is providing:

- leadership to the Company, particularly in the areas of ethics and culture;
- a clear and appropriate strategic direction;
- accountability to shareholders;
- oversight of policies;
- oversight of all control and accountability systems including all financial operations and solvency, Audit Committee and compliance;
- an effective Senior Management Team and appropriate personnel policies; and
- timely and effective decisions on matters reserved to it.

### 4.1 Directors' Code of Conduct

In accordance with legal requirements and agreed ethical standards, Directors and Key Executives of the Company:

- will act honestly, in good faith and in the best interests of the whole Company;\*
- owe a fiduciary duty to the Company as a whole;
- have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;\*
- will undertake diligent analysis of all proposals placed before the Board
- will act with a level of skill expected from Directors and Key Executives of a publicly listed Company;
- will use the powers of office for a proper purpose, in the best interests of the Company as a whole;\*
- will demonstrate commercial reasonableness in decision making;
- will not make improper use of information acquired as Directors and Key Executives;\*



- will not disclose non-public information except where disclosure is authorised or legally mandated;<sup>†</sup>
- will keep confidential, information received in the course of the exercise of their duties;
- will not take improper advantage of the position of Director\* or use the position for personal gain or to compete with the Company;<sup>†</sup>
- will not take advantage of Company property or use such property for personal gain or to compete with the Company;<sup>†</sup>
- will protect and ensure the efficient use of the Company's assets for legitimate business purposes;<sup>†</sup>
- will not allow personal interests, or the interest of any associated person, to conflict with the interests of the Company;<sup>\*</sup>
- 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;<sup>\*</sup>
- will make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally, towards achieving its goals;
- will not engage in conduct likely to bring discredit upon the Company;<sup>\*</sup>
- will encourage fair dealing by all employees with the Company's customers, suppliers, competitors and other employees;<sup>†</sup>
- will encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations in good faith;<sup>†</sup>
- will give their specific expertise generously to the Company;
- 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 Code;<sup>\*</sup>

(\*From the *AICD Code of Conduct*)

(†From the ASX Corporate Governance Council's *Principles of Good Corporate Governance*)

## 4.2 Expectations of Directors in Board Process

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.

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.

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.

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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 without appropriate authorisation.

## **4.3 Conflict of Interest and Related Party Transactions**

### ***4.3.1 Conflicts of Interest***

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. Whether an interest is material or not will vary depending on individual circumstances. Directors are expected to know when a matter is material and accordingly to declare any material conflict.

On appointment, Directors will have an opportunity to declare any such interests and they will be entered into the Company's Register of Ongoing Conflicts of Interests.

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 Chairman any actual or potential conflict of interest situation as soon as it arises. To ensure Directors have an opportunity to disclose new conflicts of interest, the first Agenda item for each Board Meeting will be the disclosure of any conflicts of interest. Any amendments to disclosures are to be tabled at this time and entered into the Register of Ongoing Conflicts of Interest.

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 absent themselves when either (a) conflict of interest relates to an interest common to all Company Members/shareholders or (b) the Board passes a resolution that identifies the Director, the nature and extent of the Director's interest and 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.

### ***4.3.2 Related Party Transactions***

Related party transactions include any financial transaction between a Director or Officer and the Company and will be reported in writing to each Board Meeting.

In general, the *Corporations Act* requires related party transactions to be approved by the shareholders; the Board cannot approve these transactions. An exemption to this requirement occurs where the financial benefit is given on 'arm's length' terms.

If a related party transaction is brought before the board, then the Director or Officer related to the transaction must excuse themselves from the approval process.

Related party for this process means:

- (a) a spouse or de facto spouse of the Director or Officer; or
- (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 (a) or (b) has a controlling interest.

The Company Secretary will maintain a Register of Related Parties Transactions as well as the Register of Ongoing Conflicts of Interests.

## **5. THE ROLE OF THE CHAIRMAN**

The Chairman's role is a key one within the Company. The Chairman 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 Chairman's role. They are the Chairman's role within the boardroom and the Chairman's role outside the boardroom.

### **5.1 Inside the Boardroom**

Inside the boardroom the role of the Chairman is to:

1. Establish the Agenda for Board Meetings in consultation with the CEO;
2. Chair Board Meetings. If the Chairman is not present within 15 Minutes after the time appointed for the holding of the meeting, a Director chosen by a majority of Directors shall assume the role;
3. Be clear on what the Board has to achieve, both in the long and short term;
4. Provide guidance to other Board Members about what is expected of them;
5. Ensure that Board Meetings are effective in that;
  - the right matters are considered during the meeting (for example, strategic and important issues);
  - matters are considered carefully and thoroughly;
  - all Directors are given the opportunity to effectively contribute; and
  - the Board comes to clear decisions and resolutions are noted;
6. Brief all Directors in relation to issues arising at Board Meetings;
7. Ensure that the decisions of the Board are implemented properly;
8. Ensure that the Board behaves in accordance with its Code of Conduct; and
9. Commence the Annual process of Board and Directors' Evaluations.

## 5.2 Outside the Boardroom

Outside the boardroom the role of the Chairman is to:

1. In conjunction with the CEO, undertake appropriate public relations activities;
2. Be the spokesperson for the Company at the AGM and in the reporting of performance and profit figures;
3. Be the major point of contact between the Board and the CEO;
4. Be kept fully informed of current events by the CEO on all matters which may be of interest to Directors;
5. Regularly review with the CEO, and such other Senior Officers as the CEO recommends, progress on important initiatives and significant issues facing the Company;
6. Provide mentoring for the CEO; and
7. Initiate and oversee the annual CEO's evaluation process.

## 6. THE ROLE OF THE COMPANY SECRETARY

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 Chairman, on all governance matters and reports directly to the Chairman 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.

The tasks of the Company Secretary shall include:

### Meetings and Minutes

- notifying the Directors in writing in advance of a Meeting of the Board as specified in the Constitution;
- ensuring that the Agenda and Board Papers are prepared and forwarded to Directors prior to the Board;
- recording, maintaining and distributing the Minutes of all Board and Board Committee Meetings as required;
- 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
- recording, maintaining and distributing the Minutes of all General Meetings of the Company.

## Compliance

- overseeing the Company's compliance program and ensuring all Company legislative obligations are met;
- ensuring all requirements of ASIC, the ASX and any other regulatory body are fully met; and
- providing counsel on corporate governance principles and Director Liability.

## Governance Administration

- maintaining the Register of Ongoing Conflicts of Interests and the Register of Related Party Transactions;
- maintaining a Register of Company Policies as approved by the Board;
- maintaining, updating and ensuring that all Directors have an up-to-date copy of the Board Charter and associated governance documentation;
- reporting at each Board meeting the documents executed under a power of attorney, documents executed in accordance with section 127 of the *Corporations Act*, and reporting on the use of the seal register; and
- any other services the Chairman or Board may require.

## 7. THE ROLE OF THE CEO

The Chief Executive Officer (CEO) 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.

The CEO'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 CEO is of critical importance to the Company in guiding the Company to develop new and imaginative ways of winning and conducting business. The CEO must have the industry knowledge and credibility to fulfil the requirements of the role.

The CEO will manage a Team of Executives responsible for all functions contributing to the success of the Company.

The CEO's specific responsibilities will include:

- Develop, in conjunction with the Board, the Company's vision, values, and goals;
- Responsibility for the achievement of corporate goals and objectives;
- Development of short, medium and long term corporate strategies and planning to achieve the Company's vision and overall business objectives;
- Preparation of Business Plans and Reports with the Senior Management; developing with the Board the definition of ongoing corporate strategy; implementing and monitoring strategy and reporting/presenting to the Board on current and future initiatives;

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- Advise the Board regarding the most effective organisational structure and oversee its implementation;
  - Assessment of business opportunities of potential benefit to the Company;
  - Responsibility for proposals for major capital expenditure to ensure their alignment with corporation strategy and justification on economic grounds;
  - Sustain competitive advantage through maximising available resources, encouraging staff commitment and strategically aligning the corporate culture with the organisation's goals and objectives;
  - Establish and maintain effective and positive relationships with Board Members, shareholders, customers, suppliers and other government and business liaisons;
  - Undertake the role of Key Company Spokesperson;
  - Recommend policies to the Board in relation to a range of organisational issues including delegations of authority, consultancies and performance incentives;
  - Ensure statutory, legal and regulatory compliance and comply with corporate policies and standards;
  - Ensure appropriate Audit Risk & Compliance Committee practices and policies are in place;
  - Develop and motivate direct reports and their respective teams;
  - Select and appoint Key staff (direct reports); and
  - Ensure there is an appropriate staff appraisal system in place in the Company.

## PART B – BOARD PROCESSES

### 8. BOARD MEETINGS

Board Meetings are a fundamental component of governance processes. Each Board Meeting is critical, as it is the main opportunity for Directors to:

- obtain and exchange information with the Senior Management Team;
- obtain and exchange information with each other; and
- make decisions.

The Board Meeting Agenda is equally as important because it shapes the information flow and subsequent discussion.

#### 8.1 Meeting Frequency

The Board will meet approximately 8 times per year but no less than six times per year, unless otherwise agreed. Committees will generally meet as required. Where Board and Committee Meetings are scheduled for the same month, where possible, Committee Meetings will precede the Board.

#### 8.2 Meeting Time and Location

The Board usually meets at the Company's registered office or a place of business. Board Meetings usually commence at 10am Australian time, but this may vary depending on the Agenda of each individual meeting, the availability of key participants and the location of the participants in the meeting. Teleconference facilities will be made available at all meetings to enable board members to attend from remote locations if needed.

#### 8.3 Meeting Cycle

To assist the smooth running of Board processes, the Board has adopted an indicative cycle as follows. The indicative cycle gives Board Members seven days to review the Agenda and Board Papers to save valuable time at meetings by being prepared for discussions and allowing them to seek clarification or further information in advance on ambiguous items.

Under normal circumstances, Board Meetings shall follow the following cycle:

ITEM	DAY
Company Secretary reviews the proposed Agenda with the Chairman	-7
Board Papers and Agenda are finalised	-7
Board Papers are printed	-7
All Board Papers are circulated to Board Meeting attendees	-7
Board Meeting	0
Draft Minutes sent to Chairman & or Directors	7

All days indicated are calculated in relation to the Board Meeting day (day zero).

Please note, that this is an indicative cycle only. The actual timing of events in the lead up to and follow up from Board Meetings will be dependent upon the circumstances surrounding each individual meeting.

#### **8.4 Conduct of Meeting**

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

- ensure that all Members are heard;
- 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;
- take care that the decisions are properly understood and well recorded; and
- ensure that the decisions and debate are completed with a formal resolution recording the conclusions reached.

#### **8.5 Quorum and Voting at Meetings**

In order for a decision of the Board to be valid, a quorum of Directors must be present. In accordance with the Company's constitution a quorum is 2 Directors present and entitled to vote. Questions arising at Board Meetings are to be decided by a majority of votes of Directors who are present or via telecommunications device, and entitled to vote.

#### **8.6 Emergency Decision Making – Written Resolutions**

As provided by the Constitution, a written resolution or circular resolution may be passed on the basis that it is signed by the majority of Directors.

### **9. BOARD MEETING AGENDA**

#### **9.1 Agenda Content**

An Agenda will be prepared for each Board and Committee Meeting.

#### **9.2 Agenda Preparation**

The Company Secretary, in consultation with the Chairman and the CEO 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. The Company Secretary circulates the Agenda to all Directors with the Board Papers at least seven days prior to the meeting.



## **10. BOARD PAPERS**

### **10.1 Preparation and Circulation of Board Papers**

The Company Secretary together with the CEO is responsible for the preparation and circulation of Board Papers. The Board Papers 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 Chairman) from the set of Board Papers sent to that Director.

In the case of the Chairman having a conflict of interest, the Board will appoint another Director to make final decisions on the forwarding of Board Papers to the Chairman.

### **10.2 Retention of Board Papers**

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

## **11. 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.

## **12. 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 proposed Board and Committee meetings as well as major corporate and Board. It will be updated and approved prior to the start of each calendar year.

## **13. COMMITTEES**

The Board currently has two Committees:

- Audit Committee;
- Remuneration Committee.

It is expected that the Committees will have its Committee Charters approved by the Board. Nevertheless, the Board has the ability to alter the role of the Committees as it sees fit. The Committee Charters form Attachments A & B.

## **PART C – KEY BOARD FUNCTIONS**

### **14. THE BOARD AND STRATEGY**

Each year the Board will engage senior management in a strategic planning process outside the cycle of formal Board meetings. The Board will determine from time to time what form that process will take.

### **15. CONTACTS AND ADVISORY ROLE**

#### **15.1 CEO Advisory Role**

It is recognised that a Key Directorial duty is providing a sounding board for CEO ideas and challenges. Recognising that the CEO-Board relationship is critical to effective corporate governance, Directors should provide frank and honest advice to the CEO. It is expected that the chairman will play a key part of this role and will maintain regular contact with the CEO.

All advice should be constructive in nature and provided in a positive manner. Where appropriate, Directors should recommend possible alternative advisers if they do not feel adequately trained to assist.

#### **15.2 Protocol for Interaction with Internal and External Parties**

##### *15.2.1 Media Contact and Comment*

The Board has designated the CEO or the Chairman (where appropriate) to speak to the press on matters associated with the Company. In speaking to the press, the CEO or the Chairman will not comment on price sensitive information that has not already been disclosed to ASX, however, they may clarify previously released information.

##### *15.2.1 External Communications including Analyst Briefings and Responses to Shareholder Questions*

The Company discloses its financial and operational results to the market each half year as well as informing the market of other events throughout the year as they occur. Financial Reports, media releases and AGM speeches are all lodged with the ASX.

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 ASX announcement. Slides and presentations used in briefings will also be released immediately prior to the briefing to the market via the ASX.

After the conclusion of each briefing or discussion, it will be reviewed to determine whether any price sensitive information has been inadvertently disclosed. If any price sensitive information was disclosed it will be announced immediately to the ASX.

### **15.3 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.

## **16. MONITORING**

Another essential function of the Board is to monitor the performance of the organisation in implementing its strategy and overall operational performance. This will be done on an ongoing basis. The Board will continually review its operations and achievements during the year and critically appraise the achievement of corporate objectives, the performance of Management and the Board.

## **17. COMPLIANCE**

The Board is charged with overseeing, reviewing and ensuring the integrity and effectiveness of the Company's compliance systems. The Board has established an Audit Committee that is responsible for overseeing the Company's compliance systems and reporting to the Board on those systems.

## **18. AUDIT RISK & COMPLIANCE**

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

The Audit Committee system is based on the Australian Standard *AS/NZS4360:1999*.

Audit Risk & Compliance is considered a key governance and management process. It is not an exercise merely to ensure regulatory compliance. Therefore, the primary objectives of the Audit Committee are to ensure:

- all major sources of potential opportunity for and harm to the Company (both existing and potential) are identified, analysed and treated appropriately;
- major business decisions appropriately balance the risk and reward trade off;
- regulatory compliance and integrity in reporting is achieved; and
- 

In line with these objectives, the Audit Committee system covers:

- Operations risk;
- Financial reporting; and
- Compliance.

The Audit Committee reviews major strategies for their impact on the risk facing the Company and makes appropriate recommendations to the Board. The Committee will review risk profiles on an ongoing basis.

In addition, as specified by Recommendation 7.2 of the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations*, the CEO and CFO provide a written assurance that the Audit Committee system is effective, efficient and accurately reflected in the Company's financial statements.

## **19. 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.

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 through resolution explicitly delegates an authority to the Director individually. Additionally, it is recognised that all Executive Directors will carry significant delegated authority (whether implied or explicit) by virtue of their management position as outlined in their job description or specific delegation authorities.

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.

### **19.1 General Delegations**

All operating units will be made aware of their relevant delegations and authorities.

In general, the Board delegates all powers and authorities required to effectively and efficiently carry out the Company's business.

### **19.2 Decisions Requiring Board Approval**

The following decisions must be referred to the Board for approval:

- Acquiring, selling or otherwise disposing of property in excess of 5% of total assets of the Company;
- 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);
- Acquiring or selling patent rights, rights in registered trade marks, licences or other intellectual property rights of the Company;
- Starting new business activities, terminating existing business activities or initiating major changes to the field of the Company's business activities;

- For personal use only
- Approving and/or altering the Annual business plan (including financial planning) for the Company or any part of the Company;
  - Taking or granting loans which exceed \$100,000 (including, without limitation, the placing of credit orders, issuing of promissory notes or loans against IOUs);
  - Granting securities of any type;
  - Granting loans to Company Officers or employees and taking over guarantees for the Company's Officers and employees;
  - Determining the balance sheet strategy for the Company or any part of the Company;
  - Determining the structure and scope of bonuses, incentive systems and gratuities for senior Company Officers and employees;
  - Determining the appointment, termination, prolongation of employment or amendment to conditions of employment of Members of the Board of Directors; and
  - Granting or revoking a power of attorney or limited authority to sign and/or act on behalf of the Company.

## **PART D – CONTINUING IMPROVEMENT**

### **20. DIRECTOR PROTECTION**

#### **20.1 Information Seeking Protocol**

Directors will adhere to the following protocol when seeking information:

1. approach the Company Secretary to request the required data;
2. if the data is not forthcoming, approach the Chairman;
3. if the information is still not forthcoming, write a letter to all Board Members and the CEO detailing the information that is required, purpose of the information, and who the Director intends to approach in order to obtain the information; and
4. as a last resort, employ the provisions of the *Corporations Act*.

#### **20.2 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 \$2,000 per annum in professional advice.

Prior to seeking professional advice a Director shall inform the Chairman 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 Chairman shall endeavour to coordinate the provision of the advice.

If the cost of professional advice is likely to exceed \$2,000, the Director shall seek authority from the Chairman prior to engaging an external expert. The Chairman has delegated authority to authorise expenditures up to \$50,000. If the Chairman 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 \$50,000, then the Board must approve the engagement of an external expert.

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

#### **20.3 Access to Board Papers**

The Directors have the right to access board Papers as granted by the Corporations Act.

#### **20.4 Insurance**

The Company will maintain a Director's & Officer's Liability Policy, if agreed to by the board.

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 Remuneration Committee (or full Board in the absence of a Remuneration Committee) from time to time. Additional fees are not paid for participation on Board Committees without the approval of the Board; however, if they are paid, then 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.

## **22.2 Performance-Based Bonus**

Non-executive Directors do not receive performance-based bonuses.

## **22.3 Equity-Based Remuneration**

Non-executive Directors may choose to receive shares in the Company as part of their remuneration instead of receiving cash. However, Non-executive Directors may not participate in equity schemes of the Company, such as option schemes, without shareholder approval.

## **22.4 Other Benefits**

Non-executive Directors are entitled to statutory superannuation. In addition, Non-executive Directors do have their indemnity insurance paid by the Company.

## **23. DIRECTOR DEVELOPMENT**

The Company is committed to continuing development of its Directors and Executives. Any Director wishing to undertake specific Directorial training courses may approach the Chairman for approval of the proposed course. Development may be in both governance and governance processes or in the Company's industry. If approved by the Chairman, the Company will reimburse the Director for the cost of the course to a maximum amount in aggregate as determined by the Chairman.

## **24. 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:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- details of all relevant legal requirements including:
  - *Corporations Act*;
  - other major statutory bodies;
- a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;



- For personal use only
- background information on and contact information for Key people in the organisation including an outline of their roles and capabilities;
  - an analysis of the Company including:
    - core competencies of the Company;
    - an industry background briefing;
    - a recent competitor analysis;
    - details of past financial performance;
    - current financial structure; and
    - any other important operating information;
  - a synopsis of the current strategic direction of the Company including a copy of the current strategic plan and Annual budget;
  - a copy of the Constitution of the Company; and
  - Directors Deed of Indemnity and Right of Access to Documents, if applicable.

## **ATTACHMENTS**

Attachment A... Audit Committee Charter

Attachment B... Remuneration Committee Charter

Attachment C... Code of Conduct Policy

Attachment D... Share Trading Policy

Attachment E... Senior Executive Remuneration Policy

Attachment F... Diversity Policy

## ***Attachment A - AUDIT COMMITTEE CHARTER***

### **Constitution**

The Audit Committee has been established by resolution of the Board.

### **Membership**

Where Director numbers permit, the Committee will consist of not less than two Members and shall be appointed by the Board from amongst the non-executive Directors, majority of which shall be independent Directors where possible. In addition, the Committee will comprise:

- at least one member who has an understanding of the industry in which the Company operates.
- Members who can read and understand financial statements and are otherwise financially literate;

The Board may appoint one member of Senior Executive Management or External Consultant to be a member of the Committee if they deem that their expertise is crucial in adding value to the Committee.

### **Chairman**

The full Board will nominate the Chairman of the Committee, who shall be an independent Non-executive Director where possible.

### **Secretary**

The Company Secretary will be the Secretary of the Audit Committee.

### **Other Attendees**

The CEO and CFO as well as other Members of Senior management may be invited to be present for all or part of the meetings of the Committee. Representatives of the external Auditor are expected to attend at least once a year.

### **Quorum**

A quorum will be two Members.

## Meetings

Committee meetings will be held not less than two times a year so as to enable the Committee to undertake its role effectively. In addition, the Chairman is required to call a meeting of the Committee if requested to do so by any member of the Committee, the CEO or the external Auditor.

## Authority

The Committee is authorised by the Board to investigate any activity within its Charter. The Committee will have access to management and Auditors with or without management present and has rights to seek explanations and additional information. It is authorised to seek any information it requires from any employees and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Committee is required to make recommendations to the Board on all matters within the Committee's Charter.

## Reporting Procedures

The Committee will keep Minutes of its meetings. The Secretary shall circulate the Minutes of the meetings of the Committee to all Members of the Committee for comment and change before being signed by the Chairman of the Committee and circulated to the Board with the Board Papers for the next Board meeting. Any recommendations of the Committee are included in the Board's agenda.

## Responsibilities of the Audit Committee

The Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external Auditors. In particular, the Committee has the following duties:

### ***Accounting Practices and External Reporting***

#### ***Financial Statements***

1. To review the audited Annual and half yearly financial statements and any reports which accompany published financial statements before submission to the Board, recommending their approval, focusing particularly on:
  - any changes in accounting policies and practices;
  - major judgmental areas;
  - significant adjustments, accounting and financial reporting issues resulting from the internal and external audit;
  - compliance with accounting policies and standards; and
  - compliance with legal requirements.

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2. To review the evaluation by management of factors related to the independence of the Company's public accountant and to assist them in the preservation of such independence.
  3. To oversee management's appointment of the Company's public accountant.

### ***Related Party Transactions***

4. To monitor and review the propriety of any related party transactions.

### ***External Audit Function***

5. To recommend to the Board the appointment of the external Auditor based on the following selection criteria:
  - a) Skills and knowledge of the team proposed to do the work and their independence from the Company
  - b) Quality of work
  - c) Independence of the audit firm
  - d) Lead signing partner and independent review partner rotation and succession planning
  - e) Value for money, and
  - f) Ethical behaviour
6. Each year, to review the appointment of the external Auditor, their independence, the audit fee, and any questions of resignation or dismissal.
7. Ensuring that no partner of the external Auditor is responsible for the Company's accounts for a period of more than 5 years, and once the appointment has ceased, not being able to rotate back onto the audit for a period of 5 consecutive years.
8. To discuss with the external Auditor, before the audit commences, the nature and scope of the audit and to ensure coordination between staff and external Auditor.
9. To meet privately with the external Auditor on at least an annual basis.
10. To determine that no management restrictions are being placed upon external Auditor.
11. To discuss problems and reservations arising from the interim and final audits, and any matters the Auditors may wish to discuss (in the absence of management where necessary).
12. To review the external Auditor's management letter and management's response.
13. To review any regulatory reports on the Company's operations and management's response.

### ***Communication***

14. Providing, through regular meetings, a forum for communication between the Board, senior financial management, staff involved in internal control procedures and the external Auditors.

15. Enhancing the credibility and objectivity of financial reports with other interested parties, including creditors, Key stakeholders and the general public.
16. Establishing procedures for complaints and reports regarding accounting, internal accounting controls and auditing matters and ensuring a mechanism for the confidential treatment of such complaints and reports including the ability to submit them anonymously.

#### ***Assessment of Effectiveness***

17. To evaluate the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with operating management, internal Auditors (if any) and the external Auditors.

#### ***Oversight of the Audit Committee System***

18. To review regularly the Company's Audit Committee systems to ensure the exposure to the various categories of risk are minimised prior to endorsement by the board.
19. Meet periodically with Key management, internal staff and external Auditors to understand and discuss the Company's control environment.
20. Assess the internal processes for determining and managing Key risk areas, including:
- \* non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations law;
  - \* litigation and claims; and
  - \* relevant business risks other than those that are dealt with by other specific committees.
21. To evaluate the Company's exposure to fraud.
22. To take an active interest in ethical considerations regarding the Company's policies and practices.
23. To monitor the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest.
24. To identify and direct any special projects or investigations deemed necessary.
25. To ensure that management focus is directed to sustaining a safe working culture in the workforce.
26. To review the Company's risk profile as prepared by management, from time to time, including both financial and non-financial matters.

## ***Attachment B – REMUNERATION COMMITTEE CHARTER***

### **Constitution**

The Committee has been established by resolution of the Board.

### **Membership**

The Committee shall be appointed by the Board from among the Directors of the Company. Where possible, the Committee shall consist of not less than two members with at least one Director being an independent non-executive Director.

Directors will be appointed to the Committee for a term of three years or such shorter time as they remain in the office of Director.

The Board may appoint one member of Senior Executive Management or External Consultant to be a member of the Committee if they deem that their expertise is crucial in adding value to the Committee.

### **Chairman**

The Committee shall appoint any Director as the Chairman of the Committee.

### **Secretary**

The Company Secretary shall be the Secretary of the Committee.

### **Quorum**

A quorum shall be two members.

### **Meeting Frequency**

Committee meetings will be held not less than once a year to enable the Committee to undertake its role effectively.

### **Authority**

The Committee is authorised by the Board to investigate any activity within its charter. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at meetings of the Committee if it considers this necessary.

The Committee is required to make recommendations to the Board on all matters within the Committee's charter.

## Reporting Procedures

The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee for comment and change before being signed by the Chairman of the Committee and circulated to the Board with the Board papers for the next Board meeting. Any recommendations of the Committee are included in the Board's agenda.

## Duties

The duties of the Remuneration Committee are to:

### *Remuneration duties*

1. Assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and policies including incentive policies for directors and senior executives;
2. Assess the market to ensure that senior executives are being rewarded commensurate with their responsibilities;
3. Obtain the best possible advice in establishing salary levels;
4. Set policies for senior executives' remuneration;
5. Review the salary levels of senior executives and make recommendations to the Board on any proposed increases;
6. Review recommendations from the CEO relating to proposed merit increases for direct reports;
7. Propose, for full Board approval, the terms and conditions of employment for the CEO;
8. Set the criteria for negotiating any enterprise bargain agreement;
9. Review the Company's recruitment, retention and termination policies and procedures for senior management;
10. Review and make recommendations to the Board on the Company's incentive schemes;
11. Review and make recommendations to the Board on the Company's superannuation arrangements;
12. Assist the Chairman of the Company to review the CEO's performance; and
13. Review the remuneration of both executive and non-executive Directors and make recommendations to the Board on any proposed changes.

*Note: The nominations function, which in some companies is performed by the Remuneration Committee, is performed by the full Board of the Company.*



## ***Attachment C - CODE OF CONDUCT POLICY***

### **Commitment to the Code of Conduct**

The Board, management and all employees of the Company are committed to implementing the Company's core principles and values as stated in this Code of Conduct when dealing with customers, clients, government authorities, creditors and the community as whole as well as other employees.

The Company is dedicated to delivering outstanding performance for investors, customers, consumers and employees. The Company aspires to be the leader in its field while operating openly, with honesty, integrity and responsibility. The Company will conduct its business ethically.

### **Responsibilities to Shareholders and the Financial Community Generally**

The Company is committed to delivering value to its shareholders and to representing the Company's growth and progress truthfully and accurately. The Company also complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights.

The Company is committed to safeguarding the integrity of financial reporting and as such will promote and instigate a structure of review and authorisation designed to ensure the truthful and factual presentation of the Company's financial position. The Company will prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards that represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the Company conducts its business.

### **Responsibilities to Clients, Customers and Consumers**

Each employee has an obligation to use their best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers. Each employee will assist the Company in the delivery of superior service and product quality to each client, customer and consumer and will follow the Company's procedures to ensure the safety of goods produced by the Company.

The Company for its part is committed to providing clients, customers and consumers with fair value.

## Employment Practices

The Company will use its best endeavours to:

- Provide a workplace that is safe for employees and that complies with the spirit as well as the letter of workplace health and safety laws.
- Promote equal opportunity for all employees at all levels of the Company irrespective of colour, race, gender, age, ethnicity or religious beliefs.
- Provide equal opportunity to all qualified individuals in recruitment, compensation, promotion, training and other employment practices.
- Compensate all employees, including those working outside Australia, in a fair and ethical manner and where appropriate, in accordance with Company policy, provide special entitlements above the statutory minimum.
- Encourage employee share ownership, but will instigate and enforce policies regarding trading in those securities where employees have inside information.
- Provide opportunities for employee training and education both through the provision of training and the support of employees pursuing further education outside of the Company.
- Recognise the need from time to time to give or accept customary business courtesies in accordance with ethical business practices, however, employees will not solicit such courtesies and will not accept gifts, services, benefits or hospitality that might influence, or appear to influence, the employee's conduct in representing the Company.
- Not tolerate the offering or acceptance of bribes, inducements or unauthorised commissions by any of its employees or Officers.
- Not tolerate the misuse of Company assets or resources nor employee use of such assets or resources for their own benefit.
- Seek to avoid conflicts of interest so that an employee's interests, or the interests of a family member of the employee, do not affect the way he or she handles the Company's business.
- Unless, otherwise agreed in writing between the Company and the employee, expect employees to work exclusively for the Company.

## Obligations Relative to Fair Trading and Dealing

The Company strives to deal fairly with the Company's customers, suppliers, competitors and employees and encourages its employees to strive to do the same. Employees are prohibited from taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other practice that involves unfair dealing.

In its competitive environment, the Company will compete fairly and ethically and in accordance with the competition laws of Australia and of each country in which the Company operates.

The Company aims to conduct its business fairly. It will compete solely on the qualities and price of its products and services. The Company deems false statements, misleading statements or innuendo as being inappropriate and unacceptable.

## **Responsibilities to the Community**

### The Environment

The Company is committed to conducting its business in accordance with the spirit and letter of all applicable environmental laws and regulations.

### Donations and Sponsorship

The Company receives a number of requests for sponsorship in the form of either monetary donations or in kind. As a result, all employees should refer requests for sponsorship to the CEO.

The Company does encourage all employees to make donations to community organisations from their personal funds. However, it should be made clear that all such donations are from the employee personally and not from the Company.

## **Responsibility to the Individual**

### Privacy

The Company receives private information from its employees. Unless required by law, such personal information will not be shared with a third party without the consent of the employee. Within the Company, personal information on employees will only be provided on a “need to know” basis and will only be used for the purpose for which it was intended. Similarly, employees will often be furnished with personal information from clients, customers, consumers and investors. Unless required by law, such personal information will not be shared with a third party without the consent of the person providing the information.

### Confidential Information

All employees must maintain the confidentiality of business information and protect it from any disclosure. This obligation of confidentiality applies while an employee as well as after ceasing to be an employee of the Company.

Information that must be kept confidential includes internal, confidential or proprietary information related to the Company’s business, technological and other knowledge, processes, computer passwords, computer software, product formulations, business strategies and plans, and information concerning the Company’s operations, customers, vendors, suppliers and employees.

### Conflicts of Interest

Where an individual’s private interests are variance in any way with the interests of the Company as a whole a conflict of interest exists. Further, a conflict of interest can be seen to exist where an employee or family member has a direct or indirect financial interest in, or receives any compensation/other benefit from, any individual or firm that:

- sells material, equipment or property to the Company;
- provides any service to the Company;
- has business dealings or contractual relations with the Company including leases and purchases; or
- is engaged in a similar business or competes with the Company.

Employees and Directors must avoid conflicts between personal interests and the interests of the Company, or even the semblance of such interests. Where an employee or Director is concerned that there may be a conflict of interest it should be discussed with the CEO or Board Members as soon as possible.

How the Company complies with legislation affecting its operations

#### Within Australia

The Company strives to comply with the spirit and the letter of all legislation affecting its operations.

#### Outside Australia

The Company will abide by local laws in all countries in which it operates.

### **How the Company Monitors and Ensures Compliance with its Code**

The Board, management and all employees of the Company are committed to implementing this Code of Conduct. Therefore, it is up to each individual to comply with the Code and they will be accountable for such compliance. Where an employee is concerned that there has been a violation of this Code, it can be reported in good faith to the Chairman of the Board. While a record of such reports will be kept by the Company for the purposes of the investigation, the report may be made anonymously. No one making such a report will be subject to any form of retribution.

The disciplinary measures that may be imposed for violations of this Code include, but are not limited to, counselling, verbal or written reprimands, warnings, suspension without pay, demotion, reduction in salary, termination of employment or restitution.

## **Attachment D - SHARE TRADING POLICY**

### **Purpose**

This share trading policy (**Policy**) sets out the policy of AMA Group Limited (**Company**) regarding the trading in Company shares and securities. In this Policy:

- **Shares** means ordinary shares of the Company; and
- **Securities** include Shares as well as options, warrants, debentures and any other security on issue from time to time.

### **Scope**

This Policy applies to all Executive and Non-executive directors, officers and employees of the Company (including those defined as Key Management Personnel according to AASB 124 *Related Party Disclosures*) and their associates as well as contractors, consultants, advisors and auditors (collectively, **Employees**) of the Company, and its subsidiaries (collectively, **Group**)

### **Policy**

The Company has adopted this Policy to regulate dealings by Employees in Securities. All Employees must comply at all times with the provisions of the Corporation Act and Australian Securities Exchange (**ASX**) Listing Rules concerning Share dealings including:

- Insider trading provisions;
- Market manipulation provisions;
- Substantial shareholder notice provisions; and
- Notification requirements.

It is each Employee's own responsibility to ensure that they are fully aware of their legal obligations with respect of share dealings.

All trading in Securities by Employees must be in accordance with this Policy. Despite anything else in this Policy, Employees should not deal in the Company's Securities when they possess price sensitive information relating to the Company that is not generally available to the market.

#### **Insider Trading**

Employees who possess material price sensitive information (inside information) relating to the Company, are prohibited in all circumstances from:

- Trading in Securities in the Company;
- Procuring others to trade in Securities in the Company; and
- Directly or indirectly communicating the inside information to another person who the Employee believes is likely to trade in the Securities in the Company in any way or procure a third person to trade in the Securities in the Company.

Insider trading is strictly prohibited by law, and it is incumbent upon all Employees to uphold that prohibition. Insider trading, or the perception of insider trading, by any Employee will not be tolerated.

Insider trading is a crime and can result in imprisonment, fines, orders to pay compensation and other penalties against the Company and Employees.

### Price Sensitive Information

Non-public price sensitive information is information which is not generally available to the public and which a reasonable person would expect to have a material effect on the price or value of Securities.

Examples of price sensitive information include, but are not limited to:

- A material variance in the financial performance of the Company; or
- The signing or termination of a joint venture; or
- A proposed or actual takeover; or
- An unexpected liability or legal claim against the Company; or
- Proposed share issue; or
- Changes in management.

Information is considered generally available if:

- It can be easily observed; or
- It has been released to the ASX, published in an Annual Report or prospectus or is generally available to the investing public and a reasonable time has elapsed since the information was communicated; or
- It may be deduced, inferred or concluded from the above.

Information would be likely to have a material effect on the price or value of Company Securities if the information might influence persons who commonly acquire Securities in deciding whether or not to acquire or dispose of Company Securities.

### Black Out Periods

Given the heightened risk of actual or perceived insider trading, the Board has determined that Employees are prohibited from dealing in Company Securities during the following periods (**Closed Periods**):

- a) the two (2) week period prior to the release of the Company's half yearly accounts to the ASX until the opening of the trading window the business day following the release;
- b) the two (2) week period prior to the release of the Company's annual accounts to the ASX until the opening of the trading window the business day following the release; and
- c) Any other period determined by the Board from time to time to be a black out period.

The Company Secretary will notify Employees of the precise opening and closing date of any other Closed Period determined by the Board.

### Excluded Trading

Trading that is not covered by the restrictions in this Policy, includes:

- Transfer of Securities in a superannuation fund or other saving scheme in which the Employee is a beneficiary, but in which the Employee has no control or influence over the investment decisions made by the superannuation fund or saving scheme ;
- An investment in, or trading units of, a fund or other scheme (other than a scheme only investing in Company Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;

- Where an Employee is a trustee, trading in Securities by that trust provided the Employee is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Employee;
- Undertakings to accept, or the acceptance of, a takeover offer;
- 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 (DRP) and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. In the case of a DRP, the Employee must only elect to participate in the DRP when they are not in possession of non-public price sensitive information and may not change that election until they are again not in possession of non-public price sensitive information.;
- A disposal of Company Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- The 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 Closed Period and where the Employee could not reasonably have been able to exercise at a time when free to do so.; and
- 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 Employee did not enter into the plan or amend the plan during a Closed Period; and
  - The trading plan does not permit the Employee to exercise any influence or discretion over how, when, or whether to trade.

#### *Trading inside a Black Out Period - Exceptional Circumstances*

An Employee, who is not in possession of non-public price sensitive information affecting Securities, may be given prior written approval to sell or otherwise dispose of Securities during a Closed Period where there are exceptional circumstances. Exceptional circumstances may include:

- severe financial hardship which means an Employee has a pressing financial commitment that cannot be satisfied otherwise than by selling the Securities;
- if the Employee is required by a court order, or there are court enforceable undertakings to transfer or sell the Securities or there is some other overriding legal or regulatory requirement for the Employee to do so; or
- a situation determined by the Chairman or, in the case of the Chairman, the non-executive Directors, to be an exceptional circumstance.

When requesting prior written approval to sell or otherwise dispose of Securities during a Closed Period, an Employee must submit an application in writing (which can be by email) to the Chairman, generally through the Company Secretary (in the case of the Chairman an application in writing (which can be by email) to the non-executive Directors) including the

reasons for requesting approval and confirming the Employee is not in possession of non-public price sensitive information. Approval, if granted, must be in writing (which can be by email) and must specify a time period for which the approval applies.

### **Extension of restrictions to family members and others**

A number of the restrictions described in this Policy prohibit the communication of non-public price sensitive information to other people or arranging for another person to trade in Securities.

Where a person related to or closely connected with an Employee undertakes trading in Securities which are restricted by this Policy, there is often a presumption that such person has been privy to information which is held by the Employee. If that presumption is correct, both the Employee and the other person may have engaged in insider trading. Even if that presumption is incorrect, such trading may create a perception of insider trading.

Accordingly, to the extent that it is within Employee' power to do so, Employees should ensure that any Securities trading which is prohibited by this Policy is not undertaken by their:

- spouse or partner;
- immediate family members such as a parent, child, sibling, in-laws or other relative living in the Employee's home or to whom material support is contributed;
- a company or trust over which the Employee has influence or control (regardless of who is the beneficiary);
- a trust of which the Employee is a beneficiary (other than a trust over which the Employee exercises no control, i.e. a third person or entity exercises exclusive discretionary authority); and
- any other person over whom an Employee has investment control or influence.

### **Notifiable Interests**

Executive & Non-Executive directors must provide to the Company Secretary, all information regarding the trading of the Company securities within 2 (two) days of a trade in the Company's securities to ensure compliance with all requirements of the Corporations Act and the Listing Rules.

### **Anti-hedging Policy**

Executives are not permitted to enter into transactions with Securities (or any derivative thereof) in associated products which limit the economic risk of any unvested entitlements under any equity-based remuneration schemes offered by the Company.



### **Review of this Policy**

This Policy will be reviewed regularly by the Company's Directors having regard to the changing circumstances of the Company and any changes to this Policy will be notified to affected persons in writing.

### **Breaches of this Policy**

Strict compliance with this policy is mandatory for all Employees. Breaches of this policy may damage the Company's reputation in the investment community and undermine confidence in the market for Company Securities.

Any Employee who becomes aware of a violation of this Policy should immediately report the violation to the Company Secretary.

It should also be noted that, in some circumstances, the Company may be obliged to notify regulatory and/or criminal authorities of a serious breach of this Policy.

### **Further Information**

If you have any questions or need further information on how to comply with this policy, please contact the Company Secretary.

## **Attachment E - SENIOR EXECUTIVE REMUNERATION POLICY**

The Company is committed to remunerating its Senior Executives in a manner that is market competitive, consistent with best practice and supports the interests of shareholders. The Company aims to align the interests of Senior Executives with those of shareholders by remunerating Senior Executives where and when appropriate, through performance and long-term incentive plans in addition to their fixed remuneration.

Consequently, Senior Executives' remuneration may consist of the following elements:

- fixed salary;
- short-term incentive bonus based on performance;
- long-term incentive share/option scheme;
- other benefits including superannuation; and
- discretionary bonuses payable in individual circumstances (for example, without limitation, sign-on bonuses)

### **Fixed Salary**

The salary of Senior Executives is determined from a review of the market and reflects core performance requirements and expectations. In addition, the Company considers the following:

- the scope of the individual's role;
- the individual's level of skill and experience;
- the Company's legal and industrial obligations;
- labour market conditions; and
- the size and complexity of the Company's business.

### **Performance Bonus**

The purpose of the performance bonus is to reward actual achievement by the individual of performance objectives and for materially improved Company performance. Consequently, performance-based remuneration is paid where a clear contribution to successful outcomes for the Company is demonstrated and the individual attains and excels against pre-agreed Key performance indicators during a performance cycle.

### **Long-Term Incentives**

The Company may grant shares/options to Executives to attract, retain, motivate and provide performance incentives. All issues will be subject to shareholder approval and will be reasonable in relation to the existing capitalisation of the Company.

### **Other Benefits**

Senior Executives are entitled to statutory superannuation

### **Termination Payments**

Senior Executives may be entitled to a payment upon termination of employment from the Company. Where so entitled, the termination payment has been agreed in the Senior Executive's contract of employment and it is not payable where termination of employment is for misconduct.

## ***Attachment F - DIVERSITY POLICY***

### **Introduction**

Diversity includes, but is not limited to, an individual's race, ethnicity, gender, sexual orientation, age, physical abilities, educational background, socioeconomic status, and religious, political or other beliefs.

AMA Group Limited (the Company) recognises the benefits arising from employee, senior management 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 commitment**

The Company is committed to promoting diversity among employees, consultants and senior management throughout the Company.

The Board will:

- Aim to ensure that appropriate procedures and measures are introduced to ensure that the Company's diversity commitments are implemented appropriately; and
- Seek to ensure that the diversity profile is a factor that is taken into account in the selection and appointment of qualified employees, senior management and Board candidates.

### **Strategies**

Strategies to help achieve the Company's diversity objectives include:

- Facilitating a corporate culture that embraces diversity and recognises employees at all levels have responsibilities outside of the workplace;
- Ensuring that meaningful and varied development opportunities are available to all employees to enhance the retention of new employees and promotion of existing employees;
- Recruiting from a diverse pool of candidates for all positions, including Board and senior management appointments; and
- Reviewing succession plans to ensure an appropriate focus on diversity.

### **Annual disclosure to shareholders**

In accordance with the ASX Corporate Governance Council's recommendations, the Board will include in the Annual Report each year:

- Measurable objectives, if any, set by the Board; progress against achieving the objectives; and
- The proportion of women employees in the whole organisation, at senior management level and at Board level.