



## Composition of the Board Policy

### 1. Independent of Directors

The Board supports the principle of having a majority of non-executive and independent Directors.

In the early stages of the Company's development other competing priorities which may impact on the Board's structure could be of greater importance, in terms of increasing Shareholder value, than the independence of Directors.

### 2. Independent of Chairperson

The Chairperson of the Board of Directors shall be an independent director.

### 3. Assessing independence

Independence is assessed by reference to the Company's policy on assessing independence, listed at 'Appendix A' of this policy.

### 4. Roles of Managing Director and Chairperson

The roles of the Chairperson and Managing Director should not be exercised by the same individual.

### 5. Composition of the Board

The composition of the board is determined using the following principles:

- a minimum of three directors, but no more than 10 directors,
- a maximum period of 3 years service, eligible for re-election,
- one third of all directors must retire at each annual general meeting, and are eligible for re-election.

### 6. Appointment of new members of the Board

The Board's policy for determining the selection and appointment of new directors includes consideration of:

- the quality of the individual,

- background of experience and achievement,
- compatibility with other Board members,
- credibility within the Group's scope of activities,
- intellectual ability to contribute to Board's duties, and;
- physical ability to undertake Board's duties and responsibilities,

Directors are initially appointed by the full Board subject to election by shareholders at the next general meeting.

## **7. Adoption of the policy**

This policy and these procedures were formally adopted by resolution of the Directors of the Company on 23 September 2009.

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## **Appendix A**

An independent director is a non-executive director (i.e. is not a member of management) and:

1. Is not a substantial holder<sup>1</sup> of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company.
2. Within the last three years has not been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment.
3. Within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided.
4. Is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
5. Has no material contractual relationship with the Company or another group member other than as a director of the Company.
6. 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.
7. 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.

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<sup>1</sup> For this purpose a "substantial holder" is a person with a substantial holding as defined in section 9 of the Corporations Act, equals 5%.