



ActivEX Limited
Corporate Governance Manual

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1. INTRODUCTION

ActivEX Limited is an Australian minerals exploration company based in Brisbane, Australia. The Company is committed to the acquisition, identification and delineation of new resource projects through active exploration. The ActivEX portfolio is focussed on copper and gold projects, concentrating on mid-to-advanced properties with clearly defined targets.

ActivEX is a listed Company on the Australian Stock Exchange (ASX). As an operator in a global market, the Board believes that fostering high governance standards reflects the Company’s commitment to corporate integrity and enhancing shareholder value.

This Manual outlines the key principles and practices of ActivEX Ltd, which represent the Company’s system of governance. The purpose of this document is to record the policies upon which the Board has decided to meet its legal and other responsibilities. This Manual is structured in accordance with the Corporate Governance Charter Model illustrated below.



Geoffrey Kiel and Gavin Nicholson,

Boards that Work: A New Guide for Directors, Sydney: McGraw-Hill, 2003.

This Manual has four major sections:

Part A – Defining Governance Roles

Part B – Board Processes

Part C – Key Board Functions

Part D – Continuing Improvement.

The Manual will need to be reviewed regularly and updated to reflect changes in the legal framework within which the Company operates, and to incorporate developments in Board policies and procedures. It is the responsibility of the Company Secretary to ensure that the Board is consulted regarding any changes and updates, that the Manual is kept current and reviewed on a regular basis, and that all Board members are provided with the latest versions of the Manual.

Nothing in this Manual must conflict with the Company’s Constitution (“Constitution”). If such a conflict occurs, the Constitution shall prevail.

PART A – DEFINING GOVERNANCE ROLES

2. THE ROLE OF THE BOARD

The Board is ultimately responsible for all matters relating to the running of the Company. The Board's role is to govern the Company and to ensure that it represents effectively the interests of all shareholders. In governing the Company, the Directors must act in the best interests of the Company as a whole. The role of the Managing Director is to manage the Company in accordance with the direction and delegations of the Board and it is the responsibility of the Board to oversee the activities of the Managing Director in carrying out these delegated duties.

The Board has the final responsibility for the successful operations of the Company. In general, it is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory bodies.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.

- Providing leadership to the Company by:
 - Guiding the development of an appropriate culture and values for the Company through the establishment and review of Codes of Conduct, rules and procedures to enforce ethical behaviour and provide guidance on appropriate work methods;
 - Always acting in a manner consistent with the Company's culture and Code of Conduct;
- Overseeing the development and implementation of an appropriate strategy by:
 - Working with the senior management team to ensure that an appropriate strategic direction and array of goals are in place;
 - Regularly reviewing and amending or updating the Company's strategic direction and goals;
 - Ensuring that appropriate internal controls are implemented and reviewed regularly;
- Overseeing planning activities including the development and approval of strategic plans, annual corporate budgets and long-term budgets including operating budgets, capital expenditure budgets and cash flow budgets.
- Reviewing the progress and performance of the Company in meeting these plans and corporate objectives, including reporting the outcome of such reviews on at least an annual basis.
- Ensuring corporate accountability to the shareholders primarily through effective shareholder communications;

- Overseeing the control and accountability systems that ensure the Company is progressing towards the goals set by the Board and in line with the Company's purpose, the agreed corporate strategy, legislative requirements and community expectations;
- Ensuring that robust and effective risk management, compliance and control systems (including legal compliance) are in place and operating effectively;
- Being responsible for the Company's senior management and personnel including:
 - Appointing and remunerating the Managing Director;
 - Providing advice and counsel to the Managing Director including formal reviews and feedback on his or her performance;
 - Ratifying the appointment, the terms and conditions of the appointment and, where appropriate, removal of the Company Secretary;
 - Ensuring that an appropriate succession plan is in place;
 - Ensuring appropriate human resource systems (including OH&S systems) are in place to ensure the well being and effective contribution of all employees.
- Making all decisions outside the scope of these delegated powers including:
 - Approving all operational expenditures more than 5% outside the approved budget;
 - Approving the details of all items of capital expenditure in excess of \$50,000; and
 - Approving all mergers, acquisitions or property disposals in excess of \$50,000; and
 - Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures.

3. BOARD STRUCTURE

3.1 Number of Directors

The number of Directors (not including alternate Directors) must not be less than 3 nor more than 10 unless and until otherwise determined by the Company by resolution passed in General Meeting.

The Board's policy is that a combination of executive and non-executive Directors will best serve the interests of the Company. This ensures that all Board discussions or decisions have the benefit of a variety of views and experience.

In the opinion of the Board, all Directors should bring specific skills and experience that add value to the Company. When considering vacancies, the Board will take into account a candidate's capacity to enhance the mix of skills and experience of the Board.

3.2 Appointment of Directors

Directors are appointed according to the process described in the Company's Constitution. The Company's Constitution states:

Subject to the Corporations Act, the Company may by resolution passed in General Meeting:

- (a) remove any Director; or
- (b) appoint a person as a Director (whether or not as a replacement for a Director who has been removed or otherwise ceased to be a Director).

Subject to the Act, the Directors may at any time appoint any person as a Director either to fill a casual vacancy or as an addition to their number. Any Director so appointed must have his appointment confirmed by resolution passed at the next annual General Meeting of the Company after the appointment is made. If the appointment is not confirmed at that meeting, the person ceases to be a director of the Company at the end of that meeting.

The Directors may act despite any vacancy in their body. However, if the number falls below the minimum fixed (if any) in accordance with clause 72 the Directors may act for the purpose of increasing the number of Directors to the minimum, or of convening a General Meeting, or in emergencies, but for no other purpose.

3.3 Duration of Appointment

Appointment is for an initial term of three years. After three years, non-executive directors are subject to re-election by shareholders at the general election. Reappointment is conditional on appropriate performance.

3.4 Vacation of Office

It is envisaged that Directors shall remain on the Board until required to vacate the office by law or as detailed in the Constitution. The terms and conditions for Directors are contained in their letter of appointment.

4. THE ROLE OF INDIVIDUAL DIRECTORS

As members of the peak decision-making body in the Company, Directors share ultimate responsibility for the Company's overall success. Therefore, Directors have an individual responsibility to ensure that the Board is undertaking its responsibilities as set out in its Statement of Board Functions. Directors need to ensure that the Board is providing:

- leadership to the Company, particularly in the areas of ethics and culture;
- a clear and appropriate strategic direction;
- accountability to key stakeholders, particularly shareholders;
- oversight of policies;

- oversight of all control and accountability systems including all financial operations and solvency, risk management and compliance;
- an effective senior management team and appropriate personnel policies; and
- timely and effective decisions on matters reserved to it.

4.1 Directors' Code of Conduct

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company will comply with the following Code of Conduct:

- 1) A director must act honestly, in good faith and in the best interests of the Company as a whole.
- 2) A director has a duty to use care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- 3) A director must use the powers of office for a proper purpose, in the best interests of the Company as a whole.
- 4) A director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interest of all stakeholders of the Company.
- 5) A director must not make improper use of information acquired as a director.
- 6) A director must not take improper advantage of the position of director.
- 7) A director must properly manage any conflict with the interests of the Company.
- 8) A director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the board of directors.
- 9) Confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that Company, or the person from whom the information is provided, or is required by law.
- 10) A director should not engage in conduct likely to bring discredit upon the Company.
- 11) A director has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code.

4.2 Expectations of Directors in Board Process

Since the Board needs to work together as a group, Directors need to establish a set of standards for Board meetings. At the Company, it is expected that Directors shall, in good faith, behave in a manner that is consistent with generally accepted procedures for the conduct of meetings at all meetings of the Board. This will include, but not be limited to:

- behaving in a manner consistent with the letter and spirit of the Corporate Code of Conduct; and
- acting in accordance with the Constitution and Board policies.

Directors are expected to be forthright in Board meetings and have a duty to question, request information, raise any issue, and fully canvas all aspects of any issue confronting the Company, and cast their vote on any resolution according to their own judgment.

Outside the boardroom, however, Directors will support the letter and spirit of Board decisions in discussions with all stakeholders including any shareholders, special interest groups, customers, staff, suppliers and any other parties.

Directors will keep confidential all Board discussions and deliberations. Similarly, all confidential information received by a Director in the course of the exercise of the Director's duties remains the property of the Company and is not to be discussed outside the boardroom. It is improper to disclose it, or allow it to be disclosed, without appropriate authorisation.

4.3 Conflict of Interest and Related Party Transactions

4.3.1 Conflicts of Interest

Directors must disclose to the Board actual or potential conflicts that may, or may reasonably be thought to, exist between the interests of the Director and the interests of the Company. The definition of what constitutes a material interest is contained in the Company's Materiality Disclosure Policy. On appointment, Directors will have an opportunity to declare any such interests, which will be recorded in the Company's Register of Ongoing Conflicts of Interests.

Directors should update this disclosure by notifying the Company Secretary in writing as soon as they become aware of any conflicts. Directors are also expected to indicate to the Chairperson any actual or potential conflict of interest situation as soon as it arises.

The Board can request a Director to take reasonable steps to remove the conflict of interest. If a Director cannot or is unwilling to remove a conflict of interest then the Director must absent himself or herself from the room when discussion and voting occur on matters to which the conflict relates. The Company Secretary will minute the entry and exit of the Director concerned. Directors do not have to absent themselves when either:

- a conflict of interest relates to an interest common to all Company members/shareholders, or
- the Board passes a resolution that identifies the Director, the nature and extent of the Director's interest and clearly states that the other Directors are satisfied that the interest should not disqualify the Director concerned from discussion and/or voting on the matter.

4.3.2 Related Party Transactions

Related party transactions include any financial transaction between a Director or officer and the Company and will be reported in writing to each Board meeting.

In general, the Corporations Act requires related party transactions to be approved by the shareholders; the Board cannot approve these transactions. An exemption to this requirement occurs where the financial benefit is given on arm's length terms.

Related party for this process means:

- a. a spouse or de facto spouse of the Director or officer; or
- b. a parent, son or daughter of the Director or officer or their spouse or de facto spouse; or
- c. an entity over which the Director or officer or a related party defined in (a) or (b) has a controlling interest.

The Company Secretary will maintain a Register of Related Parties Transactions as well as the Register of Ongoing Conflicts of Interests.

4.4 Emergency Contact Procedures

As there is the occasional need for urgent decisions, Directors should leave with the Company Secretary any contact details, either for themselves or for a person who knows their location, so that all Directors can be contacted within 24 hours in cases of a written resolution or other business.

5. THE ROLE OF THE CHAIRPERSON

The Chairperson's role is a key one within the Company. The Chairperson is considered the "lead" Director and utilises his/her experience, skills and leadership abilities to facilitate the governance processes.

There are two main aspects to the Chairperson's role. They are the Chairperson's role within the boardroom and the Chairperson's role outside the boardroom.

5.1 Inside the Boardroom

Inside the boardroom the role of the Chairperson is to:

1. Establish the agenda for Board meetings in consultation with the Managing Director;
2. Chair Board meetings;
3. Ensure that Board meetings are effective in that the Board comes to clear decisions and resolutions are noted;
4. Brief all Directors in relation to issues arising at Board meetings;
5. Ensure that the decisions of the Board are implemented properly;
6. Ensure that the Board behaves in accordance with its Code of Conduct; and

7. Initiate and oversee the annual Board evaluation process.

5.2 Outside the Boardroom

Outside the boardroom the role of the Chairperson is to:

1. In conjunction with the Managing Director, undertake appropriate public relations activities;
2. Be the spokesperson for the Company at the AGM and in the reporting of performance and profit figures; and
3. Regularly review with the Managing Director progress on important initiatives and significant issues facing the Company, including being a sounding-board with the Managing Director on corporate strategy.

6. THE ROLE OF THE COMPANY SECRETARY

The Company Secretary is charged with facilitating the Company's corporate governance processes and so holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively. The Company Secretary is accountable to the Board, through the Chairperson, on all governance matters and reports directly to the Chairperson as the representative of the Board. The Company Secretary is appointed and dismissed by the Board and all Directors have as of right access to the Company Secretary.

The tasks of the Company Secretary include:

Meetings and Minutes

- notifying the directors in writing in advance of a meeting of the Board as specified in the Constitution;
- ensuring that the agenda and Board papers are prepared and forwarded to Directors prior to the Board meeting;
- recording, maintaining and distributing the minutes of all Board and Board Committee meetings as required;
- maintaining a complete set of Board papers at the Company's main office.
- preparing for and attending all annual and extraordinary general meetings of the Company; and
- recording, maintaining and distributing the minutes of all general meetings of the Company.

Compliance

- overseeing the Company's compliance program and ensuring all Company legislative obligations are met;

- ensuring all requirements of ASIC, the ATO and any other regulatory body are fully met; and
- providing counsel on corporate governance principles and Director liability.

Governance Administration

- maintaining the Register of Ongoing Conflicts of Interests and the Register of Related Party Transactions;
- maintaining a Register of Company Policies as approved by the Board;
- maintaining, updating and ensuring that all directors have an up-to-date copy of the Board Compliance Manual and associated governance documentation;
- maintaining the complete list of the delegations of authority;
- reporting at each Board meeting the documents executed under a power of attorney, documents executed in accordance with section 127 of the Corporations Act, and reporting on the use of the seal register; and
- any other services the Chairperson or Board may require.

7. THE ROLE OF THE MANAGING DIRECTOR

The Managing Director's primary objective is to ensure the ongoing success of the Company by being responsible for all aspects of the management and development of the Company. .

The Managing Director's specific responsibilities include:

- Develop, in conjunction with the Board, the Company's vision, values, and goals;
- Responsibility for the achievement of corporate goals and objectives;
- Development of short, medium and long term corporate strategies and planning to achieve the Company's vision and overall business objectives;
- Preparation of business plans;
- Assessment of business opportunities of potential benefit to the Company;
- Responsibility for proposals for major capital expenditure to ensure their alignment with corporation strategy and justification on economic grounds;
- Ensure statutory, legal and regulatory compliance and comply with corporate policies and standards; and
- Ensure appropriate risk management practices and policies are in place.

PART B – BOARD PROCESSES

8. BOARD MEETINGS

Board meetings are a fundamental component of governance processes because they are the main opportunity for directors to obtain and exchange information and make decisions.

8.1 Meeting Frequency

The Board will meet approximately 11 times per year but no less than six times per year.

8.2 Meeting Time and Location

The Board usually meets at Company’s headquarters located at 117 Quay Street, Brisbane, Queensland 4000.

8.3 Conduct of Meeting

The Chairperson is responsible for:

- ensuring that all members are heard;
- retaining sufficient control to ensure the authority of the Chair is recognised;
- encouraging discussion to take place “through the chair”;
- taking care that decisions are properly understood and well recorded; and
- ensuring that decisions and debate are completed with formal resolutions recording the conclusions reached.

8.4 Quorum and Voting at Meetings

In order for a decision of the Board to be valid, a quorum of directors must be present. In accordance with clause 106.1 of the Company’s Constitution, two Directors personally present (or in conference in accordance with clause 105.5 of the Constitution) form a quorum and a quorum must be present at all times during the meeting.

9. BOARD MEETING AGENDA

An agenda will be prepared for each Board and Committee meeting. The Company Secretary, in consultation with the Chairperson and the Managing Director is responsible for preparing an agenda for each Board meeting. However, any director may request the inclusion of additional items to the agenda for upcoming meetings.

10. BOARD PAPERS

10.1 Preparation and Circulation of Board Papers

The Company Secretary is responsible for the preparation and circulation of Board papers, which will be circulated to Directors at least 3 days before the Board meeting. If a Board paper relates to a matter where there is a known conflict of interest with a particular Director then the relevant Board paper will be removed by the Company Secretary, on the instructions of the Chairperson, from the set of Board papers sent to that Director. In the case of the Chairperson having a conflict of interest, the Board will appoint another Director to make final decisions on the forwarding of Board papers to the Chairperson.

10.2 Retention of Board Papers

The Company Secretary maintains a complete set of Board papers at the Company's headquarters. However, individual Directors may retain their own Board papers in a secure location.

11. BOARD MINUTES

Minutes of a Board Meeting will comply with the requirements of the Company's Constitution. They will present a concise summary of the matters discussed at the meeting and will contain a brief reference to relevant Board papers tabled, plus any official resolutions adopted by the Board.

12. BOARD CALENDAR

In order to provide an even distribution of work over each financial year, the Board will adopt a twelve-month Board Calendar. Included will be all scheduled board meetings as well as major corporate and Board activities. It will be updated and approved prior to the start of each calendar year.

13. COMMITTEES

Given its current size and status as a junior mineral exploration Company, the Board has made the decision to operate without committees. The full Board is considered to be the most efficient and cost-effective method for focusing the Company on specific issues such as director appointments and the audit function. As soon as the Company is of a size to require committees to oversee particular functions, appropriate policy documents will be developed to enable them to carry out their duties effectively

PART C – KEY BOARD FUNCTIONS

14. THE BOARD AND STRATEGY

Each year the Board will approve a formal strategic planning process that articulates that articulates the strategic plan for the Company. In particular, the board will oversee the development and implementation of an appropriate strategy by:

- Working with the senior management team to ensure that an appropriate strategic direction and array of goals are in place;
- Regularly reviewing and amending or updating the Company's strategic direction and goals;
- Ensuring that an appropriate set of internal controls are implemented and reviewed regularly;
- Overseeing planning activities including the development and approval of strategic plans, corporate budgets, capital expenditure budgets and cash flow budgets.
- Reviewing the progress and performance of the Company in meeting these plans and corporate objectives.

15. CONTACTS AND ADVISORY ROLE

15.1 Managing Director Advisory Role

A key directorial duty is to provide a sounding board for the Managing Director. The Chairperson is expected to play a key role and maintain regular contact with the Managing Director. Where appropriate, directors should recommend possible alternative advisers if they do not feel adequately trained to assist.

15.2 Protocol for interaction with External Parties

15.2.1 Media Contact and Comment

The Board has designated the Managing Director or the Chairperson (where appropriate) to speak to the press on matters associated with the Company. In speaking to the press, neither the Managing Director nor the Chairperson will comment on price sensitive information that has not already been disclosed to ASX. However, they may clarify previously released information.

Either the Chairperson or the Managing Director is authorised to comment on:

- Annual and half yearly results at the time of the release of the annual or half yearly report
- Resolutions to be put to General Meetings of the Company
- Changes in Directors, any matter related to the composition of the Board or Board processes
- Any speculation concerning Board meetings or the outcomes of Board meetings
- Other matters specifically related to shareholders
- The Company's future outlook
- Any operational matter
- Proposed or actual legal actions
- Queries and general discussion concerning the Company's industry

There will be times when Directors and employees will be approached by the media for public comment. On such occasions the Director(s) or employee(s) should comply with the following:

- refer the person to the Managing Director or Chairperson of the Board as appropriate for comment;
- refrain from disclosing any information, documents or other forms of data to the person without the prior consent of the Managing Director or the Chairperson of the Board;
- report the person who contacted the director/employee, the reason (explicit or inferred) for the contact and a summary of any other relevant information as soon as possible to the Managing Director or the Chairperson of the Board.

15.2.2 External Communications including Analyst Briefings and Responses to Shareholder Questions

The Company discloses its financial and operational results to the market each half year/quarter as well as informing the market of other events throughout the year as they occur. Quarterly financial reports, media releases and AGM speeches are all lodged with the ASX and subsequently posted to the Company's website. As all financial information is disclosed through the ASX, the Company will only comment on factual errors in information and underlying assumptions when commenting on market analysts' financial projections, rather than commenting on the projections themselves.

In addition to the above disclosures, the Company does conduct briefings and discussions with analysts and institutional investors. However, price sensitive information will not be discussed unless that particular information has been previously formally disclosed to the market via an ASX announcement. Slides and presentations used in briefings will also be released immediately prior to the briefing to the market via the ASX and posted on the Company's website.

15.3 Hospitality and Gifts

The Company recognises the need from time to time to give or accept customary business courtesies in accordance with ethical business practices. However, Directors and officers will not solicit such courtesies and will not accept gifts, services, benefits or hospitality that might influence, or appear to influence, the Directors' and officers' conduct in representing the Company.

16. MONITORING

Another essential function of the Board is to monitor the performance of the organisation in implementing its strategy and overall operational performance. The Board accomplishes this by:

- supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed
- approving and monitoring the progress of major capital expenditure, capital management, acquisitions and disposals (including farm-in, farm-out and joint venture agreements)
- approval of budgets
- approving and monitoring financial and other reporting
- liaising with the Company's external auditors
- monitoring, and ensuring compliance with, all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety.

17. COMPLIANCE

The Board is charged with overseeing, reviewing and ensuring the integrity and effectiveness of the Company's compliance systems. The Company Secretary is responsible for overseeing the Company's compliance systems and reporting to the Board on those systems.

18. RISK MANAGEMENT

Risk management is considered a key governance and management process. The primary objectives of the risk management system at the Company are to ensure:

- all major sources of potential opportunity for and harm to the Company (both existing and potential) are identified, analysed and treated appropriately;
- business decisions throughout the Company appropriately balance the risk and reward trade off;
- regulatory compliance and integrity in reporting is achieved; and

- senior management, the Board and investors understand the risk profile of the Company.

The risk management system covers:

- Operations risk
- Financial reporting
- Compliance.

The Board reviews all major strategies and purchases for their impact on the risk facing the Company. The Company also undertakes an annual review of operations to update its risk profile. This normally occurs in conjunction with the strategic planning process.

A risk profile of the Company is contained in the corporate governance section of the Company's website. In addition, the Managing Director and the Company Secretary provide a written assurance that the risk management system is effective, efficient and accurately reflected in the Company's financial statements.

19. DELEGATION OF AUTHORITY

Directors are responsible for any delegations of their responsibilities with regard to corporate operations. They decide, as a Board, which Company matters are delegated to either specific Directors or management. In addition, they outline what controls are in place to oversee the operation of these delegated powers.

Non-Executive Directors have no individual authority to participate in the day-to-day management of the Company including making any representations or agreements with member companies, suppliers, customers, employees or other parties or organisations.

The exception to this principle occurs where the Board through resolution explicitly delegates an authority to the Director individually. Similarly, any Committees and their members require specific delegations from the Board as a whole and these will be contained in each Committee's respective Terms of Reference as they are formed.

Executive Directors carry significant delegated authority by virtue of their management position as outlined in a relevant Board resolution.

19.1 General Delegations

In general, the Board delegates all powers and authorities required to effectively and efficiently carry out the Company's business to the Managing Director. Listed below are the exceptions to these delegations, whereby the Board reserves the powers as indicated.

19.2 Decisions Requiring Board Approval

The following decisions must be referred to the full Board for approval:

- Acquiring or selling shares of the Company;
- Acquiring, selling or otherwise disposing of property in excess of \$50,000 of the Company;

- Founding, acquiring or selling subsidiaries of or any Company within the Company, participating in other companies or dissolving or selling the Company's participation in other companies (including project joint ventures);
- Acquiring or selling patent rights, rights in registered trade marks, licences or other intellectual property rights of the Company;
- Founding, dissolving or relocating branch offices or other offices, plants and facilities;
- Starting new business activities, terminating existing business activities or initiating major changes to the field of the Company's business activities;
- Approving and/or altering the annual business plan (including financial planning) for the Company or any part of the Company;
- Taking or granting loans (including, without limitation, the issuing of promissory notes or loans against IOUs);
- Granting securities of any type;
- Granting loans to Company officers or employees and taking over guarantees for the Company's officers and employees;
- Determining the balance sheet strategy for the Company or any part of the Company;
- Entering into agreements for recurring, voluntary, or additional social benefits, superannuation agreements or agreements for general wage and salary increases;
- Determining the total amount of bonuses and gratuities for Company officers and employees;
- Determining the appointment, termination, prolongation of employment or amendment to conditions of employment of members of the Board of Directors; and
- Granting or revoking a power of attorney or limited authority to sign and/or act on behalf of the Company.

PART D – CONTINUING IMPROVEMENT

20. DIRECTOR PROTECTION

20.1 Access to Professional Advice

A Director of the Company is expected to exercise considered and independent judgment on the matters before them. To discharge this expectation a Director may, from time to time, need to seek independent, expert opinion on matters before them.

All Directors have the individual authority to commit the Company to up to \$2,000 per annum in professional advice.

Prior to seeking professional advice a director shall inform the Chairperson about the nature of the opinion or information sought, the reason for the advice, the terms of reference for the advice and the estimated cost of the advice. Where more than one Director is seeking advice about a single issue, the Chairperson shall endeavour to coordinate the provision of the advice.

If the cost of professional advice is likely to exceed \$2,000, the Director shall seek authority from the Chairperson prior to engaging an external expert. The Chairperson has delegated authority to authorise expenditures up to \$25,000. If the Chairperson withholds authorisation, the Director has the right to seek authority from the Board at the next Board meeting.

If the cost of professional advice is likely to exceed \$25,000, then the Board must approve the engagement of an external expert.

Advice so received should be received on behalf of the Board as a whole.

20.2 Access to Board Papers

Directors have the right to access board papers as granted by the Corporations Act. A full set of Board Papers is kept at the Company's headquarters located at 117 Quay Street, Brisbane, Queensland 4000.

20.3 Insurance

The Company is currently investigating the availability and costs of Directors and Officers' Insurance. This matter will be resolved when the outcomes are known.

21. BOARD EVALUATION

The Board considers the evaluation of its own and senior executive performance as fundamental to establishing a culture of performance and accountability. Individual directors and the Board as a whole undertake regular performance evaluation.

21.1 The Full Board

The Board considers the ongoing development and improvement of its own performance as a critical input to effective governance. The Chairperson undertakes a review of the Board's performance at least once a year at a special meeting of the Board. Board performance is evaluated in relation to goals that are set at the time of the Board's annual strategic planning session.

21.2 Non-Executive Director Evaluation

The Chairperson provides each non-executive Director with confidential feedback on his or her performance. This feedback is used to prepare a development plan for each Director. The Board does not endorse the reappointment of a Director who is not satisfactorily performing the role.

21.3 Executive Director Evaluation

The Non-executive Directors are responsible for regularly evaluating the Managing Director's performance. This evaluation is based on the Company's business performance and whether strategic objectives are being achieved. Performance pay components of executives' packages are dependent on the outcome of the evaluation.

22. NON-EXECUTIVE DIRECTOR REMUNERATION

22.1 Fees

Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. The full Board determines the sum each Non-Executive Director is paid, from time to time.

22.2 Performance-Based Bonus

Non-Executive Directors do not receive performance-based bonuses.

22.3 Equity-Based Remuneration

Non-Executive Directors do not participate in equity schemes of the Company.

22.4 Other Benefits

Non-Executive Directors are entitled to statutory superannuation.

23. DIRECTOR DEVELOPMENT

All Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified. Directors are also encouraged to undertake self-development where appropriate.

Any Director wishing to undertake either specific directorial training or personal development courses is expected to approach the Chairperson for approval of the proposed course. Development may be in both governance and governance processes or in the Company's industry.

24. DIRECTOR INDUCTION

New directors will undergo an induction process in which they will be given a full briefing on the Company. This will include meeting with key executives, tours of the premises, an induction package and presentations. Information conveyed to the new Director will include:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment;
- details of all relevant legal requirements including:
 - Corporations Act;
 - Tax Office requirements; and
 - other major statutory bodies;
- a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board including anticipated regulatory changes;
- background information on and contact information for key people in the organisation including an outline of their roles and capabilities;
- an analysis of the Company including:
 - core competencies of the Company;
 - an industry background briefing;
 - a recent competitor analysis;
 - details of past financial performance;
 - current financial structure; and
 - any other important operating information;
- a synopsis of the current strategic direction of the Company including a copy of the current strategic plan and annual budget;
- a copy of the Constitution of the Company; and
- Directors Deed of Indemnity and Right of Access to Documents, if applicable.