

## **BOARD CHARTER**

This Charter sets out matters governing the composition, functions and responsibilities of the Board of Directors and matters affecting Directors individually in WRIDGWAYS AUSTRALIA LIMITED (“**the Company**”).

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## 1. **RELATIONSHIP BETWEEN THE BOARD AND SENIOR EXECUTIVES**

- 1.1. The relationship between senior executives and the Board is a partnership that is crucial to the Company's long term success.
- 1.2. The broad separation of functions and responsibilities between senior executives and the Board are set out in this Charter and should be respected and clearly understood.

The Board gives direction and exercises judgement in setting the Company's objectives and overseeing their implementation.

The Chief Executive Officer is responsible to the Board for the day-to-day management of the Company.

## 2. **THE BOARD'S RESPONSIBILITIES**

The responsibilities of the Board include:

- a) Determining and reviewing the company's strategic direction and operational policies;
- b) Establishing goals for management and monitoring the achievement of these goals;
- c) Reviewing and approving the company's annual budget and corporate strategy plan;
- d) Ensuring management maintains a sound system of internal controls to safeguard the assets of the group;
- e) Appointing, monitoring and rewarding the CEO;
- f) Approving all significant business transactions, including acquisition, divestments and capital expenditure;
- g) Monitoring internal compliance and control, business risk exposures and risk management systems;
- h) Approving and monitoring financial and other reporting in the form required by the Corporations Act 2001;
- i) Ensuring that a strategic balance is maintained between the responsibilities of the Board and the CEO;
- j) Reporting to shareholders, the market and the ASX;
- k) Issues of the company's shares;
- l) Declaration of dividends to shareholders; and
- m) Major corporate or financial restructuring.

### 3. **COMPOSITION OF THE BOARD**

#### 3.1. **Background**

The Board shall comprise Directors with a range of backgrounds and experience.

#### 3.2. **Number**

For the purpose of efficient working, the preferred number of Directors in office at any time is 5 although a number outside this range may be acceptable from time to time for particular reasons.

#### 3.3. **Independence**

The Board shall include a majority of Non-Executive Directors who satisfy the criteria for independence in clause 4.

#### 3.4. **Qualifications**

- a) Persons nominated as Non-Executive Directors shall be expected to have qualifications, experience and expertise of benefit to the Company and to bring an independent view to the Board's deliberations.
- b) Persons nominated as Executive Directors must be of sufficient stature and security of employment to express independent views on any matter.
- c) All Directors nominated for the Board should be able to perform well in a group and have the capacity to contribute to the Board reaching decisions by informed consensus.

### 4. **INDEPENDENCE OF DIRECTORS**

4.1. In considering whether a Director is independent, the Board is to have regard to:

- a) the relationships affecting the independent status of a director as described in the ASX Principles;
- b) any information, facts or circumstances that the Board considers relevant; and
- c) such materiality thresholds, standards or guidelines as the Board may adopt from time to time.

4.2. If a Director is or becomes aware of any information, facts or circumstances which will or may affect that Director's independence, the Director must immediately disclose all relevant details in writing to the Company Secretary and the Chairman.

4.3. The Board will regularly assess the independence of each Director in light of disclosures made in accordance with clause 4.2 to ensure that the Board continues to comprise a majority of independent Non-Executive Directors and the Company meets developing best practice standards which comply with the ASX Principles.

## 5. **APPOINTMENT OF CHAIRMAN**

The Board shall appoint as Chairman one of the Non-Executive Directors who satisfy the criteria for independence in clause 4. The Chairman will be eligible for re-election every 3 years.

## 6. **ROLES AND RESPONSIBILITIES OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER**

6.1. The roles of Chairman and Chief Executive Officer must not be held by the same person.

6.2. The responsibilities of the Chairman are to:

- lead the Board;
- ensure the efficient organisation and conduct of the Board's function;
- brief all Directors in relation to issues arising at Board meetings;
- chair general meetings of the Company; and
- exercise such specific and express powers as are delegated to the Chairman by the Board from time to time.

6.3. The responsibilities of the Chief Executive Officer are to:

- manage and administer the day-to-day operations of the Company;
- supervise senior executives and represent them to the Board; and
- exercise such specific and express powers as are delegated to the Chief Executive Officer by the Board from time to time.

6.4. The Board will review the responsibilities of the Chairman and the Chief Executive Officer to ensure that they are appropriate to meet the Company's needs and meet developing best practice standards which comply with the ASX Principles.

## 7. **COMMITTEES OF THE BOARD**

7.1. In accordance with the Constitution, the Board may from time to time establish Committees to assist it in carrying out its responsibilities and shall adopt Charters setting out matters relevant to the role, composition, rights, responsibilities and administration of those Committees. The Committees are required to make recommendations to the Board but do not have executive power to bind the Company.

7.2. As a minimum, the Board shall appoint the following Committees, and shall adopt Charters setting out matters relevant to the role, composition, rights, responsibilities and administration of each of those Committees:

- a) an Audit Committee;
- b) a Remuneration Committee;
- c) *Note:* because of the size of the board a nominations committee is not deemed necessary.

7.3. The Audit Committee must comprise:

- a) only Non-Executive Directors;
- b) three members;
- c) at least one member who has financial expertise.

The Chairman of the Audit Committee will be appointed by the Board and must be a Non-Executive Director.

*Note:* because of the composition of the Wridgways Board the Chairman of the Board, because of his financial expertise is deemed most suitable to chair the Audit Committee.

7.4. The Remuneration Committee must comprise:

- a) only Non-Executive Directors, and
- b) three members.

The Chairman of the Remuneration Committee will be appointed by the Board and must be a Non-Executive Director who satisfies the criteria for independence in clause 4 or the Chairman of the Board.

All Non-Executive Directors shall be entitled to attend meetings of Board Committees where there is no conflict of interest.

## 8. **RETIREMENT FROM THE BOARD**

8.1. Non-Executive Directors

- a) All Non-Executive Directors are expected to voluntarily review the Director's membership of the Board from time to time taking into account their length of service on the Board; age, qualifications, experience and other commitments (in light of developing best practice standards and the Company's then current policies), together with the other criteria considered desirable for composition of a balanced Board and the overall interests of the Company.
- b) Notwithstanding the Company's constitution, if a Non-Executive Director is required to retire by rotation in accordance with the Company's constitution or the Australian Securities Exchange Listing Rules, the Non-Executive Director will take into account the views of the other non-executive directors of the company when deciding whether to stand for re-election.

8.2. Executive Directors

An Executive Director shall tender a resignation from the Board immediately if the Director ceases to be employed by the Company.

## 9. NUMBER OF OUTSIDE DIRECTORSHIPS

### 9.1. Non-Executive Directors

- a) A Non-Executive Director should continually evaluate the number of boards of companies (and any committees of those boards) on which the Non- Executive Director serves to ensure that each company can be given the time and attention to detail required to properly exercise the director's powers and discharge the director's duties to that company.
- b) A Non-Executive Director shall notify the Chairman in writing prior to accepting an invitation to become a director of any company (other than the Company or any related body corporate of the Company). Prior to accepting such an invitation, the director must have regard to:
  - the views and wishes of the Chairman on the Director acting simultaneously as a Director of the Company and as a director of another company (whether in competition with the Company or not);
  - any current policies of the Board on multiple directorships; and
  - developing best practice standards on multiple directorships.

### 9.2. Executive Directors

An Executive Director shall not accept an invitation to become a director of any company (other than the Company or any related body corporate of the Company) without the prior approval of the Board.

## 10. INDEPENDENT ADVICE

Each Director may, with the prior written approval of the Chairman, obtain independent professional advice to assist the Director in the proper exercise of powers and discharge of duties as a Director or as a member of a Committee, and the Company will reimburse the Director for the reasonable expense of obtaining that advice.

## 11. CODES OF CONDUCT

11.1. The Board may from time to time adopt:

- a) code of conduct to guide the Directors and promote high ethical and professional standards and responsible decision-making; and
- b) code of conduct which sets out the minimum acceptable standards of behaviour expected of the Directors and employees of the Company.

11.2. Directors must comply with all codes of conduct adopted by the Board under clause 11.1.

11.3. As at the date of adoption of this Charter, the Board has:

- a) adopted the Company's "Code of Ethics and Conduct". Refer [www.wridgways.com.au](http://www.wridgways.com.au)

## 12. DEALING IN SECURITIES

The Company has adopted a trading policy that restricts the times during which Non-Executive Director may purchase or sell securities in the Company.

The company has a Share Trading Policy under which Directors may only trade in the Company's securities during the 6 weeks commencing immediately after each of the following:

- the release by the company of its half-yearly results to the ASX;
- the release by the company of its annual results to the ASX; and
- the close of the general meeting of the company.

In addition, consistent with the law, Non-Executive Directors are prohibited from trading in the Company's securities while in the possession of unpublished price sensitive information concerning the Company. Unpublished price sensitive information is information regarding the Company, of which the market is not aware, that a reasonable person would expect to have a material effect on the price of value of the Company's securities.

Prior to trading in the Company's securities, notice of an intention to trade must be given to the Chairmen as well as a confirmation that the person is not in possession of any unpublished price sensitive information. The completion of any such trade by a Director must also be notified to the Company Secretary who in turn advises the ASX.

### 13. **ACCESS TO THE COMPANY SECRETARY AND EMPLOYEES**

13.1. Each Director has a right of access to the Company Secretary at all times.

13.2. Any Director may:

- request the attendance at a meeting of the Board of any employee of the Company or a related body corporate; and
- subject to the law, access any document, report, material or information in the possession of an employee of the Company or a related body corporate or an external adviser of the Company.

### 14. **CONFIDENTIALITY**

The Directors acknowledge that all proceedings of the Board and its Committees are strictly confidential and that a Director will be expected to resign from the Board if the Director breaches this confidentiality.

### 15. **REVIEW OF CHARTER**

The Board will regularly review the Charter to ensure that it meets best practice standards, which comply with the ASX Principles and meet the needs of the Company and the Board.

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