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**BOARD OF DIRECTORS**  
**CORPORATE GOVERNANCE GENERAL POLICY**

1. **SCOPE AND PURPOSE**

Corporate Governance is the system, processes and relationships by which the Company is conducted, directed and controlled.

2. **ROLES OF THE BOARD**

2.1 The Board has many responsibilities and duties and in respect of corporate governance, these include:-

2.1.1 adoption of a strategic plan and planning future developments and directions

2.1.2 appointment, remuneration and monitoring the performance of Chief Executive Officer

2.1.3 monitoring the principal risks of the Company's business and the implementation of appropriate systems to manage these risks

2.1.4 reviewing succession planning and appropriate training of managers

2.1.5 communication and investor relations policies

2.1.6 integrity of the Company's internal control and management information systems

2.1.7 reporting to shareholders on their stewardship

2.2 Directors are elected by the shareholders to represent all shareholders. It is the Directors' responsibility in all decisions to conscientiously weigh the interests of all shareholders in light of the circumstances and to consider the effect of such decisions on the interests of all shareholders.

2.3 The Board recognises that Directors do not have a responsibility for the day to day management of the business of the Company.

3. **CORPORATE PURPOSE**

3.1 The main or primary purpose is to:

3.1.1 be an outstanding corporation recognised for its quality and performance with a view to the long term well being of the corporation including maximising its wealth measured by its profitability and the degree of risk inherent in that profitability.

3.1.2 achieve a growth in assets and earnings;

3.2 In the process it is intended to:

- provide for the long term welfare and self-fulfilment of employees;
- to be customer focused and improve the relationship with customers and suppliers;
- to ensure sustainability by
  - anticipating and satisfying needs and converting them into opportunities for profit;
  - anticipating and limiting undesirable impacts on society and the community;
  - observing social responsibility as a good corporate citizen.

#### 4. **OBJECTIVE**

Our objective is to enhance shareholder's wealth through:-

- increasing EPS, dividend flows and shareholder equity;
- improving the investment community's perception of our strategies and potential, thereby raising our multiple in line with similar companies;
- establishing long term benchmarks for growing and strengthening the existing businesses and by strategic acquisitions.

#### 5. **THE BOARD AND DIRECTORS**

##### 5.1 The Board

5.1.1. The Company Constitution provides that the number of Directors shall not be less than 4 (Rule 33) or more than 10 (Rule 33).

5.1.2 Directors are not required to hold any quantity of shares (Rule 37(a)).

5.1.3 The majority of the Board are to be unrelated or independent Directors to ensure that the Board can bring quality judgements free of bias on all issues. An unrelated or independent Director is one who is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act with a view to the best interests of the Company and is one who is not:-

- a substantial shareholder;
- retained as a professional advisor either personally or have a fiduciary relationship through a firm or company;
- a significant customer, supplier or contractor;
- an executive

5.1.4 Unless otherwise determined by the Directors, two Directors constitute a quorum (Rule 44(b)).

## 5.2 Chairman of the Board

5.2.1 The Chairman should be a non-executive director.

5.2.2 In the absence of the Chairman, the Deputy Chairman if one is appointed, shall take the chair and if no Deputy Chairman has been appointed or is willing to act within 10 minutes after the time appointed for a meeting, a Director chosen by the majority of the Directors present shall take the chair (Rule 45).

## 5.3 Tenure of Directors

5.3.1 The tenure of Directors (other than the Managing Director) is subject to reappointment by shareholders at a general meeting on a rolling three year basis. (Rule 34 ( c )).

5.3.2 A Director, other than the Managing Director, appointed by the Directors, must retire at the next Annual General Meeting (Rule 34 (b)).

5.3.3 The Board has adopted an age constraint, which becomes operative at the conclusion of the Annual General Meeting after the Director reaches age 68. This may be varied by the Board on an annual basis.

5.3.4 Non Executive Directors are appointed on the basis that they would serve no more than 10 years tenure. This may be varied by the Board on an annual basis.

5.3.5 An Executive Director shall cease to be a Director immediately after he ceases to be an Executive but may be re-appointed a Director at the discretion of the Board.

5.3.6 It is an internal policy that Executive Directors of the Company are not eligible for appointment to outside boards unless the Board determines otherwise.

## 5.4 Non-Executive Director Benefits

5.4.1 Non-Executive directors are paid fees electronically on a monthly basis.

5.4.2 The Board will determine the individual fees to be paid to non-executive Directors within limits approved by shareholders.

5.4.3 Non-executive Directors may also be paid fees for membership of committees as determined by the Board (Rule 36).

## 5.5 Board Program

The Board program is determined by the Board including the dates of Board meetings, committee meetings and other relevant corporate functions.

Expenses incurred by directors in attending site visits and meetings shall be reimbursed and do not form part of the Director's fees.

Generally, the Board will meet on a monthly basis.

6. **BOARD COMMITTEES**

6.1 It is the role of the Board to monitor the performance of management of the Company and it may establish appropriate committees to assist in this role (Rule 48).

6.2 The committees are:

- Audit, Risk and Compliance Committee
- Remuneration Committee
- Nominations Committee

6.3 Composition of Committees:

The majority of the members of each Committee of the Board will be Non-Executive and independent Directors.

6.4 Each committee will have a charter approved by the Board.

6.5 Each committee will maintain minutes of each meeting of the committee, which will be circulated to all Directors.

6.6 The Board will establish appropriate ad hoc/special purpose committees as felt necessary.

7. **DIRECTORS DEALING IN SHARE/UNITS**

The Company has adopted a policy for dealing in Company shares by Directors and Senior Executives, which will be regularly reviewed.

8. **CONFLICTS**

8.1 Executive Directors and senior executives of the Group will obtain Board approval for non-Group Company Board appointments.

8.2 Directors will take into consideration any potential conflicts when accepting appointments to other boards.

8.3 This policy will apply to appointments in charitable and other non-business committees where the Company is likely to be approached for contributions in cash or kind.

9. **RIGHT OF DIRECTORS TO SEEK INDEPENDENT PROFESSIONAL ADVICE**

9.1 A Director is entitled to seek independent professional advice at the expense of the Company where:-

9.1.1 the issue or recommendation in question is one which the Director reasonably considers, after consultation with the Chairman, is of a character that makes the obtaining of independent advice appropriate;

9.1.2 the Chairman, following such consultation consents to the obtaining of such advice, such consent is not to be unreasonably withheld.

- 9.2 The Chairman will report the request to the next Board meeting.
- 9.3 The Director should consult a suitably qualified expert in the appropriate field.
- 9.4 Prior to instructing the expert, the Director should advise the Chairman of the fee payable which must be reasonable, having regard to the nature of the advice sought and fees charged by comparable experts in the field.
- 9.5 All instructions to the expert must be in writing unless extreme urgency is involved and should specify the party instructing, the capacity in which that party is acting and the party to whom the advice is to be addressed.
- 9.6 A copy of the advice, the letter of instruction and all material, which accompanied the letter, must be provided to the Board by the Chairman.

## 10. **EXTERNAL AUDITORS**

- 10.1 The external Auditor will be invited to attend meetings of the Audit and Compliance Committee at least twice per year to report on the audit program and audit procedures.
- 10.2 The external Auditor shall have access to the Chairman of Board and Chairman of Audit Committee at any time and may, at his request, attend and present a report to the Directors at a meeting of Directors.

## 11. **CODE OF CONDUCT**

- 11.1 The behaviour of all Directors and employees will meet the highest possible standard. The Directors have adopted a Code of Conduct.
- 11.2 The following contracts with Director, or entities in which Directors have a significant interest and/or influence, must be approved by the Audit Committee in advance of committing the Company:-
  - contracts, orders or arrangements for the supply of goods and/or services which extend beyond one year, or where the goods or services supplied under the contracts, orders or arrangements will exceed \$500,000 in any one year;
  - agreements to lease and/or lease of property
  - agreements for the purchase or sale of freehold and/or leasehold property.

## 12. **REVIEW OF PROCESS**

- 12.1 The Board will implement a process for assessing the size, effectiveness and contribution of the Board as a whole, and the Committees of the Board.
- 12.2 An integral element of the process of appointing new directors is that the Chairman and Chief Executive will provide an orientation and education program for new directors.

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13. **EDUCATION**

13.1 Directors are, at their own expense, expected to maintain a level of knowledge appropriate with their appointment.

13.2 Where appropriate and with the prior consent of the Chairman, the Company will reimburse a Director for expenses incurred in attending a conference or seminar directly relating to that Director's position on the Board.

*Updated: 23 May 2017*