



LINDSAY AUSTRALIA
LIMITED

Corporate governance charter

Lindsay Australia Limited ACN 061 642 733

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Corporate governance charter

Lindsay Australia Limited

1 Definitions and interpretation

1.1 Definitions

In this document:

Term	Definition
AGM	means the annual general meeting of the Company.
ARM Committee	means the Audit and Risk Management Committee.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it.
Audit and Risk Management Committee or ARM Committee	means the Committee responsible for internal controls, risk management and oversight of financial management and financial matters generally, as set out in section 5.
Board	means the Company's board of Directors.
Board Charter	means the charter of corporate governance in relation to the Board, set out in section 2.
Chairman	means the chairman of the Board.
CEO	means the executive officer (by whatever title known, whether chief executive officer, managing director or otherwise) with sole responsibility for the strategic and operational management of the Company.
Code of Conduct	means the code of conduct set out in section 3.
Committee	means a committee of the Board.
Company Operating Policies and Procedures	means the policy and procedures applicable to the Company from time to time, adopted by the Board.
Constitution	means the constitution of the Company.
Continuous Disclosure Policy	means the policy regarding continuous disclosure referred to in section 5.
CFO	means the chief financial officer or equivalent officer of the Company (by whatever title known).
Charter	means the Board Charter or the Charter of any Committee contained in this document.
Company	means Lindsay Australia Limited ACN 061 642 733 and, as the context requires, its controlled entities.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).



Term	Definition
Corporate Governance Policy	means the Continuous Disclosure Policy, Diversity Policy or the Securities Trading Policy of the Company.
Director	means a director of the Company.
Diversity	means but is not limited to gender, age, ethnicity and cultural background.
Diversity Policy	means the Company's policy regarding Diversity which is set out in a separate document, referred to in section 6.
Independence	has the meaning set out in section 2.8.
Independent Director	has the meaning set out in section 2.7.
Nomination Committee	means the Committee responsible for nomination and other things, as set out in section 10.
Policy	means this document.
Price Sensitive Information	has the meaning given to 'Inside Information' in the Securities Trading Policy which is contained in the Annexure to this document.
Remuneration Committee	means the Committee responsible for remuneration and other things, as set out in section 9.
Secretary	means the secretary of the Company.
Securities	means all securities issued by the Company of any kind including ordinary shares, preference shares, debentures, convertible notes, options and hedging mechanisms or derivatives instruments.
Security Holder	means a holder of Securities in the Company.
Senior Executives	means the senior management team (excluding Board Members), being those who have the opportunity to materially influence the integrity, strategy and operation of the Company, and its financial performance, whether directly or indirectly.
Shareholder	means a registered holder of shares in the Company.
Securities Trading Policy	means the Company's policy regarding securities trading which is set out in a separate document, referred to in section 4.

1.2 Interpretation

Concepts not defined in this document which are given a meaning in the Corporations Act have the same meaning as in the Corporations Act.

2 Board Charter

2.1 Introduction

- (a) The purpose of the Policy is a statement of the Company's corporate governance principles and the prescribed framework of rules and guidelines applying to the Company.

- (b) The Board, collectively and each Director, personally, are committed to conduct its affairs according to the governance practices outlined in this Policy.
- (c) The conduct of the Board is also governed by the Constitution. If the Constitution is inconsistent with the Policy, the Constitution prevails to the extent of the inconsistency.

2.2 Guiding principle

The Board has a primary responsibility to act honestly in good faith and, conscientiously and with fairness, to discharge its obligations in accordance with the law, and in the interests of:

- (a) Security Holders
- (b) employees of the Company; and
- (c) stakeholders, entities and other parties with whom the Company interacts with.

2.3 Powers

The Board acts under powers imposed by law and under its authority which are reserved to be exercised in its sole capacity, that include (but are not limited to):

- (a) preserving the composition of the Board through the establishment of suitable selection criteria and practices for Board appointments;
- (b) appointing, planning for the succession and where appropriate, removing the CEO, or equivalent officeholder;
- (c) appointing and where appropriate, removing Directors and Senior Executives from the management of the Company;
- (d) overseeing the management of the Company's affairs, including ensuring appropriate mechanisms are in place to manage the control and accountability systems used in the management of the Company;
- (e) reviewing, ratifying and monitoring the suitability and appropriateness of systems, practices and policies designed to identify, manage and minimise the impact of risks faced by the Company;
- (f) reviewing, ratifying and monitoring the processes and policies used by the Company in relation to its internal control systems, codes of conduct, and compliance of its legal obligations;
- (g) providing strategic direction and approval for the Company's performance goals and objectives;
- (h) monitoring the strategic direction of the Company and where necessary, reviewing the strategies used by the Company to achieve its performance goals and objectives;
- (i) monitoring and evaluating the performance of Senior Executives and ensuring appropriate resources are available to Senior Executives to ensure their ability to achieve the Company's strategic goals and performance objectives.
- (j) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and sales;

- (k) approving the accuracy of the Company's financial reports and any other reporting requirements required by law, regulation from government bodies or in accordance with accounting standards;
- (l) monitoring the performance of the Company's investment and treasury functions (if applicable); and
- (m) overseeing the Committees and where appropriate approving and implementing recommendations made by the Committees after consideration and consultation.

2.4 Committees

The Board has the authority to establish and delegate powers to Committees, this may include assisting the Board on such matters as audit, finance and business risk, remuneration, nominations, and establishing a framework for the effective and efficient management of the Company.

2.5 Chairman

- (a) The Chairman must be appointed from the Board's membership.
- (b) The CEO is not eligible to be appointed as Chairman.
- (c) The Board may appoint a lead Independent Director if the Chairman:
 - (i) previously held the position of CEO or equivalent and there was not a period of at least three years between it ceasing employment with the Company and membership of the the Board; or
 - (ii) is not an Independent Director.
- (d) The Board must agree to and set out in a formal statement of position and the division of responsibilities between the Chairman and CEO;
- (e) The Chairman must be given and act in accordance with its formal letter of appointment and within its authority under its division of responsibility as separate from the CEO;
- (f) The role of the Chairman includes:
 - (i) providing leadership of the Board and efficient organisation and conduct of the Board;
 - (ii) facilitating open and constructive communications between Directors, the Board and other areas of managements; and
 - (iii) conducting Board member performance reviews.

2.6 Composition

- (a) The Board must comprise of:
 - (i) members with a broad range of experience, qualifications, Diversity, expertise, skills and contacts relevant to the Company and its business;
 - (ii) no less than four Directors, half of whom must be non-executive Directors;

- (iii) more than four Directors where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified; and
 - (iv) at least half of the non-executive Directors must be Independent Directors.
- (b) The factors in section 2.6(a)(i) should be considered as and when the Board is renewed to ensure the optimum mix and diversity is maintained.

2.7 Independent status

The Board has adopted the following definition of an Independent Director:

'An Independent Director is a Director who is not a member of management i.e. a non-executive Director and who:

- (a) *is not a substantial Security Holder of the Company, or an officer of a substantial Security Holder, and is not otherwise associated, directly or indirectly, with a substantial Security Holder of the Company;*
- (b) *has not, within the last three years:*
 - (i) *been employed in an executive capacity by the Company or another group member; or*
 - (ii) *been a Director after ceasing employment in an executive capacity for the Company or another group member;*
- (c) *has not, within the last three years, been a principal of a professional advisor to the Company or another group member or an employee materially associated with the service provided, except where the advisor might be considered to be independent due to the fact that fees payable by the Company to the advisor's firm represent an insignificant component of the advisor's firm overall revenue;*
- (d) *is not:*
 - (i) *a material supplier or customer of the Company or another group member; or*
 - (ii) *an officer of or 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;*
- (f) *is free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and*
- (g) *has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.'*

Family ties and cross-directorships may also be relevant in considering interests and relationships which may affect independence.

2.8 Independence

- (a) Each Director must act and make decisions independently of any relationship or material interest which could reasonably interfere with or is likely to be perceived as interfering with their ability to make independent judgement.
- (b) The Board must regularly assess whether each non-executive Director meets the requirements of clause 2.7. Each non-executive Director must provide to the Board all information relevant for the assessment under clause 2.7.
- (c) The Board must state in its Annual Report:
 - (i) those Directors which the Board considers are Independent Directors;
 - (ii) the basis for the Board's reasoning in identifying those Directors as Independent Directors; and
 - (iii) the existence of any relationship or other circumstance which may affect the independent status of the Independent Director.
- (d) Once a Director ceases to be an Independent Director, the Board must disclose to the public, details about the change in the Director's independent status in a timely manner.

2.9 Appointment and retirement

Process

Members of the Board are appointed via the Nomination Committee (the Committee") or the Board acting as the nomination committee as the case may be. The Committee evaluates the range of skills, experience and expertise of the current Board of the Company.

In relation to the proposed new Board member the Committee will consider:

- (a) The candidates skills, qualifications, diversity, expertise and experience and compatibility with the Board and Company;
- (b) The mix of the candidates skills, qualifications, diversity, expertise and experience with those of existing Directors of the Board;
- (c) Effectiveness of the Board; and
- (d) Balance of Board including the number of Independent Directors.

Checks

The committee will evaluate and propose the following checks in relation to the candidate:

- (e) Police/Federal Police/CrimTrac criminal history check from Australian Federal Police or State or Territory police service or relevant service provider;
- (f) Insolvency and Trustee Service Australia (ITSA) bankruptcy check;
- (g) Declaration or binding statement from the candidate confirming:

- The candidate has not been subject to criminal or civil proceedings in which the outcome was a finding of fraud, dishonesty, misrepresentation or breach of duty;
- The candidate has not been subject to disciplinary action by ASX or any securities exchange or market regulator including ASIC;
- Any conflicts of interest arising from the proposed appointment.

Appointment

- (h) Appointment of any new candidate to the Board is made pursuant to the Constitution and is subject to ratification by members of the Company, in accordance with the Corporations Act and Listing Rules. This will typically occur at the Company's next Annual General Meeting.
- (i) Directors will be appointed under a formal letter and agreement governing their duties and responsibilities.

Shareholders

The following information shall be supplied to members on election of any new Director:

- (j) Biographical details, qualification and experience;
- (k) Relationship or connection with the Company;
- (l) Existing directorships;
- (m) Whether the Director is an Independent Director;
- (n) Any other particulars reasonably required to allow shareholders to make an informed decision regarding the candidates proposed appointment as a Director.

The above particulars may also be provided in connection with the re-election of any existing Director.

The Company's annual report may include information about:

- (i) Details as to the use by the Company of a Board skills matrix to identify any gaps in the skills qualifications. Diversity and experience of the Directors of the Board;
- (ii) The process by which candidates are identified and selected including whether professional intermediaries are used to identify and assess candidates;
- (iii) The steps taken to ensure a diverse range of candidates is considered; and
- (iv) The factors taken into account in the selection process.

Board Renewal

Process

The Board acknowledges the value of experienced Directors and particularly Directors with a lengthy tenure on the Board, however Board renewal is an important matter for consideration for ongoing Board performance and succession planning.

Under the Constitution at least one third of all Directors, being the longest service Directors, must retire at each Annual General Meeting. Directors, excluding the Chief Executive Officer (if a Director), must also retire if a third Annual General Meeting falls during the period in which they have held office. Retiring Directors are eligible to be re-elected.

Size and Composition of the Board

The Board shall have due consideration to the composition of the board as outlined in the Corporate Governance Charter and be structured and have appropriate competency to oversee the operations of the Company and discharge its duties as a Board competently and effectively. The Board will have the capacity to meet current and emerging issues within the business and the broader commercial environment in which the Company operates.

The board will consider the scope and size of the Company's operations in determining the appropriate size and composition of the Board.

Commitment to Board

Directors or candidates will continually evaluate their time and availability to meet the needs of the Board and the Company and consider their other commitments in the context of any proposed appointment or re-election.

2.10 Authority delegated to Senior Executives

CEO

The Board has delegated to the CEO authority over the day to day management of the Company and includes responsibility for the following:

- (a) managing the Company's financial and other reporting requirements and ensuring that the information is accurate and presented to the Board in a timely manner; and
- (b) ensure the Board is provided with adequate information to make fully informed decisions.

Responsibilities of the CEO and management include:

- daily running of the business;
- appropriate and cost effective analysis and development of all projects;
- identification of business development opportunities;
- managing the operating and financial performance of the Company;
- implementation of effective workplace health and safety policies;
- recruitment of personnel;

- stakeholder communications (including continuous disclosure of material developments through preparation of ASX announcements, semi-annual reports, annual reports and Company presentations, broker/institutional tours, attendance at trade shows and advertising); and
- manage internal communication with the Board of Directors, staff, consultants and contractors.

Company Secretary

The Secretary is accountable to the Board, through the Chairman, on all corporate governance matters and is responsible for:

- (a) monitoring the Policy and any Company Corporate Governance Policy to ensure they are followed; and
- (b) coordinating the timely completion and despatch of:
 - (i) Board and Committee agenda and briefing materials; and
 - (ii) draft minutes of meetings of the Board and all Committees for approval at the next meeting.

2.11 Performance review and evaluation of Directors and Senior Executives

A performance evaluation of all Directors and Key Executives is conducted each year by the Chairman, and the performance of the Chairman is reviewed and assessed each year by the other Directors.

The Board may also, engage external consultants to conduct the Board and Director reviews and or approach other stakeholders of the Company to provide formal or informal feedback on the performance of the Board. External stakeholders including major shareholders.

The Board has introduced for its use a questionnaire that requires each director, at least on an annual basis, to assess and comment on their own performance, performance of the Board, Board Committees and other directors.

The questionnaire includes factors such as:

- (o) Ability of the Directors to participate fully and actively in board decision-making;
- (p) Directors knowledge of the Company and the industry in which it operates;
- (q) Directors attendance at board meetings;
- (r) Director's understanding of the Company's finance, strategic, operational, and risk management position;
- (s) The culture and values of the Company;
- (t) The rights, duties and responsibilities of the Directors;
- (u) The role of the Board Committees;
- (v) The Directors' interaction with each other, senior executive and other stakeholders.

The completed questionnaires are collated and a summary prepared. The Chairman may use the summary for the purposes of discussions with Directors.

Feedback may be utilised by the Chairman, in relation to assessing performance of the Board and Board Committees:

- The relevant charter of the Board or Committee;
- Board or Committee composition, skills and diversity;
- Board or Committee interaction with management;
- Board or Committee Training;
- Board or Committee Meeting process, agenda, frequency and effectiveness of meetings;
- Allocation of time or resources to particular issues;
- Any specific benchmarks or objectives set by the Board.

Feedback may be utilised in relation to assessing performance of a Director:

- Attendance and contributions at meetings;
- Willingness to devote time;
- Ability to bring decision-making and or judgment to the board;
- Actual or potential conflicts of interest;
- Any specific benchmarks or objectives applicable to the Director.

Senior Executives

Senior executives may be reviewed as part of the above process or separately through annual formal and informal discussions.

The process involves an open dialogue designed to enhance performance, establish goals and plan succession.

The review includes assessment of:

- (a) Development action taken since the previous review;
- (b) Key Result Areas, achievement of goals and objectives;
- (c) Any personal Development plan;
- (d) Training

Eligibility for payment to key executives in respect of incentive payments has regard to assessment of performance under the above factors.

2.12 Directors' maintenance of their skills and knowledge. Training and advice

- (a) Directors must be provided with information about the Company and the business before accepting the appointment and complete an induction course after their appointment, in each case appropriate for them to discharge their responsibilities in office, which should include information on but is not limited to:
 - (i) the Company's financial, strategic, operational and risk management position;
 - (ii) the culture and values of the Company;
 - (iii) the rights, duties and responsibilities of the Directors;
 - (iv) the roles and responsibilities of the Senior Executives;
 - (v) the role of Board Committees;
 - (vi) Company and Director meeting arrangements; and
 - (vii) information about the interaction between Directors and the interaction of Directors with Senior Executives and other stakeholders.
- (b) Directors must be given access to continuing education in relation to the Company key developments in the Company, and other information required by them to discharge the responsibilities of their office.
- (c) Each Director may seek independent legal or other professional advice at the Company's expense. Prior approval from the Chairman is required but may not be unreasonably withheld or delayed.

2.13 Meetings

- (a) Board meetings are normally held monthly, and must occur not less than ten times in any year.
- (b) Papers for Board and Committee meetings must be circulated, where practical, at least five days before the relevant meeting.
- (c) Draft minutes of Board and Committee meetings (for consideration and approval at the next relevant meeting) must be circulated within a reasonable time following each meeting.
- (d) The non-executive Directors must meet at least twice each financial year for a discussion of management issues, without other Directors present and may be facilitated by the Chairman or lead Independent Director.

2.14 Committees

- (a) The Board may establish Committees to assist the Board to carry out its functions effectively and efficiently. The Board will adopt a charter for each Committee setting

the scope of its responsibility and relevant administrative and procedural arrangements.

- (b) The Committees that may be established are the following:
 - (i) Audit and Risk Management Committee;
 - (ii) Environmental and Occupational Health and Safety Committee;
 - (iii) Nomination Committee; and
 - (iv) Remuneration Committee.

2.15 Ethical standards and values

- (a) All Directors and all officers of the Company must act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company and, where possible, to act in accordance with the interests of Security Holders, staff, clients and all other stakeholders in the Company.
- (b) The Directors must comply with the Code of Conduct in the exercise of their duties.

2.16 Dealings in Securities

The Constitution permits Directors and Senior Executives to acquire Securities. Company policy prohibits any dealing in, or procuring the dealing in, Securities except in accordance with the Securities Trading Policy.

2.17 Business risks

- (a) The Board is responsible for Company strategy, including the identification of material risks. This responsibility is fulfilled by the Audit and Risk Management Committee.
- (b) Once a risk is identified, an action plan is proposed by management and submitted to the Audit and Risk Management Committee and, through it, the Board is informed of the action plan.
- (c) The Audit and Risk Management Committee must approve the action plan. Corrective action must be taken as soon as practicable.
- (d) The CEO and CFO must each ensure the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects, and provide a detailed statement to the Board about this with each financial report.
- (e) The Board should regularly review (at least annually) and approve the risk management and oversight policies.

2.18 Communication with Security Holders

- (a) The Board must inform Security Holders of all major developments affecting the Company's state of affairs.
- (b) The Company's continuous disclosure obligations and policies are set out in the Continuous Disclosure Policy. The Company's continuous disclosure obligations are reviewed for each regular meeting of the Board. Directors are required at every

meeting to provide details of any matter within their knowledge that might require disclosure to the market.

- (c) The annual report is distributed or available to all Security Holders, either electronically or by hard copy. The Security Holders at an AGM vote on:
 - (i) proposed major changes in the Company which may impact on share ownership rights; and
 - (ii) the removal and appointment of Directors.
- (d) If resolutions are required to be put to Security Holders before the next AGM, a general meeting will be called with at least 28 days' notice in accordance with the Constitution. The Board encourages the full participation of Shareholders at the AGM and at other general meetings to ensure a high level of accountability and identification with the Company's strategy and goals.
- (e) The external auditors will be requested to attend the AGM and be available to answer questions by Shareholders on the conduct of the audit and the preparation and content of the audit report.
- (f) Company announcements are made in a factual, timely, clear, and objective manner, and include any information material to decisions of Security Holders and potential investors in the Company.
- (g) Information concerning the Company, including copies of announcements made through ASX, ASIC and the annual report and half-yearly report, is made available to Security Holders and prospective investors in the Company on the Company's website.

2.19 Disclosure of Board selection process

- (a) The Board undertakes to promote transparency about the Board selection process and to report to Shareholders on this process in the Company's annual report and may include information about:
 - (i) details as to the use by the Company of a Board skills matrix to identify any gaps in the skills qualifications, Diversity and experience of the Directors on the Board;
 - (ii) the process by which candidates are identified and selected including whether professional intermediaries are used to identify and assess candidates;
 - (iii) the steps taken to ensure a diverse range of candidates is considered; and
 - (iv) the factors taken into account in the selection process.

3 Code of conduct

3.1 Objective

The objective of the code of conduct (**Code**) is to give the Directors mandatory directions to follow when performing their duties, to enable them to achieve the highest possible standards in meeting their obligations, and give them a clear understanding of practice in corporate governance.

3.2 Obligation to comply with Code

- (a) A Director is obliged, at all times, to comply with the Code.
- (b) A Board position involves important legal and ethical responsibilities and a commitment to upholding the values of good corporate citizenship, in both individual and corporate conduct. The Code is representative of the Company's core values and its views about the expectations of Security Holders, employees, customers, suppliers, creditors, consumers and the broader community.

3.3 General duties

- (a) Directors must:
 - (i) act in good faith in the best interests of the Company and for a proper purpose;
 - (ii) act in the interests of all Shareholders and avoid any potential conflict of interest;
 - (iii) exercise a reasonable degree of care and diligence;
 - (iv) not make improper use of information; and
 - (v) not make improper use of their position.
- (b) A Director, in the exercise of his or her powers, and in the discharge of his or her duties, must exercise the degree of care and diligence that a reasonable person would exercise if he or she were a Director:
 - (i) in the circumstance prevailing;
 - (ii) occupying the same position; and
 - (iii) with the same responsibilities within the Company as the Director.
- (c) A Director is a fiduciary and must act with fidelity and trust in Company matters. The Board has been appointed to manage the affairs of the Company on behalf of the Security Holders and is accountable not only to Shareholders but to other third parties including creditors, regulators and the community.
- (d) The Corporations Act requires Directors to act honestly and with a reasonable degree of care and diligence in the exercise of their powers and duties and to carry out their duties.
- (e) A Director who is appointed but fails to maintain a reasonable level of competence may be considered negligent. All Board members must maintain a level of competence and remain informed of matters, relevant to their position as a Director.

3.4 Business judgment rule

- (a) A Director's duty to act with care and diligence is satisfied where the Director:
 - (i) makes a decision in good faith and for a proper purpose, in the best interests of the Company.
 - (ii) has no material personal interest in the subject matter of the decision made;

- (iii) is informed about the subject matter of the decision to the extent the Director reasonably believes to be appropriate.
- (iv) rationally believes the decision to be in the best interest of the Company.
- (b) The business judgment rule:
 - (i) relates only to decisions about the ordinary business operations of the Company; and
 - (ii) does not relieve a Director from other fiduciary duties such as to act in good faith, not to misuse the position of director and not to make improper use of confidential information.
- (c) A business judgment only relates to the decision to take or not to take action relating to the business operations of the Company and does not apply to any failure to make a decision.

3.5 Independent decision making and soundness of decisions

- (a) A Director must act and appear to act independently, and must take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.
- (b) To satisfy this requirement a Director must:
 - (i) make a reasonable effort to become and remain familiar with the affairs of the Company;
 - (ii) attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
 - (iii) commit the necessary time and energy to Board matters.
- (c) Directors should rely on advice relating to the Company or their affairs only where that advice is given or prepared by:
 - (i) an employee whom the Director believes on reasonable grounds to be reliable and competent in the relevant subject;
 - (ii) a professional adviser or expert in a subject the Director believes on reasonable grounds to be within the person's professional or expert competence;
 - (iii) another Director or officer on the subject within that Director's or officer's authority; or
 - (iv) a Committee (on which the Director did not serve) on a subject within the Committee's authority.
- (d) Directors should only rely on information or advice if the Director's reliance was made in good faith, after independently assessing the information and advice, considering the Director's knowledge of the Company and the complexity of their structure and operations.

3.6 Confidentiality of Board matters and other information

- (a) Directors must keep confidential any Board matters and all confidential information received by the Directors in the course of the exercise of their duties except in cases where disclosure:
 - (i) has been authorised by the Company; or
 - (ii) is required by law.
- (b) Confidential information includes Price Sensitive Information and information that is not Price Sensitive but might reasonably be of use or of interest to retail investors.
- (c) Any Director in any doubt as to his or her obligations of confidentiality or in relation to any matter of disclosure should consult with the Chairman prior to making any disclosure. A Director may also seek independent advice under section 2.12(c) of this document.

3.7 Improper use of information

A Director must not make improper use of information acquired as a Director to gain, directly or indirectly, any personal advantage or any advantage for any other person detrimental to the Company. A Director may also seek independent advice in accordance with section 2.12(c).

3.8 Personal interests and conflicts

- (a) A Director must not take improper advantage of their position as a Director.
- (b) No Director may allow any personal interest, or the interest of any associated person, to influence or prejudice the Director's conduct or any Board or Committee decision.
- (c) A Director has a duty to avoid any conflict between
 - (i) the best interests of the Company and his or her own personal interests or the interests of any third party.
- (d) Every Director must be aware of both actual and potential conflicts of interest. The law requires that a Director with a conflict of interest should refrain from voting, or entering into any discussion, at, or even being present during, relevant Board discussions. A Director who has any material personal interest in a matter must not be present at a meeting while the matter is being considered and must not vote on the matter. A personal interest may be either direct or indirect and either pecuniary or otherwise. Papers relevant to any matter on which there is a known conflict of interest, or in relation to which there is a material personal interest, will not be provided to any Director concerned.

3.9 Performance and review

- (a) The Directors' primary responsibility is to the Company's Shareholders as a whole but, where appropriate, they should consider the interests of all stakeholders.
- (b) A review of the effectiveness of the Board may be conducted by an independent expert to be appointed by the Board, if the Chairman determines that such a review is necessary.

- (c) The Board is accountable not only to Shareholders, but to other third parties, including creditors, regulators and the community. It is not practical for any of these interest groups to regularly review Board performance, and nor would such appraisal be appropriate as it would be difficult for a particular interest group to be impartial or objective. The Board must satisfy itself that its performance is efficient so that all Directors meet their obligations and are not exposed to any legal liability.
- (d) Each Director must cooperate fully with any review or assessment of performance, whether collective or individual, and whether conducted by:
 - (i) the Chairman;
 - (ii) any other Director; or
 - (iii) any independent third party externally appointed for the purpose.

3.10 Complaints procedure

- (a) Directors are bound by the complaints procedure determined by the Board.
- (b) The Board develops and formulates and implements strategy and policy. Management carries strategy and policy into effect.
- (c) Directors may be approached by Shareholders, staff or other persons who have a complaint about a matter relating to the Company. Any such complaint must be handled under the relevant procedure in the Company Operating Policies and Procedures.

4 Policy for trading in Securities

4.1 Objective

- (a) The Company is committed to fostering a governance culture that promotes integrity in the market for the Company's Securities, and in particular, to ensuring persons within the Company, including Directors, Senior Executives and employees, understand the legal and policy constraints upon them trading in Securities.
- (b) The Board has adopted a policy for Directors, Senior Executives and employees trading in the Company Securities which sets out permitted and prohibited trading and is contained in the Securities Trading Policy.

5 Continuous Disclosure Policy

5.1 Objective

- (a) The Company is required to comply with the continuous disclosure regime in section 674 of the Corporations Act and under Listing Rule 3.1.
- (b) The continuous disclosure regime requires companies like Lindsay Australia to immediately disclose information which may materially affect the price or value of the Company's Securities. The continuous disclosure regime reflects the expectation of investors and the market to have ready access to that type of information.

- (c) The Company is committed to ensuring it complies with the continuous disclosure regime and the Board has adopted policies on continuous disclosure, including framework to identify, report and disclose Price Sensitive Information, as set out in the Continuous Disclosure Policy.

6 Diversity policy

6.1 Objective

- (a) The Company is committed to fostering a governance culture that embraces employee Diversity, in particular in the composition of its Board and Senior Executive.
- (b) The Board will establish measurable objectives and procedures which the Company will implement and report against to achieve employee and Board Diversity.
- (c) The terms of the Company's Policy on Diversity, including measurable objectives and means for assuring the effectiveness of the implemented diversity strategy, are set out in the Diversity Policy.

7 Standing rules of Committees

7.1 Application

These rules apply to, and are deemed incorporated into the charter of each Committee, except to the extent of any conflict with any of its terms.

7.2 Composition

- (a) The chairman of each Committee must not be Chairman of the Board.
- (b) Each Committee must consist of no fewer than three members with the majority of members being non-executive Directors.
- (c) Committees are appointed by the Board and serve as determined by the Board.
- (d) The Board appoints one member of any Committee to act as its chairman, who shall be the spokesperson of the Committee in dealing with all issues involving third parties.
- (e) The Committee may invite Company employees as it deems necessary to attend meetings and provide administrative support to the Committee.

7.3 Role

Each Committee has the role of improving the efficiency of the Board through accepting the delegation of tasks and performing them in a forum where they can receive greater attention to detail than would be practical solely at Board level.

7.4 Proceedings

- (a) Any meeting may be held by means of conference call or any other means of communication that may, under the Corporations Act or the Constitution, be used for Board meetings.

- (b) The quorum for a Committee meeting is any two members.
- (c) A Director may attend (but not vote at) a meeting of a Committee of which that Director is not a member, as determined by the Committee, for discussion of any particular matter relevant to that Director or in relation to which that Director may have a special contribution to make.
- (d) A Committee may delegate any specific task to one of its members or to a sub-committee consisting of two or more of its members.
- (e) The procedural provisions of section 7.4 of this document apply in relation to any sub-committee of a Committee.

7.5 Reporting

Each Committee must report in writing to the Board after each Committee meeting, and provide a copy of the minutes.

7.6 Secretary

The Secretary of the Committee shall be the Company Secretary or such other person as is nominated by the Board.

7.7 Performance review and evaluation

- (a) The same procedures apply as for the Board (section 2.10 of this document) subject only to the role of the Chairman being taken by the chairman of the Committee and any other necessary changes.
- (b) Review and evaluation are conducted against the Board Charter and any criteria determined by the Chairman.
- (c) The Committee must report to the Board on the conduct and results of its review and evaluation and make recommendations it considers appropriate.
- (d) Each Committee shall review its Committee Charter at least annually and obtain the approval of the Board for any revisions.

8 Audit and Risk Management Committee charter

8.1 Standing rules

The standing rules for Committees (section 7) apply to the Audit and Risk Management Committee subject to this Charter.

8.2 Composition

In addition to the composition of the Committees required at section 7.2, the Audit and Risk Management Committee must:

- (a) be of sufficient size, having regard to the size of and specific needs of the Company;
- (b) consist of at least three members, with all members being non-executive Directors.

- (c) The chairman for the Audit and Risk Management Committee must be an Independent Director.

8.3 Purpose

- (a) The ARM Committee is established by the Board to assist and to report to the Board.
- (b) The role of the ARM Committee is to advise on the establishment and maintenance of a framework of internal controls and appropriate ethical standards for the management of the Company.
- (c) It assists the Board with policy on the quality and reliability of financial information prepared for use by the Board. The ARM Committee reviews the risk management framework and policies within the Company and monitors their implementation.

8.4 Scope of responsibility

The ARM Committee is responsible for:

- (a) putting in place appropriate Board and Committee structure to facilitate a proper review function by the Board;
- (b) monitoring the establishment of an appropriate internal control framework, including information systems, and its operation and considering enhancements;
- (c) assessing corporate risk and ensuring compliance with internal controls;
- (d) overseeing business continuity planning and risk mitigation arrangements;
- (e) assessing the objectivity and performance of the internal audit function (if such function has been implemented) and considering enhancements;
- (f) reviewing reports on any material misappropriation, frauds and thefts from the Company;
- (g) reviewing reports on the adequacy of insurance coverage;
- (h) monitoring compliance with relevant legislative and regulatory requirements (including continuous disclosure obligations) and declarations by the Secretary in relation to those requirements;
- (i) reviewing material transactions which are not a normal part of the Company's business;
- (j) reviewing the nomination, performance and independence of the external auditors, including recommendations to the Board for the appointment or removal of any external auditor;
- (k) liaising with the external auditors and ensuring that the annual audit is conducted in an effective manner that is consistent with ARM Committee members' information and knowledge and is adequate for shareholder needs;
- (l) reviewing management processes supporting external reporting;
- (m) reviewing financial statements and other financial information distributed externally;

- (n) preparing and recommending for approval by the Board the corporate governance statement for inclusion in the annual report or any other public document;
- (o) reviewing external audit reports to ensure that, where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management; and
- (p) reviewing and monitoring compliance with the Code of Conduct.

8.5 Powers

- (a) The ARM Committee has an advisory role, to assist the Board in relation to things referred to in section 8.4 and does not have any power to commit the Board to any recommendation or decision made by it except:
 - (i) for matters relating to the appointment, oversight, remuneration and replacement of the external auditors; and
 - (ii) where and to the extent that (in other respects) it has express delegated authority from the Board.
- (b) The ARM Committee has unrestricted access to management and to internal audit personnel as well as to the external auditors to carry out its function.

8.6 Internal control framework

- (a) Risk issues are addressed by:
 - (i) the Committee identifying significant business risks, reviewing the major risks affecting each business segment, developing strategies to mitigate these risks and reporting to the Board following each ARM Committee meeting;
 - (ii) the Committee approving any action approved by the Board and ensuring corrective action is taken as soon as practicable;
 - (iii) providing the Company Operating Policies and Procedures and obliging them to comply with these;
 - (iv) the CEO and CFO providing a statement to the Board with any financial report to the effect that the Company's risk management and internal control system is operating efficiently and effectively in all material respects (see also 8.6(f)).
- (b) External auditors are selected according to criteria set by the Committee which include:
 - (i) the lack of any current or past relationship with the Company or with any member of senior management that could impair, or risk impairing, the independent external view they are required to take in relation to the Company;
 - (ii) their general reputation for independence, probity and professional standing within the business community; and
 - (iii) their knowledge of the industry in which the Company operates.
- (c) Employees of the external audit firm (including the partner or other principal with overall responsibility for the engagement), must be rotated periodically (at least every

five years) to avoid any risk of impairing the independent external view that the external auditors are required to take in relation to the Company.

- (d) An annual budget must be prepared by management, reviewed and commented on by the Committee, and approved by the Board. Actual results, including both profit and loss statement and cashflow statement, must be reported on a monthly basis against budget, and revised forecasts for the year are prepared regularly. The Company provides half-yearly financial reports.
- (e) Price Sensitive Information and other information reasonably required by an investor to make an informed assessment of the Company's activities and results, is reported to the ASX and ASIC in accordance with continuous disclosure requirements. This is considered as a standing agenda item at each regular meeting of the Committee as well as of the Board.
- (f) Each of the CEO and CFO must state in writing to the Board, when providing it with financial reports, that the Company's financial reports:
 - (i) have been properly maintained;
 - (ii) present a true and fair view, in all material respects, of the Company's financial conditions and operational results;
 - (iii) are in accordance with relevant accounting standards; and
 - (iv) are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
- (g) The Board should disclose and record in its minutes that management has reported to it on the effectiveness of the Company's management of its material business risks.
- (h) The CEO is also primarily responsible for:
 - (i) making decisions about whether a matter must be disclosed under the Company's continuous disclosure obligations in accordance with the Company's Continuous Disclosure Policy;
 - (ii) ensuring that the Company complies with those obligations;
 - (iii) notifying the Board of such matters;
 - (iv) monitoring and promoting an understanding within the Company of compliance;
 - (v) acting as the contact for media and comment, including analyst briefings and responses to shareholder questions; and
 - (vi) keeping the Board informed of other relevant matters.

- (i) The Company has clearly defined guidelines for capital expenditure. These include annual budgets, detailed appraisal, review procedures, levels of authority and due diligence requirements where businesses are being acquired or divested.
- (j) The Company's policies are detailed in the Company Operating Policies & Procedures. Written confirmation of compliance with policies is obtained from all staff members. Appraisals are conducted at least annually for all employees.
- (k) Financial controls and procedures, including information systems controls are detailed in the Company Operating Policies & Procedures.
- (l) The Board will identify a number of key areas which are to be subject to regular reporting to the Board as detailed in Committee Charters or the Company Operating Policies & Procedures.

8.7 Audit planning

- (a) The Committee reviews the performance of the external auditors throughout the year.
- (b) During the year the Committee meets with the external auditor to:
 - (i) discuss the external audit plan;
 - (ii) discuss any potential significant problems;
 - (iii) discuss the impact of proposed changes in accounting policies on the financial statements;
 - (iv) review the nature and impact of any changes in accounting policies adopted by the Company during the year; and
 - (v) review the proposed audit fees.
- (c) Prior to the announcement of the Company's results the Committee meets with the external auditor to:
 - (i) review the pro-forma half-yearly and pro-forma preliminary final report prior to lodgement of those documents with the ASX, and any significant adjustments required as a result of the audit;
 - (ii) make the necessary recommendation to the Board for the approval of these documents;
 - (iii) review the results and findings of the audit, the adequacy of accounting, financial and operating controls, and to monitor the implementation of any recommendations made; and
 - (iv) review the draft financial report and the audit report and to make the necessary recommendation to the Board for the approval of the financial report.

8.8 Proceedings

- (a) Meetings are held at least three times during each year and more often as required.
- (b) The external auditor, the CEO and the CFO are invited to attend meetings, or specific parts of meetings, at the discretion of the Committee.

- (c) Business is considered as the Committee may determine, with additional items of business considered as appropriate.
- (d) At a meeting following the end of the financial year, the agenda items are to include:
 - (i) review of the activities of the previous year for preparation of the annual report;
 - (ii) review of the Charter and plans for the coming year;
 - (iii) presentation by insurance officer and broker of insurance plan for the current year;
 - (iv) consider matters raised by the external auditors in their management letter, and management's response, and of the possible need for implementation of new controls;
 - (v) review of reports on any superannuation plan operated by the Company and compliance with relevant laws and regulations;
 - (vi) review of policies on sensitive issues or practices; and
 - (vii) consider internal audit reports for the quarter and ensuring appropriate management action is taken to address any internal control weaknesses identified.
- (e) At the meeting following the end of the financial half-year, the agenda items include:
 - (i) reviewing the operation and effectiveness of internal controls;
 - (ii) discussing with the external auditors next year's audit plan and budget;
 - (iii) considering and assessing of the performance of financial management;
 - (iv) considering and reporting to the board on the half-yearly profit announcement and interim dividend recommendation;
 - (v) reviewing the results and findings of the half-yearly audit/review;
 - (vi) considering the adequacy of internal financial controls and the possible need for the implementation of new controls;
 - (vii) reviewing the half-year financial statements; and
 - (viii) considering internal audit reports arising from activities for the quarter and ensuring appropriate management action to address any internal control weaknesses identified.
- (f) At the third meeting, being at the commencement of the financial year the agenda items include:
 - (i) reviewing of business risks facing the Company, and the Company's business continuity plan, and assessing the adequacy of internal controls;
 - (ii) presentation by senior management on the adequacy of systems of internal control;

- (iii) considering financial issues relevant to the annual report;
- (iv) considering internal audit reports arising from activities for the quarter and ensuring appropriate management action to address any internal control weaknesses identified;
- (v) reviewing of draft budget prepared by management for the following year;
- (vi) reviewing related party transactions;
- (vii) reviewing the Company's main corporate governance practices and considering the content of the corporate governance statement for inclusion in the annual report;
- (viii) considering and approving the pro forma preliminary final statement;
- (ix) reviewing the results and findings of the annual audit;
- (x) considering the adequacy of internal financial controls and the possible need for the implementation of new controls;
- (xi) reviewing the annual financial statements and reporting to the Board on the annual profit announcement and final dividend recommendation; and
- (xii) considering internal audit reports arising from activities for the quarter and ensuring appropriate management action to address any internal control weaknesses identified.

9 Remuneration Committee charter

9.1 Standing rules

The standing rules for Committees (section 7) apply to the Remuneration Committee subject to this Charter.

9.2 Composition

In addition to the composition of the Committees required at section 7.2, the Remuneration Committee must:

- (a) be of sufficient size, having regard to the size of and specific needs of the Company;
- (b) consist of at least three members, with the majority of members being non-executive Directors.

To the extent possible, the membership of executive Directors on the Remuneration Committee should be limited, in order to manage the potential for, or perception, of conflicts of interest of their involvement in Board discussions on remuneration packages.

- (c) The chairman for the Remuneration Committee must be a non-executive Director.

9.3 Purpose

- (a) The Remuneration Committee is established by the Board to assist, and to report to, the Board.
- (b) The role of the Remuneration Committee is to advise on remuneration and issues relevant to remuneration policies and practices, including for senior executives and non-executive Directors.

9.4 Role and responsibilities

The specific role and responsibilities of the Committee include the following:

Executive remuneration policy

- (a) Approve the policy for the remuneration of the CEO, executives and other members of senior management, including incentive arrangements, superannuation and any amendments to that policy proposed by management.
- (b) Review the ongoing appropriateness and relevance of the Company remuneration policy and ensure that:
 - (i) Lindsay Australia complies with its obligations regarding disclosure of remuneration;
 - (ii) the policy motivates executives to pursue the long term growth and success of Lindsay Australia within an appropriate control framework;
 - (iii) the policy demonstrates a clear relationship between individual performance and remuneration; and
 - (iv) the policy involves an appropriate balance between fixed and variable remuneration, reflecting the short and long term performance objectives appropriate to Lindsay Australia's circumstances and goals.
- (c) Review and make recommendations to the Board on the recruitment, retention and termination policies and procedures for the CEO, executives and other senior management and employees of Lindsay Australia.
- (d) Approve the entire specific individual contractual and remuneration arrangements for executives and other executives who report directly to the CEO having regard to the executive remuneration policy, including:
 - (i) base pay and benefits such as superannuation contributions;
 - (ii) short and long term performance incentives; and
 - (iii) other incentives through participation in Lindsay Australia's equity programs from time to time.
- (e) Meet twice a year to assess the past performance of Lindsay Australia, the executives and other senior managers for the purpose of considering the performance evaluation undertaken by the CEO.
- (f) Receive and review annually reports on management succession planning for executives and other senior managers.

CEO

- (a) Review and make recommendations to the Board on the entire specific contractual and remuneration arrangements for the CEO having regard to the executive remuneration policy, including:
 - (i) base pay and benefits;
 - (ii) short term remuneration targets and outcomes (including performance targets);
 - (iii) superannuation arrangements;
 - (iv) any termination payments; and
 - (v) the development of any equity based plan to apply to the CEO.
- (b) Evaluate and make recommendations to the Board on the performance of the CEO in light of his or her goals and objectives.
- (c) Determine the outcome of any performance hurdles in relation to any equity based plan in which the CEO may participate, and provide written notification to the CEO of any such performance determination.

Remuneration of Non-executive Directors

- (a) Review and make recommendations to the Board on remuneration policies for Non-executive Directors (as well as Non-executive Directors of subsidiary boards).
- (b) Review Non-executive directors' fees and payments to ensure that such fees reflect the position's demands and responsibilities and are reviewed annually by the Board.
- (c) Ensure that the Lindsay Australia Chairman's fees are determined independently from the fees of Non-executive Directors. The Chairman must not be present at any discussions relating to determination of his own remuneration.
- (d) Ensure that Non-executive Directors do not participate in the any equity based plans.
- (e) Ensure that Non-Executive Directors receive no additional retirement benefits other than the statutory requirements.

Equity based plans

- (a) Review the design of all equity based plans for approval by the Board.
- (b) Keep all equity based plans under review in the light of legislative, regulatory and market developments. The Company believes it is important for its people to see the business they run as their business and, accordingly, offers the plan to provide key employees with the opportunity to take ownership by investing in Lindsay Australia options and shares.
- (c) Review and approve total proposed awards under each equity based plan, including the issue of Lindsay Australia shares for any equity based plan.
- (d) Approve policies in relation to minimum shareholding requirements (being the minimum number of shares that must be held by employees in their own name and beneficially) for the purposes of any equity based plans.

General remuneration in Lindsay Australia

- (a) Approve the remuneration matrix as part of the Lindsay Australia annual business plan based on consideration of pre-determined business performance indicators.
- (b) Review on a regular basis the remuneration trends across the transportation and logistics industry, to the extent available.
- (c) Be aware of and advise the Board on any major changes in employee benefit structures across Lindsay Australia and the transportation and logistics industry generally.
- (d) Approve remuneration arrangements outside of policy relating to individuals or groups of individuals which are significant because of their sensitivity, precedent or disclosure implications.

Remuneration package guidelines

- (a) Executive remuneration packages should involve a balance between fixed and incentive remuneration and comprise any of the following:
 - (i) fixed remuneration;
 - (ii) performance based remuneration;
 - (iii) equity based remuneration; and
 - (iv) termination payments
- (b) Non executive Directors' remuneration packages should:
 - (i) normally comprise fees, in the form of cash, non-cash benefits, superannuation contributions or equity;
 - (ii) not permit participation in schemes available to executive Directors and Senior Executives;
 - (iii) should not comprise options or bonus payments; and
 - (iv) should not comprise retirement benefits other than Superannuation.

9.5 Powers

- (a) The Remuneration Committee has an advisory role, to assist the Board about the matters set out in section 9.4. The Remuneration Committee cannot commit the Board to any recommendation or decision made by it but may consult independent external experts to perform its function, and charge the costs to the Company.
- (b) The Remuneration Committee may seek input from Senior Executives on remuneration policies, but no Senior Executive should be directly involved in deciding their own remuneration.
- (c) The Remuneration Committee and the Board, must clearly distinguish the structure of non-executive Directors' remuneration from that of executive Directors and Senior Executives in order to achieve effective distinction, regard should be had to the guidelines in section 9.4 for Executive remuneration packages and non-executive and Senior Executives.

9.6 Proceedings

- (a) Meetings are held at least three times during each year and more often as required.
- (b) Representatives of management and other employed personnel may be invited to attend meetings, or specific parts of meetings, at the discretion of the Remuneration Committee.

9.7 Annual disclosure to Security holders

As part of the annual reporting obligations to Security Holders, the Company will disclose in the Corporate Governance statement in the annual report:

- (a) the names of members of the Remuneration Committee and their attendances at meetings of the Committee;
- (b) the existence and terms of any schemes for retirement benefits, other than superannuation, for non-executive Directors; and
- (c) an explanation of any departure from the terms of this charter document.

10 Nomination Committee Charter

10.1 Standing rules

The standing rules for Committees (section 7) apply to the Nomination Committee subject to this charter.

10.2 Purpose

- (a) The Nomination Committee is established by the Board to assist, and to report to, the Board.
- (b) The role of the Nomination Committee is to assist the Board and make recommendations to it about the appointment of new Directors (both executive and non-executive) and of the CEO and CFO and, to the extent delegated to it by the Board, other members of senior management.

10.3 Composition

The Nomination Committee should be comprised of:

- (a) have at least three members, with a majority of members being non-executive Directors; and
- (b) chaired by an non-executive Director.

10.4 Role and responsibilities

The Nomination Committee has responsibility to:

- (a) review and recommend to the Board the size and composition of the Board and the criteria for Board membership;

- (b) assist the Board in developing a skills matrix to identify the necessary and desirable competences of Board members and to maintain an appropriate mix of skills, experience, qualification and diversity on the Board;
- (c) assist the Board in identifying appropriate individuals as potential candidates for Board membership and re-election;
- (d) ensure it complies with the Diversity Policy and implements the strategies developed under it;
- (e) ensure that any diversity profile identified by the Board is a factor that is taken into account in the selection and appointment of qualified employees, senior management and Board candidates;
- (f) consider and implement strategies to expand the pool of qualified candidates to select from;
- (g) develop a process for the evaluation of the performance and independence of the Board, its committees and individual Directors and implement a process to identify, assess and enhance the skill set of Directors;
- (h) ensure that an appropriate induction program is put in place for new employees, senior management and Board members and review this program as required;
- (i) receive and review annually reports on management succession planning for Executives and other senior managers;
- (j) review and make recommendations in relation to corporate governance issues as may be requested by the Board from time to time or required by ASX or the law; and
- (k) report to the Board annually on the Diversity profile of employees of the Company, including the relative proportion of men and women in the workforce at all levels of the Company and the extent to which the Company is progressing towards achieving its measurable objectives set in accordance with the Company's Diversity Policy.

10.5 Powers

The Nomination Committee has an advisory role, and does not have any power to commit the Board to any recommendation or decision made by the Nomination Committee but may consult independent external experts to perform its function and charge the costs to the Company.

10.6 Proceedings

Meetings are held at least twice during each year and more often as required.

10.7 Board of Directors may undertake function

Should the Board of Director consider the roles and responsibilities of the Nominations Committee can be adequately undertaken by the Board of Directors this Committee need not be established.

11 Environmental and Occupational Health and Safety Committee Charter

11.1 Standing rules

The standing rules for Committees (section 7) apply to the Nomination Committee subject to this charter.

11.2 Purpose

The Committee will ensure that:

- (a) In relation to environmental issues:
 - (i) processes are in place to observe all regulatory compliance as the primary means through which the Company approaches its objectives of zero harm to the environment;
 - (ii) pro-active initiatives and co-operative programs are undertaken that are consistent with its commitment to sustainable development and which seek to provide improved environmental outcomes in areas such as energy consumption, which are not currently regulated; and
 - (iii) a statement outlining the environmental policy of the Company is issued for the benefit of staff and third parties.
- (b) In relation to occupational health and safety issues:
 - (i) a shared commitment on the part of management and all employees to ensure a safe workplace;
 - (ii) existing and potential risk areas are identified and are managed by adoption of best practice policies and procedures; and
 - (iii) a statement outlining the occupational health and safety policies of the Company is issued for the benefit of staff and third parties.

11.3 Duties and Responsibilities

The duties and responsibilities of the Committee are to:

- (a) formalise adequate processes to ensure that all environmental and occupational health and safety laws and permit conditions are observed;
- (b) maintain awareness of exposures to potential risks and their effective management;
- (c) satisfy itself that effective processes are established to maintain and manage known risks, and are consistent with best management practices;
- (d) satisfy itself regarding the integrity and prudence of management control systems, including the review of policies and/or practices;

- (e) receive reports from external parties, where deemed necessary, on the critical policies and practices of the Company;
- (f) ensure that the Board is aware of any matters that might have a significant impact on the Company;
- (g) ensure compliance with laws and regulations relating to environmental and occupational health and safety issues;
- (h) monitor developments and changes in the regulations and laws relating to the responsibilities and liabilities of directors and the Company;
- (i) monitor and review the extent to which the Board and the Company is meeting its obligations; and
- (j) make recommendations to the Board for any changes considered necessary to the Company's compliance and control procedures;
- (k) report any matter identified during the course of carrying out its duties that the Committee considers should be brought to the attention of the Board; and
- (l) perform or undertake on behalf of the Board any such tasks or actions as the Board may from time to time authorise.

11.4 Internal Audit

To assess levels of compliance with stated policies, The Committee must should put in place an audit program to measure performance including reporting all incidents of non-compliance or injuries to the Board on a quarterly basis.

11.5 External audit

- (a) In addition to regulatory requirements for audits to be undertaken (e.g. HACCP Australia), the Committee may recommend to the Board the appointment of external auditors to undertake specific audit tasks.
- (b) Where such audits are determined to be necessary, the Committee will:
 - (i) ensure no unjustified restrictions or limitations are placed on the auditors in relation to their responsibilities;
 - (ii) ensure the scope of the audit is adequate and appropriate emphasis is placed on areas where the Committee, management or the auditors believe special attention is necessary; and
 - (iii) review and assess the findings of auditors, the action taken and the timetable proposed by management in response to the findings.

11.6 Committee performance

The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively by reference to current best practice.

11.7 Proceedings

- (a) Meetings shall be held not less than twice a year, and in addition, the auditors may request meetings if they consider it necessary. The proceedings of all meetings will be minuted.
- (b) Appropriate meeting papers will be presented to the Committee for their consideration prior to each meeting.

11.8 Authority

The Board authorises the Committee within the scope of its responsibilities to:

- (a) seek information it requires from:
 - (i) any employee, and all employees are directed to co-operate with any request made by the Committee; and
 - (ii) appropriate external parties;
- (b) obtain legal or other professional advice; and
- (c) ensure the attendance of external parties with relevant experience and expertise.

11.9 Board Reporting

The Committee should report to the Board at least bi-annually and more frequently as required.

Annexure

Price Sensitive Information

The Board has adopted the following definition of Price Sensitive Information:

- (a) Price Sensitive Information is information that:
 - (i) is not generally available; and
 - (ii) if it were generally available:
 - (A) a reasonable person would expect it would have a material effect on the price or value of the securities in question; or
 - (B) would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Securities in question.
- (b) Information is generally available if it:
 - (i) is readily observable;
 - (ii) has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
 - (iii) consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs (b)(i) or (b)(ii).
- (c) Examples of what may constitute Inside Information include:
 - (i) proposed changes in capital structure;
 - (ii) information to be disclosed under the Corporations Act or the Listing Rules;
 - (iii) proposed changes in the general character or nature of the business;
 - (iv) information regarding changes in the holdings of substantial Security Holders;
 - (v) proposed significant changes in the holdings of any Director;
 - (vi) appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or Securities held by it or any of its subsidiaries;
 - (vii) a recommendation or declaration of a dividend or distribution;
 - (viii) a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the Company's consolidated assets;
 - (ix) a claim against the Company for which the excess or damages (or both) payable by it is a significant proportion of the written down value of the Company's consolidated assets;

- (x) giving or receiving a notice of intention to make a takeover; or
- (xi) an agreement between the Company (or a related party or subsidiary) and a Director (or a related party of the Director).