

**TPL CORPORATION LIMITED
(ACN 088 749 008)**

CORPORATE GOVERNANCE MANUAL

JUNE 2009

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1. Introduction

The Board of Directors ("Board") of the TPL Corporation Limited ("Company") is responsible for the overall corporate governance of the Company.

In carrying out the functions and exercising the powers set out in this Charter, the Board will at all times act to protect and build sustainable value for the shareholders and other stakeholders, to conduct the Company's business ethically, honestly, diligently and in accordance with the law. It will practise the highest standards of corporate governance in the interests of shareholders, employees, customers and the communities in which it operates.

The ASX Corporate Governance Council established a number of principles and recommendations for Best Practice Corporate Governance in March 2003 and updated its principles and recommendations in August 2007 for adoption by listed companies for their first financial year commencing on or after 1 January 2008. It is a requirement of ASX listed companies to analyse and report their compliance with such in their Annual Report. Should there be instances of non compliance then reasons for such must be reported.

The Board endorses the ASX Principles of Good Corporate Governance and Best Practice Recommendations, and has adopted corporate governance charters and policies reflecting those recommendations to the extent appropriate having regard to the size and circumstances of the Company. The Company is committed to ensuring that its corporate governance systems maintain the Company's focus on transparency, responsibility and accountability.

The 8 Best Practice Corporate Governance Principles are:

1. Lay solid foundations for management and oversight
2. Structure the Board to add value
3. Promote ethical and responsible decision making
4. Safeguard integrity of financial reporting
5. Make timely and balanced disclosure
6. Respect the rights of shareholders
7. Recognise and manage risk
8. Remunerate fairly and responsibly

The Company was re-instated to the official lists of the ASX on 27 May 2008 following emergence from Administration and Liquidation. Although the Board is committed to the above recommendations, the corporate governance policies and principles are to be established, implemented and monitored in such a way as to not compromise or distract the Board and management from its key goals and in a way that ensures the organisation carries on its business in an efficient and effective manner.

The Board has developed policies, procedures and guidelines to ensure that an appropriate and optimal level of corporate governance is put in place, and these are disclosed in this document. The evolution of the Company will necessitate ongoing review of corporate governance requirements and associated changes where deemed required.

2. Board Role and Structure

2.1 Functions and Responsibilities of the Board

The Board is ultimately responsible for the overall management of the Company and for directing its strategic goals to create and deliver shareholder value through maximising the performance of the Company. The Company currently does not have a business of significant size that warrants the engagement of, and delegation of responsibilities to, a Chief Operating Officer or Chief Financial Officer.

In performing its role, the Board's specific and shared responsibilities include:

1. Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;

2. Developing and implementing business plans, budgets and strategies for the Company and ensuring that appropriate resources are available to meet objectives;
3. Operating the Company's business within the parameters set by the Board from time to time;
4. Managing and monitoring operational and financial position, performance and controls;
5. Ensuring that financial and other reporting processes, procedures and systems result in adequate, accurate and timely information being provided to the Board;
6. Identifying and managing operational and other principal risks faced and ensuring that appropriate control and monitoring systems are in place to manage the impact of these risks;
7. Approving the annual and half year financial reports;
8. Approving the issue of shares, options, equity instruments or other securities in the Company;
9. Ensuring that shareholders and the financial market as a whole are fully informed of all material developments in relation to the Company and its operations;
10. If and when appropriate, appointing and removing the Managing Director and/or the Chief Executive Officer ("CEO"), approving other key executive appointments including the Chief Financial Officer and Company Secretary, and planning for executive succession;
11. Overseeing and evaluating the performance of the CEO and other senior executives in the context of the Company's strategies and objectives;
12. Ensuring processes and procedures are in place for evaluating the performance of the Board and each Director;
13. Reviewing and approving executive remuneration and general salary and bonus policy;
14. Approving and monitoring the progress of major capital expenditures, capital management and acquisitions and divestitures;
15. Reviewing and approving internal compliance and control systems and codes of conduct;
16. Approving processes, procedures and systems to ensure the Company's compliance with all laws, governmental regulations and accounting standards; and
17. Approving processes, procedures and systems to ensure that the Company conducts its business openly and ethically in accordance with the Company's code of conduct.

2.2 Board Structure

2.2.1 The criteria of the Board structure and Director appointment is:

- a) Directors are appointed under the terms of, and in accordance with the Company's Constitution and the Corporations Act;
- b) Appointments to the Board are to be based upon merit and against criteria that serves to maintain an appropriate balance of skills, expertise and experience on the Board; and
- c) The categories considered necessary for this purpose are a blend of accounting and finance, business, technical and administrative skills.

2.2.2 The formality for all future Director appointments is that Directors are to be appointed pursuant to formal agreements that set out the key terms and conditions of the appointment, and the expectations for time to be committed, and involvement in any Committees and other activities of the Company.

An induction pack should be provided to new Directors including information in relation to the Company's businesses, structure, constituent documents, financial position and strategic and business plans.

2.3 Independent Directors

Ideally a Board should have a majority of independent Non-Executive Directors, with one as Chair, where the company is of a sufficient size and operation to warrant compliance with these governance principles.

Currently the need for access to supporting equity and skills as required, and a flexible cost structure are greater imperatives for the Company as a small-cap company, than the largely mutually exclusive concept of independence that is more relevant to larger corporations.

However, as the Company moves to become a larger concern, the concept of independence will become more relevant. Whilst the Company will progressively increase the independence of its Directors over time, compliance with the best practice in this area is not considered a current imperative, due to the additional direct cost of employing such Directors, and the view that there would not be an increase in Board skills (only independence).

All assessments as to whether a Director is independent are to be made by the Board in such manner as it determines from time to time. The Company has adapted the definition of independence developed by Investment and Financial Services Association Limited ("IFSA") in its Corporate Governance, A Guide for Fund Managers and Corporations - Blue Book.

In brief, the Board considers that an independent Director is a Non-executive Director who also:

- a) Is not a substantial shareholder of the Company or an Officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- b) Within the last 3 years has not been employed in an executive capacity by the Company or been a director after ceasing to hold any such employment;
- c) Within the last 3 years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provider;
- d) Is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- e) Has no material contractual relationship with the Company or another group member other than as a Director of the Company;
- f) Has not served on the Board for a period that could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- g) Is free from any interest and any business or other relationship that could, or could reasonably be perceived to materially interfere with the Director's ability to act in the best interests of the Company.

2.4 Role of Non-executive Directors:

2.4.1 Non-executive Directors should:

- a) Challenge executive management and contribute to the development of strategy;
- (b) Scrutinise the performance of executive management against agreed objectives and strategies;
- b) Monitor the quality, quantity and efficiency of internal and external reporting of company performance;
- c) Review independently and challenge the proposals presented by executive management, requesting additional information where they consider the information provided is not sufficiently detailed to support informed decision-making; and
- d) Take reasonable and proper steps to satisfy themselves that financial information released to the markets and shareholders is accurate, and that there are adequate and proper financial controls and systems of risk management and that the controls are maintained and the systems robust.

2.4.2 Non-executive Directors individually should:

- a) Take the time to ensure they are properly informed about the subject matter of all decisions they are called upon to make as Directors of the Company;
- b) Monitor their own performance, taking into account their other time commitments, state of health, potential conflicts of interest, and personal circumstances, to determine whether they can properly discharge their duties and responsibilities as a Director of the Company, and provide quality assistance to enable the Company to achieve its objectives;
- c) Undertake ongoing education to maintain appropriate skill levels; and
- d) Remain familiar with the Company's business activities.

2.4.3 Non-executive Director Board composition should be reviewed annually to ensure that the non-executive Directors between them bring the range of skills, knowledge and experience necessary to direct the Company in the future, taking into account its current operations and expectations for changes in the nature and scope of its activities.

2.5 Disclosure of interests

A Director must disclose to the Board:

- a) Any material personal interest that they or any associate may have in a matter that relates to the affairs of the Company; and
- b) Any other interest or relationship that may affect the Director's independence. Unless the Board decides otherwise, the Director should be absent from any discussion and decision on that transaction or matter.

2.6 Board committees

The Board may establish as required, standing and temporary committees to which it may delegate some of its powers. In order to define the role, responsibility, powers, structure, composition, operation and administration of each committee, the Board and committee should adopt a charter.

The Board has not established separate committees for Audit and Risk Management, Remuneration and Nomination as the Company is not of a sufficient size nor are the affairs of a complexity sufficient to warrant the existence of separate committees.

All matters which could be delegated to such committees are dealt with by the full Board. Those matters are included in draft charters that have been drafted and are appended hereto as follows:

Schedule 1: Nomination Committee Charter
Schedule 2: Remuneration Committee Charter
Schedule 3: Audit and Risk Committee Charter

The charter of any committee to be formed will be reviewed and adopted with or without amendment by Board resolution.

2.7 Indemnity and insurance

Each Director has entered into an agreement with the Company in which the Company has agreed to:

- a) Indemnify the Director against the liability arising out of the discharge of the Director's duties;
- b) Provided cover can be obtained at reasonable rates and on reasonable terms, to maintain an insurance policy for the Director against liability incurred in their capacity as a Director; and
- c) Provide access to Company material as required for proper purposes. Unless the Board otherwise determines, it is intended that each new Director will enter into a similar deed with the Company.

2.8 Independent professional advice

If a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a Director then, provided the Director first obtains approval for incurring such expense from the Board, the Company will pay the reasonable expenses associated with obtaining such advice.

3. Performance Evaluation

The Board has adopted a process for reviewing its performance and that of its individual Directors, and if formed or engaged, committees and senior management.

3.1 Board of Directors

This policy is to ensure individual Directors and the Board as a whole work efficiently and effectively in achieving their functions.

The Board is to meet annually to review the outcome of this process. The annual procedure for Board performance evaluation will be to:

- a) Review its performance against the terms of the Company's charter;
- b) Review the performance of any committees against the terms of their charters;
- c) Review the contribution of each Director; and
- d) Review the changes that may be required to the charter of the Board or its committees, taking into account the developments in the Company and its businesses over the preceding year, and in corporate governance practices.

3.2 Board Committees

This policy is to ensure committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in their charter.

Each year the Board will undertake the following activities:

3.2.1 Review the Committees' achievements during the year based on their duties; and

3.2.2 Review the charters of the Committees to ensure that they are up to date.

3.3 Managing Director and Key Executives

This policy is to ensure a Managing Director and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives. In order to accomplish this:

3.3.1 Each year the Board will review the Company's strategy.

3.3.2 Following such a review the Board will set the organisation performance objectives based on qualitative and quantitative measures.

3.3.3 These objectives are to be reviewed periodically to ensure they remain consistent with the Company's priorities and the changing nature of the Company's business.

3.3.4 These objectives are to be the performance targets for the Managing Director.

3.3.5 Performance against these objectives is to be reviewed annually by the Board and be reflected in the Managing Director's remuneration review.

4. Remuneration

4.1 Director Remuneration

Subject to the Company's Constitution and within pre-approved shareholder limits, the Board is to determine the remuneration payable to individual Executive and Non-executive Directors.

The remuneration levels are to be determined by the Board after taking into consideration those that apply to similar positions in comparable companies in Australia and Directors' possible participation in any equity based remuneration scheme. Industry-wide data gathered by independent remuneration experts annually can also be used as a point of reference.

Options or shares issued to Directors pursuant to any equity-based remuneration scheme require approval by shareholders prior to their issue.

4.2 Executive Remuneration

4.2.1 No Remuneration Committee Established

Where a remuneration committee has not been established, the remuneration levels of any senior executives and other employees are to be determined by the Board after taking into consideration those levels that apply to similar positions in comparable companies in Australia and employees' possible participation in any equity based remuneration scheme. The Managing Director or the Board can consult recruitment and remuneration experts and where such expenditure is not already in an approved Budget; will seek Board approval prior to finalising the appointment.

Options or shares issued to senior executives and other employees who are not directors are to be issued only after approval by the Board.

The policy will be implemented by reviewing, not less than annually, all aspects of the remuneration paid to all employees and executives to ensure that it motivates the pursuit of long-term success, a safe working environment and a culture consistent with the Company's Governance Policy and is to be clearly linked to individual and group performance.

4.2.2 Remuneration Committee Established

Where a remuneration committee is to be established, the Remuneration Charter appended hereto as Schedule 3 is to be adopted, with or without appropriate amendment, by Board resolution.

5. Code of Conduct

5.1 Purpose

This Code of Conduct applies to the Directors and officers of the Company, and any and all employees, consultants, agents, and other representatives retained by the Company and its purpose is to:

- a) Provide a framework for decisions and actions in relation to ethical conduct; and
- b) Assist stakeholders understand the Company's standards of ethical business practice.

This Corporate Code of Conduct underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to stakeholders and any and all employees and clients.

5.2 Conduct for Directors, Officers and Senior Executives

As a general proposition, it is expected that Directors, officers and senior executives will actively promote the highest standards of ethics, honesty and integrity in carrying out their roles and responsibilities for the Company.

In addition, in dealing with the Company's suppliers, competitors, customers, and other organisations with which they have contact, they will exercise fairness and integrity, and will observe the form and substance of the regulatory environment in which the Company operates.

At all times, Directors, officers and senior executives must act in the interests of the Company. They are therefore required to disclose any actual or perceived conflicts of interest, and to conduct themselves professionally and honestly in the resolution of such conflicts.

Directors will comply with the provisions of the Corporations Act in relation to the disclosure of Directors' benefits. Directors, officers and senior executives acquire information in the course of conducting their duties which is confidential to the Company. This information is the property of the Company, and it is improper and potentially damaging to the Company to disclose it to any other person without proper authorisation by the Company.

Information relating to the activities of the Company, which is not publicly known, and which may have a material impact on the price of the Company's securities, must not be used for personal gain.

Directors, officers and senior executives should ensure that the Company is properly managed so as to enhance the interests of shareholders, protect the Company's assets, ensure the assets are applied for legitimate business purposes, and ensure all corporate opportunities are to the benefit of the Company and are not compromised by considerations such as personal gain.

Directors, officers and senior executives have a role in ensuring compliance with this Code of conduct, and therefore should be vigilant and report any potential or actual breach of this Code of conduct to the Board.

5.3 Fair Dealings with Stakeholders

All Directors, officers and employees of the Company should strive to be honest and fair in all dealings with customers, business partners, investors, suppliers and communities ("business associates").

5.3.1 Business associates

The relationship with business associates of the Company can be central to the Company's success and those associates must be treated fairly and without discrimination and harassment on any basis including gender, colour, nationality, disability, age, pregnancy, or marital status.

5.3.2 Business guidelines

Directors, officers and employees of the Company are expected to conduct daily activities for the Company in compliance with all Company policies, legal obligations and contractual obligations. This includes complying with:

- (a) Company policies, procedures, rules, regulations and its contracts with its business associates;
- (b) Applicable legislation;
- (c) Contracts of employment;
- (d) All reasonable and legal instructions of managers;
- (e) Occupational Health and Safety requirements; and
- (f) The Company's prohibition on sexual or other unlawful harassment or discrimination in the workplace.

5.3.3 Acceptance of gifts

Directors, officers and employees of the Company are precluded from soliciting business associates for personal gifts of any kind, even if these gifts are sometimes offered as advertising novelties of a nominal value. Gifts could include offers of free travel, merchandise or entertainment. Although not encouraged, gifts such as advertising novelties of a nominal value may be accepted, if it is clear that nothing is expected in return.

Other gifts and gratuities of more than a nominal value, or excessive entertainment, may not be accepted unless with the approval of the Board.

5.3.4 Offering payments

The Directors, officers and employees of the Company are not to:

- 1) make an illegal or improper payment on behalf of the Company to any government agency, person or entity; or
- 2) at any time offer, promise, authorise, approve or condone the use of corporate funds or property for any of the following activities:
 - (a) The payment of money or the giving of any thing of value to any:
 - (i) Government official(s) in order to influence them to act or fail to act in any official capacity;
 - (ii) Political party, any official of a political party, or any candidate for political office in order to influence them to act or fail to act in any official capacity; or
 - (iii) Person who will apply the payment or gift (in whole or in part) directly or indirectly to these activities.
 - (b) The payment of a kickback to obtain business for the Company.

The activities set out in this section are prohibited by the Company even if permitted by the laws, standards, or customs of any country in which the Company is doing business and regardless of any requests or pressures received from any government or the competitive consequences of refusing to comply with such requests or pressures.

5.3.5 Conflict of Interest

A conflict of interest arises when a person is in a position or situation, which could:

- a) Benefit that person, or someone with whom that person is associated, and that benefit is at the expense of the Company, or results in lost opportunity for the Company; or
- b) Interfere with the person's objectivity in performing Company duties and responsibilities

When conducting any business on behalf of the Company, every Director, officer and employee must always act in the best interest of the Company and must avoid situations which could reasonably give the appearance of being under obligation to, or being properly influenced by any, business associate (actual or potential) or any advisers, such as banks, contractors, law firms, consultants and governmental agencies.

Directors, officers and employees must not take advantage of Company property or information, their position or opportunities arising from their position for personal gain.

The Company requires that any financial interest of a Director, officer or employee that might influence decisions or actions in their role, including interests in any of the Company's business associates and competitors, must be disclosed to the Board.

To reduce the possibility of conflicts of interest arising, Directors, officers and employees are not permitted, while working for the Company, to accept additional outside employment with another organisation that is a business associate or competitor to the Company, or any other employment that is in conflict with the employee's position at the Company.

Directors, officers and employees must not use information or authority derived from their engagement with the Company for personal gain. For example employees:

- a) Are not permitted to buy or sell goods or services in their own name or an associate's name (where associate is defined as any person or organisation with which the employee has a business relationship), when the service or equipment concerned would normally be supplied by the Company;

- b) Are not permitted to hold money or goods entrusted to them by a customer except for the purpose of conveying the money and goods to the Company without delay; and
- c) May not engage in any transaction with a customer other than at 'arms length'.

6. Risk Management Policy

The Board is to determine the Company's risk profile and be responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control consistent with the Company's overall business objectives and risk appetite and tolerance.

Risks will be assessed and managed through an overriding policy of identification, assessment, mitigation, monitoring and communication of risks associated with its activities.

The Board is to monitor risks and controls through its financial reporting and audit process.

Policy and practices are in place or are to be put in place that are directed towards achieving:

1. Compliance with applicable laws and regulations; and
2. Preparation of reliable published financial information.

If and when appropriate, risk management and control will be incorporated into property protection, health, safety and environmental audits using either self assessment or outside auditors as the Board deems appropriate.

7. Occupational Health and Safety Policy

If and when applicable, the Company will be safety conscious and committed to operating in a manner that will ensure that the highest practical standards of occupational health and safety are maintained by all of its operations. Personnel will ensure that all of their activities are carried out in the manner required by the appropriate legislation and standards, and that a healthy and safe workplace is maintained. This will be achieved by all personnel, to the extent that their responsibilities require, participating in:

- (a) Ongoing training and supervision;
- (b) Ongoing accident prevention awareness and hazard control;
- (c) Safe operating procedures;
- (d) Wearing protective clothing and equipment; and
- (e) Maintaining facilities for immediate care of employees.

All personnel will share the responsibility of ensuring the safe wellbeing of all persons in the workplace. This will be achieved by:

- (a) Adhering to safe work practices, instructions, rules and statutory regulations;
- (b) Performing all tasks in a safe manner;
- (c) Ensuring that no-one is allowed to work in an unsafe/unhealthy situation or in an unsafe manner;
- (d) Isolating all dangerous situations and promptly reporting all accidents or incidents, unsafe practices and conditions; and
- (e) Co-operating with fellow workers to ensure that everyone's responsibilities are fulfilled.

Acceptance of these responsibilities by all parties, and the development of a team attitude to safety and training, will be essential for the development and maintenance of a safe-and healthy working environment.

8. Environmental Policy

To achieve the standards of environmental performance if and when applicable, the Company will be is committed to:

- a) Conducting operations, as a minimum, in compliance with all relevant environmental regulations, licences and legislation;
- b) Identifying, monitoring and managing environmental risks arising from its operations;
- c) Seeking continuous performance improvement in environmental management, production processes, waste management and the use of resources;
- d) Setting and periodically reviewing objectives and targets which relate to environmental management;
- e) Providing appropriate training and awareness for all employees on environmental issues;
- f) Communicating regularly with employees about its aims and about the responsibilities of individuals; and
- g) Communicating with shareholders and the community about its environmental performance and contributes to the development of laws and regulations which may affect our business.

The Company will be committed to the principles of sustainable development as it sees the environment as an opportunity for economic growth and business success while acknowledging that all of activities must be balanced with protection of the environment.

The development of an environmentally responsible culture is to be promoted and environmental awareness is to be included as a major component in the induction of personnel at any and all applicable operating sites.

9. Continuous Disclosure Policy

9.1 Introduction

The ASX Listing Rules contain general and continuous disclosure requirements based on principles that include the interests of listed entities, maintenance of investor protection and the need to protect the reputation of the market. The Company is committed to meeting its disclosure obligations in accordance with these principles and to the promotion of investor confidence in its securities.

9.2 Disclosure Principle

The Company will immediately notify the market by announcement to the ASX of any information concerning the business of the Company that a reasonable person would expect to have a material affect on the price or value of the Company's securities.

Information about the Company is regarded as material if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to buy or sell the Company's securities.

Officers and employees are encouraged not to rely on their judgement and to consult the Company Secretary on whether particular information is considered to be material.

The only exceptions to this disclosure principle are those permitted under Listing Rule 3.1A where a Company may withhold disclosure if all of the following criteria is satisfied: -

- 9.2.1 A reasonable person would not expect the information to be disclosed;
- 9.2.2 The information is confidential and the ASX has not formed the view that the information has ceased to be confidential; or
- 9.2.3 One or more of the following applies: -

- (a) It would be a breach of the law to disclose the information
- (b) The information concerns an incomplete proposal or negotiation
- (c) The information comprises matters of supposition or is insufficiently definite to warrant disclosure
- (d) The information is generated for the internal management purposes
- (e) The information is a trade secret.

9.3 Managing Market Disclosure

The Board is responsible for overseeing disclosure practices and procedures.

Specific responsibilities of the Board in this area are: -

1. The Company's continuous disclosure obligations;
2. Communications with the ASX;
3. Making decisions on what should be disclosed publicly under this policy.
4. Promoting awareness of this policy within the Company;
5. Overseeing, reviewing and updating this policy, as required, to ensure continuing compliance with changing legal and regulatory compliance; and
6. Implementing reporting processes and controls.

The Company Secretary is to make a preliminary assessment of whether information is material. If considered material, the Board shall then evaluate and discuss the developments and determine the materiality of those developments and the appropriateness and timing of any public release of information relating to those developments. The Board will make decisions on the disclosure of material information pursuant to legal and regulatory requirements.

The Company Secretary is the convener of this policy responsible for its administration and the monitoring of compliance.

9.4 Market Disclosure Principles

Once the Board has determined that a development constitutes material information, the Company will comply with the following principles of disclosure: -

- a) Material information will be publicly disclosed promptly to the ASX in accordance with the ASX Listing Rules to prevent selective, unauthorised disclosures;
- b) Disclosure must be complete, without any omissions that might make the rest of the disclosure misleading, and unfavourable material information will be disclosed as promptly and completely as favourable material information;
- c) The Company will not make selective disclosures of material information. Previously undisclosed material information will not be disclosed to selected individuals (for example, as a result of telephone calls or inquiries from an analyst or a shareholder);
- d) Disclosure should be corrected as soon as reasonably practicable if it is subsequently learnt that an earlier disclosure by the Company contained a material error at the time it was given; and
- e) The Company Secretary will monitor the media following the release of material information and, in the event of perceived inaccuracies in reporting, will consult with the Board to determine if and what corrective steps need to be taken.

9.5 Significant Announcements

The Board will approve the content of any announcement that contains or relates to financial forecasts or material that is significant with respect to the Company policy or strategy.

Where issues arise which may fall within this category the matter is to be referred urgently to the Company Secretary.

Where the urgency of the subject matter precludes reference to the full Board the Directors who are available may approve an announcement within this category.

Significant announcements of a recurring nature, such as the Company's half-year and end-of-year results, are, as a matter of course, presented for consideration by the full Board prior to their release to the market.

9.6 Managing Expectations

The Company will try to ensure, through its regular public dissemination of quantitative and qualitative information that analysts' estimates are in line with the Company's expectations.

However, the Company will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with analysts' models and earning estimates.

9.7 Rumours

The Company will not normally comment, affirmatively or negatively, on rumours. This policy also applies to rumours on the Internet. The Company's spokespersons will respond consistently to rumours, by stating, "It is our policy not to comment on market rumours or speculation."

Should the ASX request that the Company make a definitive statement in response to a market rumour relating to the Company, the Company will respond to the ASX as required by the ASX Listing Rules.

9.8 Trading Halts

The Company may request a trading halt to prevent the emergence of a false or uninformed market for the Company's securities and to manage disclosure issues. Any decision to request a trading halt will be made under the procedure set out for the release of significant announcements.

9.9 Breaches of Policy

Breaches by employees of the Company's Continuous Disclosure Policy may lead to disciplinary action including dismissal in serious instances.

10. Shareholder Communications Policy

10.1 Introduction

The Board is responsible for ensuring shareholder communications are adequate and appropriate and based on transparency and sound corporate governance principles.

These principles form the basis of the Company's Shareholder Communications Policy with the objective of providing shareholders with important information in a timely manner through written and electronic communication.

The Company promotes direct communications with shareholders and encourages them to direct questions or requests for information through the Company Secretary.

10.2 Written Information

The annual report will be the main communication document provided to shareholders following the end of each financial year. In addition to meeting all statutory requirements set by the Corporations Act and the Australian Stock Exchange (ASX) Listing Rules, the annual report contains information that assists shareholders to understand how the Company's operational and financial results were achieved, and the nature of the industry in which it operates.

The annual report will be made available to shareholders and other stakeholders on line and if requested, in hard printed copy in a timely manner.

An interim report will be provided to shareholders following the end of the financial half-year by way of ASX announcement

In accordance with ASX Listing Rules, the Company adheres to the continuous disclosure requirements as specified in its Continuous Disclosure Policy, and will promptly release to the ASX all communications of material information, including but not limited to financial results announcements, media releases, presentations, speeches and statements of importance.

10.3 Electronic Communications

The Company is aware of the efficiencies and effectiveness of communicating to shareholders electronically. With this in mind, the Company will utilise its website to allow download of its financial reports and presentations which reflects information released to the Australian Stock Exchange.

10.4 Access to Directors, Management and Auditors

Shareholders may at any time direct questions or requests for information through the Company's website or by contacting the Company Secretary.

At each Annual General Meeting, shareholders will be given the opportunity to ask the Company's Directors and external auditor's questions relating to the business and the conduct of the audit respectively.

11. Share Trading Policy

11.1 Introduction

This Share Trading Policy has been written in an effort to prevent the incidence of insider trading in the Company's securities by Directors, officers, and employees and persons associated with any of them on the basis that the Company's shares are listed on the Australian Stock Exchange. It is the responsibility of each individual to comply with this policy.

This policy sets out:

- a) When trading in the Company's securities by Directors, officers, senior managers and other employees is permitted; and
- b) Procedures to reduce the risk of insider trading.

11.2 Trading in Company Shares

Directors, officers and related parties (being persons connected with the Directors or other officers who are likely to be influenced by the Directors and officers in their decision making) shall not trade in the Company's securities nor place themselves under suspicion of trading in the Company's securities while in possession of unpublished price sensitive information.

All Directors and officers should ensure that all transactions in the Company's securities comply with:

- a) Australian Corporations Law and Regulations (particularly the insider trading provisions in Section 1002G);
- b) The Australian Securities Exchange Ltd Listing Rules (particularly the continuous disclosure requirements in rule 3.1); and
- c) Any similar legislation in other countries in which the Company conducts transactions. The Company's securities include ordinary shares, options and any other instrument issued or granted by the Company from time to time.

Any changes in a Director's direct or indirect interest in Company securities must be immediately reported to the Company Secretary so that appropriate disclosure can be made to ASX within the prescribed period of the change.

11.3 General Restrictions on Trading

Directors and officers must not:

- a) engage in short term trading of the Company's securities; or
- b) trade in any of the Company's securities while in possession of unpublished price sensitive information (i.e. insider information).

11.6 Responsibilities

Each Director, officer and related party is responsible for adhering to the Company's ethical standards for trading in the Company's securities.

The Company Secretary has responsibility for maintaining these standards.

SCHEDULE 1 - NOMINATION COMMITTEE CHARTER

(to be adopted by a resolution of the Board when considered appropriate by the Board)

1. GENERAL SCOPE AND AUTHORITY

- (a) The Nomination Committee is a Committee of the Board which is to be established at an appropriate time. The draft Charter is subject to review by the Board on formation of the Committee.
- (b) The primary purpose of the Committee is to support and advise the Board in:
 - (i) maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
 - (ii) 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.

2. COMPOSITION

- (a) The Committee shall comprise at least three Directors, the majority of whom must be independent and non-executive, 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. 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.

4. 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.

5. ACCESS

- (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 where the Committee considers this necessary to carry out its duties and responsibilities. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company, subject to Schedule 1, paragraph 7(c).

6. RESPONSIBILITIES

The Committee shall periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors. In particular, the Committee is to:

- (a) 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;
- (b) approve and review induction procedures for new appointees of the Board to ensure that they can effectively discharge their responsibilities;
- (c) 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.
- (d) consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
- (e) review directorships in other public companies held by or offered to Directors and senior executives of the Company;
- (f) review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
- (g) arrange an annual performance evaluation of the Board, its Committee and individual Directors;
- (h) make recommendations to the Board on the appropriate size and composition of the Board; and
- (i) make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board.

SCHEDULE 2 - REMUNERATION COMMITTEE CHARTER

(to be adopted by a resolution of the Board when considered appropriate by the Board)

1. GENERAL SCOPE AND AUTHORITY

- (a) The Remuneration Committee is a Committee of the Board which is to be established at an appropriate time. The draft Charter is subject to review by the Board on formation of the Committee.
- (b) The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:
 - (i) reviewing and approving the executive remuneration and benefits policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
 - (ii) ensuring that the executive remuneration and benefits policy demonstrates a clear relationship between key executive performance and remuneration;
 - (iii) recommending to the Board the remuneration and benefits of executive Directors;
 - (iv) fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
 - (v) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
 - (vi) reviewing and approving the remuneration and benefits of director reports to the Managing Director, and as appropriate other senior executives; and
 - (vii) reviewing and approving any equity based plans and other incentive schemes.
- (c) The Committee shall have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense.

2. COMPOSITION

- (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.
- (d) A quorum will comprise any two independent non-executive Director Committee members. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman for that meeting.

3. 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.

4. 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.

5. ACCESS

- (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, subject to Schedule 1, paragraph 7(c).

6. DUTIES AND RESPONSIBILITIES

In order to fulfil its responsibilities to the Board the Committee shall:

- (a) **Executive Remuneration and Benefits Policy**
 - (i) Review and approve the Group'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.
 - (ii) Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs.
 - (iii) 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 expectations in the market.
- (b) **Executive Directors and Senior Management**
 - (i) Consider and make recommendations to the Board on the remuneration and benefits for each executive Director (including base pay, incentive payments,

equity awards, retirement rights, service contracts) having regard to the executive remuneration policy.

- (ii) Review and approve the proposed remuneration and benefits (including incentive awards, equity awards and service contracts) for the Managing Director and direct reports of the Managing Director. As part of this review the Committee will oversee an annual performance evaluation of the 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) **Executive Incentive Plan**

Review and approve the design of any executive incentive plans.

(d) **Equity Based Plans**

- (i) Review and approve any equity based plans that may be introduced (**Plans**) in the light of legislative, regulatory and market developments.
- (ii) For each Plan, determine each year whether awards will be made under that Plan.
- (iii) Review and approve total proposed awards under each Plan.
- (iv) In addition to considering awards to executive Directors and direct reports to the 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.
- (v) Review, approve and keep under review performance hurdles for each equity based plan.

(e) **Other**

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

7. **APPROVALS**

The Committee must approve the following prior to implementation:

- (a) changes to the remuneration and benefits or contract terms of executive Directors and direct reports to the Managing Director and the Managing Director;
- (b) the Plans or amendments to current equity plans or executive cash-based incentive plans;
- (c) total level of awards proposed from equity plans or executive cash-based incentive plans; and
- (d) termination payments to executive Directors or direct reports to the Managing Director. Termination payments to other departing executives should be reported to the Committee at its next meeting.

SCHEDULE 3 - AUDIT AND RISK COMMITTEE CHARTER

(to be adopted by a resolution of the Board when considered appropriate by the Board)

8. 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 function, composition, mode of operation, authority and responsibilities.

9. COMPOSITION

- (a) The Committee must comprise at least three members.
 - (b) At least two 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 may 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, Company Secretary and senior executives, may be invited to Committee meetings at the discretion of the Committee.
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10. 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; and
- (f) the identification and management of business risks.

A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

11. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

11.1 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) Oversee 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) establish procedures for treatment of accounting complaints.
- (f) review the impact of any proposed changes in accounting policies on the financial statements.
- (g) Review the quarterly, half yearly and annual results.

11.2 Relationship with External Auditors

- (a) Recommend to the Board procedures for the selection and appointment of external auditors and for the rotation of external auditor 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 thereto.
- (f) Meet with the external auditors at least twice in each financial period without management being present 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 and with ASX requirements.

11.3 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 Control Reports on a quarterly basis.

11.4 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) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

11.5 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 whistleblower protection.
- (c) As contemplated by the Corporate Governance Guidelines of ASX, 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 "Code of Ethics and Conduct of Directors, Senior Executives and Officers". Any such waiver or deviation will be promptly disclosed where required by applicable law.
- (d) Monitor related party transactions.

12. MEETINGS

- (a) The Committee will meet at least each financial quarter 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 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 a report 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.

13. 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.

14. 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 Group 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 Group in relation to matters within the Director's or officer's authority.

15. 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.

16. 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.

17. 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.
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