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# CORPORATE GOVERNANCE MANUAL

2004

**SENETAS  
CORPORATION  
LIMITED**



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## 1. Introduction

The Board, Senior Management and all employees are committed to effective Corporate Governance and to observing the highest standard of behaviour and conduct.

The Board endorses and has adopted the ASX Corporate Governance Council's "Principles of Good Corporate Governance" published in March 2003, as the basis for its ongoing practices.

## 2. Principles of Good Corporate Governance

Corporate Governance is concerned with improving the performance of companies for the benefit of shareholders, stakeholders and for economic growth. It focuses on the conduct of, and relationships between, the board of directors, managers and the company's shareholders.

Corporate Governance is designed to:

- Enhance corporate performance.
- Instil investor confidence in the Company.
- Strengthen shareholder and community confidence in an entity.
- Enhance public reputation through increased transparency and accountability.
- Permit entities to demonstrate the effective discharge of legal, shareholders and ethical obligations.
- Provide a mechanism for benchmarking of accountability.
- Assist in detection and prevention of fraud, dishonesty or unethical behaviour.

## 3. Board of Directors

### 3.1 General

The Board of Directors is ultimately responsible for the understanding, promotion and effectiveness of any corporate governance system in an entity. The Board adopts a regime of continuous improvement in respect of Corporate Governance.

### 3.2 Roles and Powers

#### (a) Board (Responsibilities, Rights and Obligations)

##### (i) Responsibilities

- Strategic direction of the Company:
  - Sets and reviews strategic direction and approves the annual operating budget and business plan; and
  - Review of performance against measurable targets (and oversee corrective action if needed).
- Make decisions concerning the Company's capital structure and dividend policy.
- Review, approve and monitor major investment and strategic commitments.
- Approval of the annual and half-year Financial Statements.
- Ensure compliance with applicable laws, regulations and all appropriate accounting standards.
- Identification and assessment of risks and ensure proper management thereof.
- Ensure appropriate policies and delegations are in place sufficient to effectively govern the Company.
- Adoption of an entity structure to assist best practice in Corporate Governance, including ensuring that a Corporate Governance culture exists within the entity, which is aligned with the Company's values and strategies, and which:
  - enhance the Company's reputation;
  - maintain high standards of behaviour;
  - promote ethical and responsible decision making;
  - communicate clear expectations;
  - develop pride in the Company;
  - comply with ASX Listing Rules (as applicable); and
  - be at the forefront of best practice.
- Appointment of the Chief Executive Officer and evaluation of his/her ongoing performance and remuneration (through the Nomination and Remuneration Committee), and that of Senior Management.
- Ensure that an appropriate succession plan for Senior Management is in place.
- Recognise the legitimate interests of all stakeholders, being the shareholders, customers, staff and the communities in which the Company operates.

- Ensure the integrity of external reporting including:
  - review and monitor, controls, processes and procedures in place to maintain the integrity of the Company's financial and accounting records and statements, with the guidance of the Audit and Risk Committee;
  - review reporting to shareholders to ensure accurate, objective and comprehensive timelines of the information; and
  - receive and monitor the reports of the Audit and Risk Committee in relation to risk, internal controls and internal and external audit reports.
- Ensure that all shareholders are treated equally and fairly.
- Liaison with the Company's auditors (through the Audit Committee).
- Ensure that the market and shareholders are fully informed of material developments.

(ii) Rights

- To receive all available information to be discussed at a meeting, prior to that meeting.
- To be given adequate time to consider and debate issues.
- Have access to relevant and reliable information and be entitled to obtain such resources and information from the Company, including direct access to employees, as they may require.
- Any Director or Committee of the Board may, with the prior approval of the Chairman of the Board, seek their own independent legal or other professional advice at the Company's expense to assist them in the proper performance of their duties to the Company and the shareholders. If the Chairman refuses to give approval, the full Board should be consulted for approval. This approval shall not be unreasonably withheld and any advice so obtained must be made available to all Directors as soon as practical. Requests for approval must be made in writing, specifying the adviser to be so used, the reason for the selection of that adviser and the likely cost.
- Directors may (where not constrained by the Corporations Act):
  - contract or enter into an arrangement with the Company;
  - be present at a meeting and vote thereat on a matter in which the Director has an interest;
  - participate in the execution of a document evidencing or connected with a contract or an arrangement in which the Director has an interest; and
  - hold office (except that of auditor) in any other company as approved by the Directors.
- A director may appoint an alternate approved by a majority of other directors.

(iii) Obligations

Subject to obligations under the Corporations Act and other relevant regulations:

- Discharge their duties honestly and in good faith and in the best interest of the entity.
- Actively participate in discussion at all directors' meetings.
- Use the powers of office for proper purpose and in the best interest of the entity.
- Act with reasonable care and diligence, and commercial reasonableness.
- Avoid conflicts of interest.
- Avoid improper use of information.
- Make reasonable inquiries to ensure the effective, legal and efficient operation of the entity.
- Undertake diligent analysis of any proposals put before the Board.
- Serve on Board Committees as required.

(b) Independence

- (i) The majority of directors are to be independent.
- (ii) The Chairman is to be independent. However, recognition is given to the Company's stage of development in that the Chairman is also the Chief Executive Officer.
- (iii) All directors are to be independent of conflicts of interest. Where a director has a potential or perceived conflict of interest, immediate disclosure to the Company is to be made.
- (iv) Directors may engage in the development of an Agenda for Board meetings through the Chairman.
- (v) Non-executive directors should meet from time-to-time independently of executive directors and management.
- (vi) A director will be considered "independent" if they:
  - Are not a substantial shareholder of the Company, or associated directly with a substantial shareholder of the Company
  - Have not within the last three years, been employed in an executive capacity by the Company.
  - Have not within the last three years, been a principal of a material professional adviser or a material consultant to the Company or an employee materially associated with any service provided.
  - Are not a material supplier or customer of the Company or directly associated with a material supplier or customer.
  - Have no material contractual relationship with the Company other than as a director.
  - Are free from any other interest or relationship which could or could reasonably be perceived to materially interfere with the director's ability to act in the Company's best interest.

The test for materiality for directors is:

- a relationship accounting for 20% or greater of his/her gross income, or
- a relationship with a firm / company – where the director holds more than 20% of a private company or 2% of a listed company.

**(c) Appointments**

- (i) The size of the Board is determined by the directors subject to the limitations of the Company's constitution.
- (ii) A majority of the Board should be made up of independent directors with an appropriate mix of skills and judgements.
- (iii) Letters of offer and acceptance are to be maintained for each director.
- (iv) Directors are to be provided with a directors' induction pack/briefing upon appointment.
- (v) The collective performance of the Board and each director should be assessed annually.
- (vi) Where the Company is publicly listed, one-third of all directors are to retire by rotation. Rotation does not apply to a director who is the Chief Executive of the Company.

**(d) Skills**

- (i) The Board is to ensure that its members have an appropriate mix of skills and experience to properly fulfil its obligations.
- (ii) The Board is to review its skills mix at least annually. Where the Board is too small to ensure all required skills are present, it must ensure that directors have access to such expertise as required.
- (iii) The Board is to ensure that it undertakes education and ongoing training relevant to the Company.
- (iv) Directors are to evidence loyalty, honesty and fortitude as minimum personal qualities.

**(e) Induction and Training**

- (i) Upon appointment, directors are to be provided with a director's induction pack, including information on directors' duties and responsibilities.
- (ii) Directors are to ensure that they undertake continuous education and professional development.

**(f) Code of Conduct**

- (i) The Board and Senior Management are committed to ensuring the observance of the highest standard of ethical conduct and behaviour in performing their duties. These standards are to be consistent with the Company's vision and values, including commitment to providing stakeholders with the best possible service.
- (ii) Standards of ethical behaviour include:
  - acting honestly and with integrity;
  - exercising due care and diligence in fulfilling all obligations and duties;
  - acting fairly, evenly and transparently;
  - respecting the confidentiality of information where provided on such a basis;
  - observing all rules, the "Spirit of the Law" and the regulations of applicable regulatory bodies;

- respecting the rights and dignity of stakeholders and the community; and
  - avoiding conflicts of interest, whether real or perceived.
- (iii) The Board is to at least annually, review compliance by directors and employees with the Code of Conduct, and to take remedial action where necessary.

**(g) Conflicts of Interest**

- (i) Directors are to avoid situations where a conflict of interest with the interests of the Company may occur.
- (ii) Directors are to immediately notify the Company Secretary if a material personal interest relating to the affairs of the Company arises.
- (iii) Directors are to absent themselves from attendance at a meeting of directors where a matter in which they have a material personal interest is being discussed, unless the directors who do not have such an interest, have voted that the director may attend because in their opinions, the nature of the interest should not disqualify the director from attending and/or voting.

**(h) Meetings of Directors**

- (i) The Board is to meet at least six times per year on a formal basis.
- (ii) An attendance of two (2) directors of the Company forms a quorum.
- (iii) A director may not be absent from more than three (3) consecutive meetings without permission of the Board.
- (iv) Directors may assist in the development of an Agenda for Board meetings through the Chairman.
- (v) The Board is to be given adequate notice of meetings.
- (vi) The Board and its Committees are to be provided with a list of scheduled meetings for the year, at the commencement of each financial year.
- (vii) Board papers are to be provided to directors at least five business days prior to any scheduled meeting.
- (viii) Board and Committee minutes are to be accurate and approved by the next meeting of the Board or Committee and signed by the Chairman of the meeting.
- (ix) Board and Committee meetings are to be held in accordance with the entity's Constitution and any Committee Charter.
- (x) Senior members of management are to attend Board meetings by invitation.
- (xi) Each year, a one day meeting of the Board is to review and approve the strategy and business plan of the Company for the next financial year.

(i) **Committees**

- (i) The Board may establish Committees as appropriate to consider detailed or specialist matters, but may not delegate major decisions to Committees.
- (ii) Each Committee is to have a Charter setting out its responsibilities, including:
  - membership and qualifications for membership;
  - frequency of meetings;
  - committee authority; and
  - reporting obligations to the Board.(Refer Annexures 1 and 2)
- (iii) A Committee is responsible for considering detailed issues and for making recommendations to the Board; unless it is delegated by the Board, to decide a course of action.
- (iv) Committees are to be constituted with a majority of independent directors.
- (v) The Chairman of all Board Committees, is to be independent and other than, the Chairman of the Company, except for the Nominations and Remuneration Committee where the Chairman of the Company may be the Chairman of that Committee.

The Board Committees of the Company are:

- Audit and Risk Committee.
- Nominations and Remuneration Committee.

(j) **Reporting**

- (i) The Board is to adopt a Protocol to ensure Continuous and Market Disclosure in accordance with its ASX obligations. (Refer Annexure 4.2)
- (ii) The Board is to ensure that the Annual Report of the entity is in full compliance with reporting standards applicable for the status, size and style of the entity.
- (iii) The Board is to ensure that the entity has readily accessible information available to shareholders and stakeholders consistent with accepted standards for the status, size and style of the entity. (Refer Annexure 4.3).
- (iv) The Board is to ensure that the Company reports on compliance with ASX Corporate Governance Council's Best Practice Recommendations.

**(k) Effectiveness**

- (i) The Board is to at least annually review and assess its performance and the performance of its individual directors and Committees.
- (ii) The Board is to monitor its directors and management for conflicts of interest and to take remedial action where necessary.
- (iii) The Board is to ensure that directors have access to independent professional advice at the cost of the entity when necessary.
- (iv) The Board is to establish Committees to assist in the effectiveness of its operations.
- (v) Board and Committee members are entitled to access information from the entity and management in accordance with an established protocol.

**3.3 Chairman**

**(a) Election**

The election of the Chairman is at the discretion of the Board. As a principle, the Chairman must not be a former executive officer of the Company, nor hold the positions of Chairman and Chief Executive Officer concurrently. However, the Company recognises at its stage of development that the role of Chairman and CEO may be performed by the same individual.

**(b) Role**

- (i) Ensure that the Board provides leadership and vision to the entity.
- (ii) Establish the Board agenda for each meeting.
- (iii) Presiding over Board meetings and directors' Board discussions, and to ensure that they are conducted fairly and ethically.
- (iv) Ensure that Board meeting minutes accurately reflect Board decisions.
- (v) Ensure that the Board has all necessary information to make effective decisions.
- (vi) Where there is a Chairman who is not also the CEO, develop an ongoing relationship with the Chief Executive Officer, who should keep the Chairman fully informed on matters of interest to directors.
- (vii) Where there is a Chairman who is not also the CEO, act as a mentor for the Chief Executive Officer.
- (viii) Ensure that Board and director evaluations are undertaken at least annually.
- (ix) Engage with the Nominations and Remuneration Committee in the selection of directors.
- (x) Guide the directors in their ongoing effectiveness and that of the Board.
- (xi) Presiding over General Meetings to ensure that shareholders have an adequate opportunity to air their views and obtain answers.

## 4. Disclosure and Transparency

### 4.1 General

- (a) The Company has adopted a continuous disclosure regime as part of its Corporate Governance Policy. The Company has in place policies, procedures and education programmes to ensure that directors and employees are well equipped to identify issues which could affect the share price of the Company, if these were known to the market.
- (b) The Company is committed to timely and accurate disclosure of all material issues affecting it, including:
  - (i) Financial and operating results
  - (ii) Objectives of the Company
  - (iii) Major share ownership and voting rights
  - (iv) Details of directors, key executives and their remuneration
  - (v) Material foreseeable risks
  - (vi) Material issues regarding employees, stakeholders, etc
  - (vii) Governance policies
- (c) The annual financial statements are to be audited by an independent auditor.
- (d) Information being disseminated to stakeholders and others, is to provide for adequate time to reach and be reasonably accessible by intended recipients.

### 4.2 Continuous Disclosure Policy

- (a) The Company and its directors have adopted a Disclosure Policy for the release of price sensitive information to the market, shareholders and stakeholders.
- (b) Directors are to ensure that appropriate training in and understanding of the Disclosure Policy are undertaken for directors, management and employees.
- (c) Directors are to review the content of papers distributed and any discussion at each meeting of the Board and its Committees for any disclosure obligations.
- (d) Directors are to monitor compliance with the Disclosure Policy and to take remedial action where necessary.
- (e) The Company's Disclosure Policy is to be readily available to stakeholders and disclosed in the Company's annual report to shareholders.

The Company's "Disclosure Protocols, Policies and Procedures" are appended as Annexure 3.

### 4.3 Investor Relations Policy

- (a) The Investor Relations Policy has been developed to ensure that information about the Company is disseminated in a consistent, orderly and timely manner to all stakeholders.
- (b) Directors are to review and comment on any information to be released by the Company, and to review and approve any release containing financial data and/or performance results.
- (c) Directors are to monitor all information to be released for compliance with the Continuous Disclosure Policy and to ensure that any information considered to be price sensitive is released to ASX prior to release to the market in general.
- (d) All information released by the Company is to be loaded onto the Company's website contemporaneously with release.

The Company's Investor Relations Policy is appended as Annexure 4.

### 4.4 Share Trading Policy

Directors and employees of the Company must not buy or sell shares in the Company when they possess price sensitive information, which is not generally available to the market.

The Share Trading Policy permits trading in the Company's shares by its Directors and Senior Executives throughout the year, except for two periods or during embargoes on share trading as may be imposed by the directors from time to time.

Trading of the Company's shares will not be allowable for the period between the:

- 30 June and the announcement of trading results;
- 31 December and the announcement of trading results.

Each Director and Senior Executive is obliged to advise the Chief Executive Officer, Chief Financial Officer or the Company Secretary if he/she is to acquire or dispose of the Company's shares at any time during the year.

The Company may also impose a share trading embargo on all staff where circumstances exist, which if publicly known, may materially affect the share price of the Company's shares. Any staff member who is aware of these circumstances may therefore be in possession of price sensitive information. If a staff member considers that he/she may possibly be in this situation, advice should be obtained from the CEO, CFO or Company Secretary as to applicability of this Policy to them, before any trading is undertaken in the Company's shares.

From time to time, any staff member who is assigned to projects, which have the potential to be price sensitive, shall be subject to this Policy for the duration of the assignment or until it is announced publicly.

## 5. Shareholders

### 5.1 Rights of Shareholders

Shareholders are entitled to rely on the Company having:

- (a) Secure methods of ownership registration and transferability of shares; and
- (b) Policies for the timely release of information.

In addition, they are entitled to rely on overarching rights to:

- (a) Participate in general meetings.
- (b) Elect directors.
- (c) Share in the profits of the Company.
- (d) Participate in amendments to the Constitution.
- (e) Participate in approving extraordinary transactions.
- (f) Be given knowledge of the rules governing meetings.
- (g) Be furnished with notices of meetings, agendas, etc.
- (h) To ask questions in general meetings.
- (i) To vote at general meetings.
- (j) To vote on material issues at general meetings.
- (k) The existence of a governance system which ensures accountability of management and equitable sharing of rewards between owners and management.

### 5.2 Equitable Treatment of Shareholders

- (a) Shareholders of the same class are to be treated equally and have the same voting rights.
- (b) The votes of custodian/nominee holders are to be directed in accordance with the underlying shareholders' wishes.
- (c) General shareholders meetings are to be free from impediments affecting the ability to cast votes.

### 5.3 Responsibilities of Shareholders

- (a) Shareholders are to ensure that the stewardship of the directors is effective.
- (b) Shareholders should ensure they are informed on the Company, take an interest in the composition of, and performance by the Board and its Committees, and should not involve themselves directly in the affairs of the Company.
- (c) Shareholders should not seek access to price-sensitive Company information not generally available.

## 5.4 Meetings of Shareholders

A Code of Conduct for the running of general meetings of shareholders has been adopted to improve the efficiency thereof and to increase the value of a meeting for shareholders, directors and management.

The adopted Code was developed by the Business Council of Australia Chairmen's Panel and carries the endorsement of the Australian Shareholders' Association. It was released on 25 August, 2003.

Code for the running of general meetings of shareholders:

1. Where audio-visual systems are used, the Chairman may determine that resolutions appearing in the notice of meeting will not be read to the meeting and will instead appear on a screen. The Chairman may alternatively determine that resolutions appearing in the notice of meeting be put by reference to that notice. Additional copies of the resolutions will be available at the meeting.
2. The Chairman will not call for a proposer and seconder for any resolution appearing in the notice of meeting. Although this has been general practice in the past, it is not required by law and does not serve any governance purpose in the context of a large company meeting.
3. In the absence of special permission, the Chairman will require that any recording or broadcasting device (including tape recorders, still cameras and video cameras), and any article which may be dangerous, offensive or liable to cause disruption, be deposited outside the meeting at the security check-point or cloakroom.
4. After each matter or resolution has been put to the meeting, the Chairman will follow the procedure set out below:
  - (i) The Chairman may ask for a show of hands to indicate the number of shareholders who may wish to speak. Where there are a large number of potential speakers, this will allow the Chairman to try and allocate time appropriately to all speakers, balancing the need to allow each speaker a reasonable opportunity to be heard, and the need to afford as many shareholders as possible the opportunity to speak. The Chairman may impose a reasonable time limit on each speaker but will not penalise a speaker for exceeding the suggested time frame, unless the Chairman reasonably believes that comments have become repetitive, are time-wasting or irrelevant to the matter or resolution at hand. This process is intended to ensure that shareholders are considerate of each other's right to participate in the meeting. It is not intended to restrict the right to speak of shareholders who may not have participated in the initial show of hands.
  - (ii) The Chairman will take questions from the microphones on a rotational basis until all questions are exhausted. All speakers will be asked to restrict themselves to no more than 2 questions or comments at any one appearance at the microphone. In rotating through the microphones, the Chairman will give priority to a person who wishes to address the meeting for the first time, over a person who has already spoken on the same motion. A speaker wishing to speak more than once on a motion may line up for another turn. He or she may not remain at the microphone and continue on the next rotation unless no other shareholder is waiting for the microphone.
  - (iii) The Chairman will take only questions and comments directly related to the matter or resolution at hand. However, any genuine questions which arise as a natural result of discussion during the meeting, but which do not specifically relate to the matter or resolution at hand, may be taken at the discretion of the Chairman.

- (iv) The Chairman will discourage and, if necessary, curtail irrelevant questions and comments. Shouting, swearing, insulting or aggressive behaviour will result in the speaker being asked to resume his or her seat. Where a speaker refuses to respond to the Chairman's request, the Chairman will warn the speaker that he or she has the power to ask the speaker to leave the meeting. If the speaker still refuses to respond, the Chairman will request that the power to the microphone be shut off and warn the speaker that he or she will be asked to leave the meeting if he or she does not resume a seat. If the speaker still persists, the Chairman will, with the consent of the meeting, ask the security guards to escort that person from the meeting where the Chairman judges it necessary to maintain good order and the functioning of the meeting. Although the Chairman has the power to order removal from the meeting, it is generally to be regarded as a power of last resort.
- (v) The Chairman will exercise the power to adjourn the meeting:
- If he or she decides it is necessary to maintain orderly conduct of the meeting;
  - To give all persons a reasonable opportunity of speaking and voting at the meeting; or
  - To ensure that the business of the meeting is properly disposed of.

The meeting will be adjourned to a place and time reasonably consistent with the original meeting.

- (vi) The Chairman will endeavour to answer all questions relevantly and frankly. If a question requires a very lengthy answer which the Chairman judges not to be of general interest to the meeting, the Chairman may offer to meet the shareholder outside the meeting or refer the shareholder to a Company information booth operated in the meeting foyer for the purpose of providing a full answer, as appropriate.
- (i) The Chairman will indicate ahead of debate whether a resolution will be submitted to a show of hands or put to a poll. Unless the Chairman determines there is a reason to progress directly to a poll, resolutions will be submitted in the first instance to a show of hands. The show of hands will be followed by a poll, where this is required or appropriate.
- (ii) Following the conclusion of a debate on a resolution, and before the resolution is put to the meeting, the Chairman will disclose the way in which proxy votes have been cast on the resolution and the way in which the Chairman will cast those undirected proxies given to the Chairman.
- (iii) Each of the Chairman and the Managing Director of the Company will make a presentation at the AGM. The Chairmen of relevant Board committees, (such as Audit and Risk, and Nominations and Remuneration Committees), or their alternates, will be available to answer questions, at the Chairman's discretion.
- (iv) As required by s 250T of the Corporations Act, if the Company's auditor or their representative is at the meeting, the Chairman of an AGM must allow a reasonable opportunity for the members as a whole at the meeting, to ask the auditor or their representative questions relevant to the conduct of the audit and the preparation and content of the auditor's report.

## 6. Stakeholders

### 6.1 Role in Corporate Governance

Stakeholders (other than shareholders) are relevant to the success of an entity. As a general principle, management is charged with the development of policies appropriate to successfully manage these relationships.

The Board supports, as part of its Corporate Governance system that –

- The interests of all stakeholders' legal rights are respected; and
- Performance enhancing mechanisms should exist for stakeholders to participate in the Corporate Governance process, and in the consultative process to ensure an effective and responsible approach to managing the Company.

## 7. Senior Officers

### 7.1 Chief Executive Officer

The Chief Executive Officer ('CEO') is responsible to the Board for the overall management and performance of the entity.

The CEO manages the entity in accordance with the strategy, plans and policies as approved by the Board.

The CEO is responsible for:

- Delivering on the entity's strategic and operational plans as approved by the Board.
- Referring transactions outside of his/her delegated authority to the Board.
- Ensuring that all actions comply with the entity's policies and with the law.
- All actions delegated to the CEO.

#### (a) Appointment

The CEO is appointed by the directors of the Company after recommendation by the Nominations and Remuneration Committee.

The CEO may be appointed as an executive director of the Company at the discretion of the directors.

#### (b) Performance Assessment and Remuneration

The performance of the CEO is to be reviewed by the Nominations and Remuneration Committee on an annual basis.

The remuneration of the CEO is to be considered by the Nominations and Remuneration Committee and a recommendation made to directors following the annual review of performance.

A CEO, who is appointed a director, will not be entitled to a director's fee in addition to the remuneration applicable to the position of CEO.

#### (c) Dismissal

The dismissal of the CEO is to be a decision of the Board of Directors.

## 7.2 Chief Financial Officer

The Chief Financial Officer (“CFO”) is responsible for the effective budgeting, recording and reporting of the financial results and operations of the Company.

The Chief Financial Officer is responsible for:

- Formulation of the annual financial budget for the Company.
- Controlling the Accounting, Treasury, Accounts Receivable and Payable, and Taxation activities of the Company.
- Enforcement of the Delegations of Authority.
- Effective identification and management of the Risk Management Policy.
- Liaison with the Board, Audit and Risk Committee, and Internal and External Auditors.

### (a) Appointment

The CFO is appointed by the CEO after consultation with the Nominations and Remuneration Committee and the Chairman of the Audit and Risk Committee.

### (b) Performance Assessment and Remuneration

The performance of the CFO is to be reviewed by the CEO on an annual basis.

The remuneration of the CFO is to be considered by the CEO in light of performance and external market conditions, and a recommendation made to the Nominations and Remuneration Committee.

### (c) Dismissal

The dismissal of the CFO is to be a decision of the CEO after consultation with directors.

## 7.3 Company Secretary

The overall role of the Company Secretary is to ensure administrative and legislative compliance by the Board as follows:

- Ensuring timely development of Board agendas in conjunction with the Chairman and CEO.
- Co-ordinating, organising and attending Board and shareholder meetings.
- Drafting and maintaining minutes of Board meetings.
- Carrying out the instructions of the Board.
- Ensuring compliance with all statutory requirements.
- Ensuring best practice corporate governance within the entity.

**(a) Appointment**

The Company Secretary is appointed by the directors of the Company after recommendation by the CEO. The Company Secretary is not to be appointed a director of the Company.

**(b) Performance Assessment and Remuneration**

The performance of the Company Secretary is to be reviewed by the CEO on an annual basis.

The remuneration of the Company Secretary is to be considered by the CEO in light of performance and external market conditions.

**(c) Dismissal**

The dismissal of the Company Secretary is to be a decision of directors after consultation with the CEO.

## 8. Remuneration

The Board has adopted a formal remuneration policy for senior executives.

The Company's philosophy for senior executives is to reward high levels of sustained performance and contribution through a pay for performance model.

The Company's Remuneration Plan comprises the following major compensation components:

- Fixed Remuneration (Total Employment Cost including superannuation); and
- Variable Remuneration, which comprises:
  - Short Term Incentives; and
  - Long Term Incentives.

Variable remuneration, also known as "at risk" remuneration, comprises short term incentives (cash bonuses) and long term incentives (performance shares and options). In general, the Company aims to target the upper quartile of the market for remuneration to ensure the attraction and retention of talented executives.

The guiding principles in managing remuneration for executives are that:

- All elements should be set at an appropriate level having regard to market practice for roles of similar scope and skill;
- The Remuneration Plan should be used to encourage and reward continuous high performance;
- The Remuneration Plan should be linked to key business goals as defined by the Board; and
- Any reward should be used to align the interests of executives with shareholders.

The Nominations and Remuneration Committee provides guidance to the Board in respect of these matters with reference to appropriate external companies' expertise.

## Glossary

<b>Entity</b>	A Company, government department or body, or not-for-profit organisation.
<b>Executive Director</b>	A director appointed to the Board who is an employed member of the entity's management.
<b>Independent Director</b>	A director who is a non-executive director, <ul style="list-style-type: none"><li>(i) Is not a substantial shareholder of the Company or associated with a substantial shareholder;</li><li>(ii) Has not been employed by the Company or another group member within the last three years;</li><li>(iii) Has not been a principal or employee of a material professional adviser to the Company within the last three years;</li><li>(iv) Is not a material supplier or customer of the Company or another group member or associated with any such company;</li><li>(v) Has no material contractual relationship with the Company or another group member other than as a director; and</li><li>(vi) Is free from any interest/business or other relationship which may or could interfere with his/her ability to act in the best interests of the Company.</li></ul>
<b>Non-Executive Director</b>	A director appointed to the Board who is not employed as a member of the entity's management.
<b>Shareholder</b>	The holder of a share within an entity.
<b>Stakeholder</b>	Persons/entities affected by (actual or perceived) an entity's decisions or activities.

## References

## Annexure 1

### Audit and Risk Committee Charter

#### Role of the Committee

*“The term ‘Audit Committee’ means (a) a Committee (or equivalent body) established by and amongst the Board of directors of an issuer for the purpose of overseeing the accounting and financial reporting processes of the issuer and audits of the financial statements of the issuer; and (b) if no such Committee exists with respect to an issuer, the entire Board of directors of the issuer” – The Sarbane-Oxley Act of 2002, section 2 (3).*

This definition presupposes that the Committee needs to understand the whole financial reporting process, including identifying risks and internal controls.

#### Purpose and responsibilities of the Committee

- Improve the quality of the reporting process;
- Review accounting policies, monitoring compliance with current laws, relevant regulations, accounting standards and other mandatory professional reporting requirements;
- Review and ensure the integrity of financial reporting provided to the Board and shareholders;
- Convey to the Board, independent of management influence, the concerns of both internal and external auditors;
- Review the effectiveness of management information systems and systems of internal control;
- Review the efficiency and effectiveness of the internal and external audit functions, including reviewing and approving the respective audit plans;
- Review and report to the Board on the risk management and internal control systems which management has established and whether they adequately and effectively safeguard the assets of the Company;
- Regularly receive and review the reports of the internal auditor and ensure that the Internal Audit business plan is achieved
- Review Management recommendations to the Committee for the nomination of external auditors, and to recommend to the Board the appointment of auditors and an appropriate audit fee;
- Ensure the accounting records are properly maintained in accordance with statutory requirements;
- Conduct any investigations relating to financial matters, risks, records, financial statements and reports it considers warranted, including any issues raised through “whistleblowing”.
- Review, approve and recommend to the Board the half yearly and annual financial statements of the Company; and
- Review the Management Letter of the Auditors.

### Authority of Audit Committee

- The Audit Committee is to have the right to obtain any information from management it deems necessary for use in its Committee duties.
- Proceedings at Audit Committee meetings are to be reported at the next meeting of the Board of directors.
- Audit Committee members are to have the right to participate in ongoing education relevant to their position on the Committee, at the discretion of the Chairman.

### Membership

The Committee is to be chaired by an independent, non-executive director.

- The Committee is to be comprised of a majority of non-executive directors with the mix of skills, experience and other qualities appropriate for its role. These qualifications and personal qualities are listed below.
- The Committee shall appoint a Secretary, who shall attend and minute all meetings.
- The Chief Executive Officer, Chief Financial Officer, and the external and internal auditors attend Audit Committee meetings by invitation.

### Qualifications of Members

Members are to possess most, if not all, of the following:

- Broad business experience;
- Familiarity with risk management identification and evaluation;
- An understanding of internal control systems;
- An understanding of major accounting and reporting issues;
- Familiarity with the Corporations Act 2001 financial reporting provisions and Accounting Standards;
- An understanding of the roles of the internal and external auditors;
- Familiarity with the fundamental concepts of professional Auditing Standards; and
- An understanding of the implications of technological change on the processes of the organisation.

Members are to possess financial literacy. “Financial literacy” includes the ability to read and understand financial reports including statements of financial performance, financial position and cash flow.

It is desirable to have at least one member to have accounting or related financial experience.

### Personal Qualities of Members

The Board looks for the following personal qualities in members:

- Ability to act independently and pro-actively;
- Ability to ask relevant questions, evaluate answers and probe for information until completely satisfied;
- Independence of thought;
- An ability and desire to learn;
- An ability to consider issues from different directions and even to take an unconventional view;
- An appreciation of the organisation's culture and values and a determination to uphold these values where appropriate;
- A professional approach to duties, including an appropriate commitment of time and effort;
- The courage to take and stand by the tough decisions;
- Loyalty to the interests of shareholders and other stakeholders;
- Encouragement of openness and transparency which is demonstrated by the ability to accept mistakes and not ascribe blame; and
- The ability to demand the highest ethical standards of behaviour from the internal and external auditors.

### Meetings

The Committee is to meet at least twice per year and on an "as required" basis. It is to receive regular reports from both the internal and external auditors dealing with any matters that arise from the internal audit programme, any reports of the external auditor relating to half year and full year accounts, reports on the risk management and internal controls systems, and any other matters considered valid business to be put before the Committee.

### Attendance at Audit Committee Meetings

- The Committee may meet without executives, the latter only attending by invitation.
- External and internal auditors are to be given the opportunity to present their reports to the Committee free from management influence provided management has had the opportunity to address any concerns or findings prior to the presentation.

### Role of the Chairman

The Chairman should be independent and not also be the Board Chairman. The Chairman should be knowledgeable of the organisation's business, financial and auditing processes and should have the following responsibilities:

- Planning and conducting meetings;
- Overseeing reporting to the full Board;
- Leading verbal presentations to the full Board; and
- Involvement in selection of Audit Committee members in conjunction with the full Board

### Role of the Secretary

The Secretary's role is to facilitate the holding of meetings, take minutes and circulate documents. The Secretary's role is also to ensure that Audit Committee recommendations are supported by papers, which explain the rationale for the Committee's recommendations.

### Induction of New Members

The Audit Committee is to ensure that new members are formally inducted, to ensure they understand their responsibilities, current issues, and objectives of the audit processes and the expectations of the Board concerning the performance of Audit Committee members. The induction process will include:

- Providing a copy of the Committee's Charter;
- Providing copies of relevant company policies;
- An explanation by management and internal audit of the control, risk and compliance frameworks and current audit and financial reporting issues. Written materials should support oral presentations;
- Meetings with management and internal audit to discuss any unusual transactions or other matters as required; and
- Introduction to the external auditor.

### Evaluation of Performance

The evaluation of performance of the Committee and the individual members is to be undertaken against the Charter, and key activities recommended by industry bodies and professional firms. The Committee Chairman is responsible for ensuring the evaluation of the performance of the individual members; the Board should evaluate the Committee Chairman.

Evaluation criteria for individual members will include:

- Expertise;
- Inquiring attitude, objectivity and independence;
- Judgement;
- Ability to take tough, constructive stands at meetings when necessary;
- Understanding of the organisation's business;
- Understanding of and commitment to the Committee's duties and responsibilities;
- Willingness to devote the time needed to prepare for and participate in Committee deliberations;
- Responsiveness (timeliness and quality);
- Approach to conflict and whether they help the Committee manage conflict constructively and productively; and
- Attendance at meetings.



## Annexure 2

### Nominations and Remuneration Committee Charter

#### Role of the Committee

The role of the Committee is to review and recommend to the Board, the Company's performance evaluation policy and compensation/incentive policies applicable to directors, the CEO and senior management; and the appointment and evaluation of the performance of directors. The Committee will also recommend to the Board, the remuneration of the Chief Executive Officer and approve the remuneration of the direct reports to the Chief Executive Officer.

#### Membership

- The Committee should be elected by the directors.
- The Committee is to be comprised of at least two non-executive directors with the mix of skills, experience and other qualities appropriate for its role. These qualifications and personal qualities are listed below.
- The Chairman may appoint a secretary, who shall attend and minute all meetings.
- The CEO and other members of management may attend Committee meetings by invitation.

#### Qualifications of Members

Members are to possess most, if not all of the following:

- Broad business experience.
- Broad understanding of employment, health & safety, anti-discrimination, etc laws applicable to the Company; and
- Familiarity with current industry practises regarding remuneration, incentives, succession planning and human development.

#### Personal qualities of members

The following personal qualities in members are highly desirable:

- Ability to act independently and pro-actively;
- Ability to ask relevant questions, evaluate answers and probe for information until completely satisfied;
- Independence of thought;
- An ability and desire to learn;
- An openness to new ideas and a tolerance for unconventional views;
- An appreciation of the organisation's cultures and values, and a determination to uphold these values where appropriate;
- A professional approach to duties, including an appropriate commitment of time and effort;
- The courage to take and stand by tough decisions;
- Loyalty to the interests of shareholders and other stakeholders;
- Encouragement of openness and transparency which is demonstrated by the ability to accept mistakes and not ascribe blame; and

- The ability to demand the highest ethical standards of behaviour from directors, management and staff.

### Meetings

The Committee is to meet at least twice per year and on an “as required” basis.

### Attendance at Committee Meetings

- The Committee is to meet without executives, the latter attending only by invitation.
- Executives attending meetings by invitation may include the CEO, CFO and/or senior personnel management.

### Role of the Chairman

The Chairman should be independent. The Chairman should be knowledgeable of the organisation’s business, human resources processes, and should have the following responsibilities:

- Planning and conducting meetings;
- Overseeing reporting to the full Board;
- Leading verbal presentations to the full Board; and
- Involvement in selecting Committee members in conjunction with the full Board.

### Purpose of the Committee

The Committee is responsible for the following:

- Reviewing the composition of the Board on a regular basis (annually) to ensure that it maintains the appropriate mix of expertise and experience;
- Proposing suitable nominees to the Board in the event of a vacancy arising, including the use of external consultants specialising in the identification of Board candidates;
- Recommending the terms and conditions applicable to non-executive directors and the form of letters of employment to the Board;
- Reviewing and recommending to the Board, the Company’s compensation and incentive policies applicable to the CEO, senior executives and the directors;
- Reviewing share/option schemes, performance incentives, superannuation, retirement and termination entitlements and fringe benefits policies; and
- Undertaking annual assessments of the performance of the CEO and of the Committee. The assessments are to be based on specific criteria, including the Company’s business performance, achievement of long-term strategic objectives and the development of management and personnel. Where necessary, the Committee may seek the advice of independent external advisers in connection with assessing remuneration and incentive packages and policies.

### Role of the Secretary

The Secretary’s role is to facilitate the holding of meetings, minutes taken and documents circulated. The Secretary’s role is also to ensure that the Committee’s recommendations are supported by papers, which explain the rationale for the Committee’s recommendations.

### Authority of the Committee

- The Committee is to have the right to obtain any information from management it deems necessary for use in its Committee duties.
- Proceedings at Committee meetings are to be reported at the next meeting of the Board of Directors.
- Committee members are to have the right to participate in ongoing education relevant to their position on the Committee; at the discretion of the Chairman.

### Selection of New Members

The Committee is to ensure that new members are formally inducted, to ensure they understand their responsibilities, current issues, and the expectations of the Board concerning the performance of Committee members.

The induction process will include:

- Providing a copy of the Committee's Charter;
- Providing copies of relevant Company policies;
- An explanation by senior personnel executives of the HR function, applicable employment agreements, Health and Safety and other policies.

### Evaluation of Performance

The evaluation of the performance of the Committee and the individual members is to be undertaken against the Charter, and key activities recommended by industry bodies and employment/legal firms.

The Chairman is responsible for ensuring the evaluation of the performance of the individual members; the Board Chairman should evaluate the performance of the Committee Chairman.

Evaluation criteria for individual members will include:

- Expertise;
- Inquiring attitude, objectivity and independence;
- Judgement;
- Ability to take tough, constructive stands at meetings when necessary;
- Understanding of the organisation's business;
- Understanding and commitment to the Committee's duties and responsibilities;
- Willingness to devote the time needed to prepare for and participate in Committee deliberations;
- Responsiveness (timeliness and quality);
  
- Approach to conflict, and whether they help the Committee manage conflict constructively and productively; and
- Attendance at meetings.

Evaluation criteria for the Committee will include:

- Are the Committee meetings productive?

- Does the agenda setting process allow for appropriate issues to be raised as necessary?
- Is the agenda ordered and provide sufficient time to discuss the most complex and critical issues?
- Can members influence the content of the agenda?
- Do members receive sufficient information about agenda items in advance of meetings?
- How could the Committee be improved in terms of meeting frequency, duration, content, location and interest?
- How well informed are non-Committee members about the deliberations of the Committee?

## Annexure 3

### Disclosure Protocols, Policies and Procedures

#### Contents

##### Defined Terms

1.	Commitment.....	Page
2.	Continuous Disclosure Policy.....	Page
3.	Market Communications Policy.....	Page
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## Defined Terms

References to the “Company Secretary”, “Chief Executive Officer” and “Chief Financial Officer” should be read as the aforementioned or their nominees.

References to “the Board” should be read as “the Board of Directors”.

For the purposes of this document the term “General Briefing” will include any shareholder meetings including the annual general meeting.

For the purposes of this document the term “One-on-One Meetings” will include any shareholder meetings.

## 1. Commitment

The Company is committed to:

- ensuring that stakeholders have the opportunity to access externally available information issued by the Company;
- providing full and timely information to the market about the Company's activities; and
- complying with the obligations contained in the Australian Stock Exchange Listing Rules and the Corporations Act relating to continuous disclosure.

These Protocols, Policies and Procedures ("this document") will be updated by the Company Secretary within 5 working days to reflect any substantial changes to the nature of the Company's operations and any changes to the Corporations Act and ASX Listing Rules.

This document will be circulated to all Company staff and directors on each occasion it is revised (with substantial changes highlighted) and at least on a bi-annual basis. It will also be included in the induction material provided to new employees upon joining the Company.

Where the revisions are significant the Company Secretary will conduct training sessions to promote understanding of the revised requirements.

## 2. Continuous Disclosure Policy

### 2.1 Underlying Principle

The Company must notify the ASX immediately it becomes aware of any information concerning it that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of the Company's securities.

The Company is considered to "become aware" of information if a director or executive officer has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of the Company.

### 2.2 Exceptions to the "underlying principle"

ASX Listing Rule 3.1 provides that disclosure is not required where:

- (a) a reasonable person would not expect the information to be disclosed; and
- (b) the information is confidential; and
- (c) one or more of the following applies:
  - (i) it is a breach of a law to disclose the information;
  - (ii) the information concerns an incomplete proposal or negotiation;
  - (iii) the information comprises matters of supposition and is insufficiently definite to warrant disclosure;
  - (iv) the information is generated for internal management purposes; and
  - (v) the information is a trade secret.

### 2.3 "Material" Information

A reasonable person would be taken to expect information to have a material effect on the price or value of a company's securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to buy or sell those securities.

Consideration must be given to previous disclosures by the Company in determining what information is material.

Any information publicly released by another party, which a reasonable person would expect to have a material impact on the price or value of the Company's securities, will require the Company to make its own disclosure in relation to the particular matter.

Examples of information that could be considered material include substantial contracts won or lost, disposal of significant assets or business operations and significant changes to revenue or earnings forecasts.

The Company Secretary will work with the Directors, Chief Executive Officer and/or the Chief Financial Officer to form a view on the need to disclose a matter to the market. Where it is concluded that such a disclosure is not required, but in the interests of prudent discharge of their responsibilities any of the aforementioned chooses to seek a legal opinion to confirm their view, the Company Secretary must:

- formally record the conclusion reached and the reasons which support it together with the reasons why, in view of this conclusion, legal advice is to be sought; and
- ensure that the relevant legal advice is sought and obtained in "real time" to ensure that, should it contradict the conclusion reached by management, the necessary disclosures to the market can be made.

## 2.4 Reporting of Disclosable Information

Information which may need to be disclosed to the ASX is to be reported to the Company Secretary as soon as it is identified.

The Company Secretary will immediately consult with the Chairman, Chief Executive Officer and/or Chief Financial Officer to determine whether the information should be released to the ASX. Every effort will be made to secure the approval of the aforementioned before any release is made however the lack of availability of one or more of them will not prevent compliance with this document.

Where a release is made, the Company Secretary will work with the Chief Executive Officer and/or the Chief Financial Officer to ensure the release:

- contains all material information relevant to the disclosure; and
- is expressed in a clear and objective manner that will allow investors to assess the impact of the information when making investment decisions.

Where it is determined an ASX release is not required, the Company Secretary will advise the directors and the above-mentioned persons of the rationale for the decision via email and at their next scheduled meeting. A record of each such matter and the rationale for determining that it was not necessary to make an ASX release will be minuted at the following Board meeting and also retained and filed by the Company Secretary.

Where the Company determines that it is not necessary to make a disclosure to the market as the information/event falls within the exceptions contained in ASX Listing Rule 3.1, the Company Secretary will determine whether some more limited or preliminary announcement is appropriate. The Company Secretary's decision and the rationale for making this decision will be documented and retained in a file by the Company Secretary.

Where information requiring release to the ASX is identified during the preparation of structured or periodic disclosure documents (such as half-yearly reports, the annual report to shareholders or an Appendix 4B), that information shall be released to the ASX in accordance with the requirements of this document and shall not be deferred until the structured or periodic disclosure document is released.

The Company Secretary, in conjunction with the Chairman, Chief Executive Officer and/or Chief Financial Officer, will ensure that the information contained in the Company's market releases is appropriately reflected in the Company's structured disclosures.

## 2.5 Market Speculation and Rumours

As a guiding principle the Company does not, of its own volition, comment on market speculation or rumours but may choose to comment when considered appropriate.

The Company will comply with any request made by the ASX to provide information to correct or prevent a false market for its shares.

## 2.6 Authorisations

The Company policy not to comment on rumours must be adhered to by all staff.

Only staff authorised to speak to the ASX, analysts, shareholders and the media may do so and then only provided it is in accordance with this document.

Any disclosure of price sensitive information will be circulated to all directors before being released to the ASX. Every effort will be made to secure the approval of the Chairman and at least one other director before the release is made however the lack of availability of these persons will not prevent compliance with the Company's continuous disclosure obligations.

The Company Secretary has primary responsibility for:

- ensuring the Company complies with its disclosure obligations;
- monitoring compliance with this document; and
- deciding what information is to be disclosed to the market.

## 2.7 Timing of Releases

The Company must not discuss any information released to the ASX until written confirmation of disclosure to the market has been received from the ASX.

The Company Secretary will advise the Chief Executive Officer and Chief Financial Officer by email immediately confirmation has been received from the ASX.

All information released to the ASX will be placed on the Company's website as soon as possible after confirmation has been received from the ASX. Emails will then be sent to analysts, brokers, fund managers and all those registered for the notification service advising them that a release has been posted on the website. The Company's Communications group may then also disseminate information in accordance with its policy.

## 2.8 Trading Halts

The Company may, from time to time, request a trading halt to maintain orderly trading in the Company's shares. This may be precipitated by a range of circumstances and is viewed by the Company as a tool of good disclosure policy.

The Company Secretary will manage the process in consultation with the Chairman, Chief Executive Officer, Chief Financial Officer and directors as appropriate.

## 2.9 Accuracy of Information

Information released to the ASX will be supported with appropriate verifiable evidence/documentation, a copy of which will be retained by the Company Secretary.

Financial forecasts or projections contained in disclosure materials will be based on the financial model assumptions detailed in the annual business plan approved by the Board. Any amendments to the assumptions and forecasts require approval by the Board.

### 3. Market Communications Policy

This document is to be read in conjunction with the Continuous Disclosure Policy contained in Section 2 above.

#### 3.1 Market Contact

The Company's half and full year results are to be released to the ASX followed by electronic/voice dissemination and/or briefings and/or roadshows. This information will also be available from the Company's website.

#### 3.2 Financial Reporting Calendar (30 June balance date)

Month	Activity
February	Half Year Results (Appendix 4E)
March	Half Year Report
30 June	Full Year End
August	Annual Results (Appendix 4E)
September	Full Year Report to Shareholders
October	Annual General Meeting
31 December	Half Year End

#### 3.3 Overarching Protocol

The Company will not communicate price sensitive information to any third party that has not been released to the ASX, except where that party has entered into a confidentiality agreement with the Company.

#### 3.4 Authorised Spokespersons

Officers authorised to speak on behalf of the Company on market disclosure issues are the:

- Chairman;
- Chief Executive Officer;
- Chief Financial Officer;
- Company Secretary; and

or their delegates as nominated from time-to-time.

Authorised Spokespersons must not comment on price sensitive issues, in particular revenue and earnings guidance, which has not been previously released to the ASX.

Any staff member who receives a request for comment from an external third party is to refer the matter to the Chief Executive, Chief Financial Officer or Company Secretary.

#### General Briefings

The Company will, from time-to-time, hold general briefings to which institutional investors, shareholders, stockbroking analysts, media and other third parties may be invited.

The Company will not discuss any price sensitive information at a general briefing that has not been released to the ASX. Should undisclosed, potentially price sensitive information be inadvertently discussed at a general briefing it must be reported immediately to the Company Secretary for consideration and, where appropriate, immediate release to the ASX.

Where a question raised at a general briefing can only be answered by disclosing price sensitive information, the Authorised Spokesperson should either decline to answer the question or take it on notice. Responses to questions on notice will be provided in accordance with this document. A record of all questions asked and the answers given will be made and held by the Company Secretary.

Details of general briefings will be posted to the Company's financial calendar on its website in advance. All general briefing presentations will be released to the ASX at or before the scheduled commencement time of the briefing and placed on the Company's website as soon as possible following confirmation of release received from the ASX.

Any external speeches given by the Chairman, Chief Executive Officer or Chief Financial Officer relating to the Company will be regarded as "General Briefings".

A designated representative, will attend each general briefing to ensure compliance with this document.

Company representatives will not participate in web-casts or chat rooms.

### 3.6 One-on-One Meetings

The Company may hold one-on-one meetings with institutional investors, shareholders, stockbroking analysts, media and other third parties. Price sensitive information which has not been released to the ASX will not be discussed at these meetings which will be limited to explanation or clarification of public or non-material company/industry information.

Staff attending one-on-one meetings will maintain contemporaneous notes of discussions at those meetings for a reasonable period of time. A copy of those notes is to be forwarded to the Company Secretary for review and filing within two business days.

If any staff member attending a one-on-one meeting considers that a matter discussed or raised may constitute an undisclosed price sensitive matter, it must be reported immediately to the Company Secretary for consideration and, where appropriate, immediate release to the ASX.

### 3.7 Briefing Presentations

Any written materials to be used at general or one-on-one briefings are to be provided at least one business day prior to the briefing session to the Chief Financial Officer, or Company Secretary to determine compliance with this document.

All other market communications (including press releases, tender documents, fact books or other corporate publications) are to be reviewed by the Company Secretary prior to release to ensure they will not inadvertently breach this document.

### 3.8 Analysts' Reports

The Company is not responsible for, and does not endorse any, analyst reports on the Company. The Company's website will not incorporate any comments made by analysts or analysts' reports and will not contain a link to any analysts' websites. The website may, however, list the names of brokers and analysts with an interest in the Company.

The Chief Financial Officer will monitor and internally report analysts' forecasts, reports and market earnings projections and decide whether any matter should be brought to the Company Secretary's attention in accordance with this document. The Chief Financial Officer will maintain a copy of analyst reports and of any other market projections.

Any draft analyst report sent to the Company for comment is to be immediately referred to the Chief Financial Officer, for review and comment. Comments will be confined to factual errors relating to publicly available information only. Comments will not be provided on any revenue or earnings forecasts unless the analyst's projections differ by more than 10%-15% from those the Company has released to the ASX or an analyst has overlooked publicly available information.

Where an external party forecasts publicly a revenue and/or earnings figure which differs by more than 10-15% from that released to the market by the Company, this will be brought to the immediate attention of the Company Secretary, Chairman, directors, Chief Executive Officer and/or the Chief Financial Officer. The aforementioned persons will determine whether the Company should release a statement to the market re-iterating previously released forecasts or whether it is appropriate to issue revised forecasts and/or a profit warning. If a warning is to be issued, the Company shall provide reasons why the market's projections differ significantly from its own rather than detailing actual earnings estimates.

Any written response to a draft report will contain a standard form of disclaimer by the Company.

## 4. ASX Communications Officer

### 4.1 Announcements to the ASX

Under ASX Listing Rule 12.6, the Company Secretary is the officer responsible for communications with the ASX.

All ASX announcements by the Company are sent electronically using passwords and codes. The ASX will not accept any uncoded announcements.

### 4.2 Responsibilities of the ASX Communications Officer

The Company Secretary, in consultation with the Chairman, Chief Executive Officer and/or Chief Financial Officer, will determine what information is required to be released to the ASX.

ASX announcements may only be made through the office of the Company Secretary.

The Company Secretary will maintain appropriate files on ASX releases made. In addition, files will also be maintained relating to issues the Company has seriously considered making a release about but has decided do not require an ASX release. The Company Secretary, will:

- review the monthly management report to determine if any information therein needs to be released to the ASX; and
- monitor all media reports which refer to the Company, including any information released to the ASX by the parent company (if any), to identify material information inadvertently disclosed which the Company has not previously released to the ASX.

Where the Company Secretary identifies any information believed to fall within the definition of material information that has not been previously released to the ASX the matter is to be referred to the Chairman and/or Chief Executive Officer and/or Chief Financial Officer for their consideration.

Where the information is deemed to be material it will be released to the market in accordance with this document. Every effort will be made to secure the approval of the aforementioned before any release is made however the lack of availability of one or more of them will not prevent compliance with this document.

Where material information is inadvertently disclosed, the information will be communicated to the ASX and an investigation to identify the internal source of the information will be initiated.

## **5. Management Responsibilities**

Any member of the executive or management team who becomes aware of any information which may have a material effect on the price or value of the Company's securities must disclose such information to the Company Secretary the Chief Executive Officer and/or the Chief Financial Officer. This information will then be reviewed and actioned by the Company in accordance with this document.

If the executive or management team member is uncertain whether information falls within the definition of 'material', the matter is to be referred to the Company Secretary, Chief Executive Officer and/or Chief Financial Officer to determine whether the information is in fact material and, if considered material, to be released to the market in accordance with this document.

Continuous disclosure will be included as a standing and the final agenda item at all Board of Directors and Executive Management meetings.

## **6. Breaches of Protocols, Policies and Procedures**

Any breach of this document may result in significant damage to the Company's reputation. In addition, failure to follow any of the requirements outlined in this document may constitute a breach of the Corporations Act and/or the ASX Listing Rules. If this occurs, enforcement action may be taken and substantial penalties may be imposed against the Company and/or its directors and/or officers.

Any breach of this document will be investigated by the Company Secretary and, in accordance with the Company's Code of Conduct, may lead to disciplinary action against an employee, including dismissal.



## Annexure 4

### Investor Relations Policy

#### 1. Objective

To ensure that the Company fulfils its reporting and disclosure obligations by keeping all shareholders, investors and the market fully informed on information affecting the Company.

#### 2. Statutory Obligations

The Company must notify ASX immediately it becomes aware of any information that a reasonable person would expect (if it were generally available) to have a material effect on the price or value of the Company's shares (subject to the exclusions contained in ASX Listing Rule 3.1).

#### 3. Standard

The Company, as a principles will:

- (i) Release all information in a timely manner and in accordance with its disclosure obligations, following review, and approval by directors (where necessary);
- (ii) Provide market commentators, analysts, institutions, shareholders etc. with open disclosure, and will not discuss in any one-on-one meetings, price sensitive information which has not already been released to the market;
- (iii) Not support, publicly comment nor endorse any analysts reports. The Investor Relationship Manager may contact an analyst where it is considered that a misunderstanding has occurred, or information has been overlooked, and direct that person to the source of the information; and
- (iv) Not comment on market speculation or rumour, except where requested by ASX to so comment.

#### 4. Strategies

The Investor Relations function is responsible for ensuring that the Company meets its statutory obligations and its commitment to continuous disclosure to the market in a timely manner.

The Investors Relations function ensures consistency of information being released to the market by reviewing:

- Half and full year results announcements
- Analysts and market briefings presentations.
- Media and other releases by the Company.
- Trade, market and general news.

The function is responsible for ensuring:

- Shareholders inquires are dealt with promptly and courteously.
- Investment market stakeholder briefings are accurately minuted and not conducted on a one-on-one basis.
- Effective liaison with investment market stakeholders and analysts.
- Records are maintained of all information supporting all releases to the market and information supporting where, after due consideration, a release is not made.
- Investigation of market speculation and rumour.
- Information on the Company's website is up to date and accurate.



## **Annexure 5**

### ASX Corporate Governance Council – Best Practice Recommendations

Summary of principles, recommendations and guidance

ASX Principles	ASX Recommendations	Selected ASX guidance to achieve best practice
<b>Principle 1:</b> <b>Lay solid foundations for management and oversight</b>		
<p>Recognise and publish the respective roles and responsibilities of board and management.</p> <p>Website</p>	<p>1.1 Formalise and disclose the functions reserved to the board and those delegated to management.</p>	<ul style="list-style-type: none"> <li>▪ Board should adopt               <ul style="list-style-type: none"> <li>-Formal statement of matters reserved to it; or</li> <li>-Formal board charter; or</li> <li>-Formal statement of delegated authority to management</li> <li>-Formal letters of appointment for board, CEO and CFO</li> <li>-Formal job descriptions for CEO and CFO.</li> <li>-The ASX release provides guidance on board responsibilities.</li> </ul> </li> <li>▪ A review of responsibilities should be performed regularly.</li> </ul>
<b>Principle 2:</b> <b>Structure the board to add value</b>		

ASX Principles	ASX Recommendations	Selected ASX guidance to achieve best practice
<p>Have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.</p> <p>AR and Website</p>	<p>2.1 A majority of the board should be independent directors.</p>	<ul style="list-style-type: none"> <li>▪ The Board should regularly assess the independence of each director.</li> <li>▪ Independent directors should provide all relevant information to allow the board to assess their independence.</li> <li>▪ Directors considered by the board to be independent should be identified as such.</li> <li>▪ An “independent” director is defined as a non-executive director who: <ul style="list-style-type: none"> <li>-Is not a substantial shareholder or associated directly with a substantial shareholder</li> <li>-Has not been employed in an executive position in the last 3 years, by the company</li> <li>-Has not been a principal of a material professional advisor/consultant to the company, in the last 3 years or an employee materially associated with the service provided</li> <li>-Is not a material supplier/customer, or associated either directly or indirectly to a supplier/customer, of the company</li> <li>-Has no additional material contractual relationship with company</li> <li>-Has not served on the board for a period which could interfere with ability to act in the best interests of the company</li> <li>-Is free from interests/relationships which could interfere with ability to act in the best interests of the company</li> </ul> </li> <li>▪ Family ties and cross-directorships may be relevant in considering interests and relationships which may compromise independence, and should be disclosed by directors to the board.</li> </ul>
	<p>2.2 The chairperson should be an independent director.</p>	<ul style="list-style-type: none"> <li>▪ Where the chairperson is not an independent director, consider appointment of a lead independent director.</li> <li>▪ The number of other positions should be considered to ensure that the role is discharged effectively.</li> </ul>
	<p>2.3 The roles of chairperson and CEO should not be exercised by the same individual.</p>	<ul style="list-style-type: none"> <li>▪ CEO should not go on to become chairperson of the same company.</li> </ul>

ASX Principles	ASX Recommendations	Selected ASX guidance to achieve best practice
	2.4 The board should establish a nomination committee.	<ul style="list-style-type: none"> <li>▪ The ASX release provides guidance on the purpose, composition, responsibilities, selection process and criteria for a nomination committee.</li> </ul>
<b>Principle 3:</b> <b>Promote ethical and responsible decision-making</b>		
Actively promote ethical and responsible decision-making  Website	3.1 Establish a code of conduct to guide the directors, and the CEO, the CFO and any other key executives as to:  -The practices necessary to maintain confidence in the company's integrity -The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	<ul style="list-style-type: none"> <li>▪ The ASX release provides suggestions on the content of a code of conduct.</li> </ul>
<b>Principle 4:</b> <b>Safeguard integrity in financial reporting.</b>		
Have a structure to independently verify and safeguard the integrity of the company's financial reporting.  AR and Website	4.1 Require the CEO and the CFO to state in writing to the board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.	<ul style="list-style-type: none"> <li>▪ No additional guidance is provided around this recommendation.</li> </ul>
	4.2 The board should establish an audit committee.	<ul style="list-style-type: none"> <li>▪ All entities included in the S&amp;P / ASX All Ordinaries Index are subject to ASX listing rule 12.7, which requires an entity within that index at the beginning of its financial year have an audit committee.</li> </ul>

ASX Principles	ASX Recommendations	Selected ASX guidance to achieve best practice
	4.3 Structure the audit committee so that it consists of <ul style="list-style-type: none"> <li>-Only non-executive directors</li> <li>-A majority of independent directors</li> <li>-An independent chairperson, who is not chairperson of the board</li> <li>-At least three members.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Audit Committee should also include:               <ul style="list-style-type: none"> <li>-Members who are financially literate (i.e. are able to read and understand financial statements)</li> <li>-At least one member who has financial expertise (i.e. is a qualified accountant or other financial professional with experience of financial and accounting matters)</li> <li>-Some members who have an understanding of the industry in which the entity operates</li> </ul> </li> <li>▪ There are additional transitional arrangements for aspects of the composition requirements.</li> </ul>
	4.4 The audit committee should have a formal charter.	<ul style="list-style-type: none"> <li>▪ The ASX release provides guidelines on the content of the charter, including audit committee responsibilities, meetings and reporting requirements.</li> </ul>
<b>Principle 5:</b> <b>Make timely and balanced disclosure</b>		
Promote timely and balanced disclosure of all material matters concerning the company.  Website	5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	<ul style="list-style-type: none"> <li>▪ There should be vetting and authorisation processes designed to ensure that company announcements:               <ul style="list-style-type: none"> <li>-Are made in a timely manner</li> <li>-Are factual</li> <li>-Do not omit material information</li> <li>-Are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions</li> </ul> </li> <li>▪ Companies should include commentary on financial results to enhance clarity and balance of reporting.</li> </ul>
<b>Principle 6:</b> <b>Respect the rights of shareholders</b>		

ASX Principles	ASX Recommendations	Selected ASX guidance to achieve best practice
Respect the rights of shareholders and facilitate the effective exercise of those rights.  Website	6.1 Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	<ul style="list-style-type: none"> <li>▪ The ASX release provides guidance on the use of electronic communication, design and content of notices and the conduct of the meetings themselves.</li> </ul>
	6.2 Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.	<ul style="list-style-type: none"> <li>▪ The ASX release provides guidance with reference to the Corporations Act.</li> </ul>
<b>Principle 7:</b> <b>Recognise and manage risk</b>		

ASX Principles	ASX Recommendations	Selected ASX guidance to achieve best practice
<p>Establish a sound system of risk oversight and management and internal control.</p> <p>Website.</p>	<p>7.1 The board or appropriate board committee should establish policies on risk oversight and management.</p>	<ul style="list-style-type: none"> <li>▪ Policies should describe roles and responsibilities of the board, audit committee, management and any internal audit function.</li> <li>▪ As part of the Board's oversight role it should oversee the establishment and implementation of the risk management system, and to review at least annually the effectiveness of the company's implementation of that system.</li> <li>▪ A risk profile should be documented that addresses the material financial and non-financial risks impacting the company.</li> <li>▪ Management should establish and implement a system for identifying, assessing, monitoring and managing material risk throughout the organisation.</li> <li>▪ Management should adopt a means of analysing the effectiveness of the system and its implementation. This would generally be undertaken by an internal audit function.</li> <li>▪ The ASX release provides guidance on the independence and reporting lines of the internal auditor. The audit committee should be responsible for approving the scope of their activities.</li> </ul>
	<p>7.2 The CEO and CFO should state to the board in writing that:</p> <ul style="list-style-type: none"> <li>-The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board</li> <li>-The company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The ASX release does not provide further guidance on these recommendations.</li> </ul>
<p><b>Principle 8:</b> <b>Encourage enhanced performance</b></p>		

ASX Principles	ASX Recommendations	Selected ASX guidance to achieve best practice
<p>Fairly review and actively encourage enhanced board and management effectiveness.</p> <p>AR &amp; Website</p>	<p>8.1 Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives.</p>	<ul style="list-style-type: none"> <li>▪ Recommends performance reviews for the board and key executives.</li> <li>▪ Education for directors is recommended including, induction programs and ongoing training on key developments.</li> <li>▪ Management should supply the board with information in a form, time frame and quality that will enable the board to effectively discharge its duties.</li> <li>▪ The company secretary should be accountable to the board, through the chairperson, on all corporate governance matters.</li> </ul>
<p><b>Principle 9:</b> <b>Remunerate fairly and responsibly</b></p>		
<p>Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.</p>	<p>9.1 Provide disclosure in relation to the company's remuneration policies to enable investors to understand:</p> <ul style="list-style-type: none"> <li>- The costs and benefits of those policies; and</li> <li>- The link between remuneration paid to directors and key executives and corporate performance.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The ASX release provides guidelines in relation to the Corporation Act annual reporting requirements.</li> <li>▪ The entry into or the falling due of obligations under employment agreements with key executives may trigger continuous disclosure obligations.</li> <li>▪ Encouraging additional disclosures of executive payments at the time they are agreed and when the actual payment is settled.</li> </ul>
	<p>9.2 The board should establish a remuneration committee.</p>	<ul style="list-style-type: none"> <li>▪ The ASX release provides guidance on the purpose, composition and responsibilities of the remuneration committee.</li> <li>▪ Recommendations are made on content of executive remuneration packages.</li> </ul>
	<p>9.3 Clearly distinguish the structure of non-executive directors' remuneration from that of executives.</p>	<ul style="list-style-type: none"> <li>▪ Guidance is provided on non-executive remuneration.</li> </ul>
	<p>9.4 Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.</p>	<ul style="list-style-type: none"> <li>▪ No further guidance is provided.</li> </ul>

ASX Principles	ASX Recommendations	Selected ASX guidance to achieve best practice
<b>Principle 10: Recognise the legitimate interests of stakeholders</b>		
Recognise legal and other obligations to all legitimate stakeholders.  Website	10.1 Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.	<ul style="list-style-type: none"><li>ASX release provides guidance on the content of a code of conduct.</li></ul>



## Annexure 6

# SENATAS CORPORATION LIMITED

## CODE OF CONDUCT

Senetas Corporation Limited is committed to promoting integrity and maintaining the highest standard of ethical conduct in all of its activities. Our business success is dependent on trusting relationships which are built on this foundation of integrity. Our reputation is founded on the personal integrity of the Company's personnel and our dedication to:

**HONESTY** in communicating with the Company and our suppliers and customers, while at the same time protecting the Company's confidential information.

**QUALITY** in our products and services.

**RESPONSIBILITY** for our words and actions, which confirms our commitment to do what we say.

**COMPASSION** in our relationships with our employees and the communities in which we do business.

**FAIRNESS** to our fellow employees, shareholders, customers and suppliers through adherence to all applicable laws, regulations and policies, and a high standard of behaviour.

**RESPECT** to our fellow employees, shareholders, customers and suppliers while showing willingness to solicit their opinions and value their feedback.