

The Board Charter

Updated 17 November 2010

The Role of the Board

As the Board acts on behalf of the shareholders and is accountable to the shareholders, the Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. The Board of Directors of AVJennings Limited is responsible for the corporate governance and business strategy of the Company. It establishes strategies and financial objectives to be implemented by management and monitors standards of performance directly or through its Committees. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The Board seeks to discharge these responsibilities in a number of ways.

The responsibility for the day to day operation and administration of the Company and the entities it controls is delegated by the Board to the Chief Executive Officer. The Board ensures that the Chief Executive Officer is appropriately qualified and experienced to discharge his responsibilities and has in place procedures to assess his performance.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved. These mechanisms include the following:

- § The establishment of appropriate Board Committees to advise, review and approve management actions to ensure they are in line with company policy;
- § Board approval of a strategic plan, which is designed to meet stakeholders' needs and manage business risk. The strategic plan is a dynamic document and the Board is actively involved in developing and approving it;
- § Board approval of initiatives and strategies designed to ensure the continued growth and success of the entity;
- § Board approval and implementation of operating plans and budgets by management and Board monitoring of progress against budget
 - this includes the establishment and monitoring of key performance indicators (both financial and non-financial) for all significant business processes;
 - The establishment of committees or management reporting mechanisms and policies to manage and report on regulatory requirements such as occupational health and safety;
 - The establishment of financial delegations by the Board, applying to management and staff;
 - The review and ratification of systems of risk management and internal compliance and control, codes of conduct and legal compliance;
 - The approval of and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
 - The approval and monitoring of financial and other reporting;

- § Directors are permitted in the furtherance of their duties to seek independent professional advice at the Company's expense. Prior approval of the Chairman is required but this may not be unreasonably withheld. Any legal advice obtained must be made available to all directors;
- § To select and appoint (and if appropriate, remove from office) the Chief Executive Officer and determine his/her conditions of service;
- § To ratify the appointment (and if appropriate, the removal from office) of the Chief Financial Officer and the Company Secretary;
- § Board members have direct access to executives below the Chief Executive Officer. It is not intended that such access will consist of directives given by the Directors to such executives, but rather so that the Board may receive first hand advice regarding the Company's operations; and
- § It is the practice of the Board to occasionally meet at different locations for the purposes of meeting executives who would not otherwise have any regular contact with the Board and also for observing operations first hand.

Composition of the Board

The Board determines Board size and composition subject to the limitations imposed by the Corporations Law.

The Board has adopted the following guidelines regarding its composition:

- § the Board should comprise at least five Directors, increasing where additional expertise is considered desirable in certain areas;
- § the Board should include both executive and non-executive directors with a majority of non-executive directors;
- § the non-executive directors should include independent and non-independent directors;
- § the Board should comprise Directors with an appropriate range of qualifications and expertise, both nationally and internationally; and
- § the Board shall meet at least four times a year and follow the guidelines for Board Meetings. All Directors will be made aware of, and have available all necessary information to participate in an informed discussion of all agenda items.

Guidelines for Board Meetings

The guidelines for Board meetings are:

- § directors to be given an annual program of Board meetings which is reviewed annually in advance. For any other Board meeting, 7 days notice must be given where possible;
- § directors to nominate agenda items as soon as practicable and no later than five (5) days prior to Board meetings;
- § agenda for Board meetings to be distributed no later than five (5) days prior to Board meetings; and
- § where practicable, all supporting papers relating to agenda items should be distributed with the agenda.

Nomination and Election of Directors

Pursuant to the Company's Constitution, the Board can at any time appoint any qualifying person to be a Director. That person holds office until the next Annual General Meeting and is then eligible for election at that meeting. The Company's Constitution does not require the Managing Director to retire by rotation.