



ADELAIDE BRIGHTON LIMITED
ACN 007 596 018

BOARD CHARTER AND RELATIONSHIP WITH MANAGEMENT

1 Role of the Board

- Representing and serving the interests of shareholders by overseeing and appraising the strategies, policies and performance of the Company (including establishing goals for management and reviewing management performance).
- Protecting and optimising Company performance and building sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by the Company's constitution and by law.
- Setting the Company's values and standards, including monitoring compliance with ethical standards and regulatory requirements, and monitoring and influencing the Company's culture.
- Ensuring shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

2 Responsibilities of the Board

2.1 Responsibilities/functions of the Board include:

- (a) selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning for the successor of, the Managing Director or Chief Executive Officer (MD);
- (b) reviewing procedures in place for appointment of senior management and monitoring of its performance, and reviewing executive development activities together with succession planning. This includes ratifying the appointment and the removal of the Chief Financial Officer and the Company Secretary and all the Company's senior executives who report to the MD;
- (c) input into and final approval of management development of corporate strategy, including setting performance objectives and approving operating budgets;
- (d) reviewing, guiding and monitoring systems of risk management and internal control and ethical and legal compliance. This includes reviewing procedures in place to identify the main risks associated with the Company's businesses (including material sustainability risks), the implementation of appropriate systems to manage these risks and, in consultation with the Audit, Risk and Compliance Committee, at least annually reviewing the Company's risk management framework;
- (e) monitoring corporate performance and implementation of strategy and policy;
- (f) approving major capital expenditure, acquisitions and divestitures, cessation of any significant business activity and monitoring capital management;

- (g) monitoring and reviewing management processes in place aimed at ensuring integrity of financial and other reporting and oversight of communications with shareholders (including financial reporting);
- (h) monitoring and reviewing policies and processes in place relating to occupational health and safety, compliance with laws, and the maintenance of high ethical standards;
- (i) formulating the Company's policy in relation to, and monitoring the implementation of sustainable resource use and the impact of the Company's operations on the environment, community and stakeholders; and
- (j) performing such other functions as are prescribed by law or are assigned by the Board.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a director, employee or other person subject to ultimate responsibility of the directors under the Corporations Act.

2.2 Matters which are specifically reserved for the Board or its committees include the following:

- appointment of a Chair;
- appointment and removal of the MD;
- appointment of directors to fill a vacancy or as additional director;
- establishment of Board committees, their membership and delegated authorities;
- approval of directors' reports, financial statements and dividends;
- corporate governance principles and policies, including approval of the Corporate Governance Statement;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders;
- any other specific matters nominated by the Board from time to time.

3 Relationship with management

- It is fundamental that management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. It follows that directors are entitled to request additional information at any time where they consider it appropriate.
- Ultimate responsibility for management and control rests with the directors.
- The Board may meet from time to time without presence of management.
- Directors may delegate their powers as they consider it appropriate.
- The management function is conducted by, or under the supervision of, the MD as directed by the Board (and by other officers to whom management function is properly delegated by the MD).
- The Board approves corporate objectives for the MD to meet and, jointly with the MD, develops the duties and responsibilities of the MD with limits to management's authorities.

- Where a director seeks to provide information about business opportunities or introductions to the Company, this should be done through the MD with the Chairman also being informed.

4 Committees

The Board may establish Committees to streamline the discharge of its responsibilities and, where appropriate, adopt a formal charter setting out the responsibilities and composition of each Committee.

The Board has to date established:

- a Nomination, Remuneration and Governance Committee;
- an Audit, Risk and Compliance Committee; and
- a Safety, Health and Environment Committee.

5 Board composition and size

- The Board, together with the Nomination, Remuneration and Governance Committee, determines the size and composition of the Board, subject to the terms of the Company's Constitution.
- Non-executive directors are engaged through a letter of appointment and the appointment of new non-executive directors is confirmed by the shareholders. Appropriate background checks are made before a new director is appointed.
- The Board should comprise a majority of independent non-executive directors.
- The Board, together with the Nomination, Remuneration and Governance Committee, will review the skills and diversity represented by directors on the Board and consider whether the composition and mix of those skills and diversity remain appropriate in the Company's circumstances from time to time.

6 Board process

6.1 The Chair

- The Board will appoint one of its members to be Chair.
- The Chair should be an independent non-executive director.

6.2 The Company Secretary

- The Board will appoint at least one Company Secretary.
- The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board, including coordination of all Board business.
- All directors will have direct access to the Company Secretary.

6.3 Director tenure

- The Board acknowledges the importance of Board renewal. However, the Board does not believe that it should establish an arbitrary limit on tenure. Tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a director. In determining the composition of the Board, regard is had to the mix of directors with shorter and longer tenures.

7 Ongoing professional development and access to advice

- Directors are expected to participate in all induction and orientation programs and any continuing education or training arranged for them.
- The Board collectively, and each director individually, has the right to seek independent professional advice, subject to the approval of the Chair.

8 Review of Charter

This charter shall be reviewed by the Board as required and at least annually.