



Corporate Governance Statement (Last updated 21 September 2011)

Fairstar Resources Limited ABN 38 115 157 689

1 Principle 1 – Lay solid foundations for management and oversight	3
Responsibilities of the Board	
Chairperson.	
Managing Director/Chief Executive Officer.	
Executive Director, Exploration	
Company Secretary	
Performance Evaluation.	
Reporting.	
2 Principle 2 - Structure the Board to add value	5
Composition of the Board	
Independent Directors	
Chairperson.	
Independent decision- making	
Independent advice.	
Procedure for selection of new directors	
Induction and education.	
Access to information	
Reporting	
3 Principle 3: Promote ethical and responsible decision-making.	7
Code of conduct	
Diversity	
Reporting	
4 Principle 4: Safeguard integrity in financial reporting	8
Audit Committee	
Composition of Audit Committee	
Reporting	
5 Principle 5: Make timely and balanced disclosure	9
Disclosure Policy	
Reporting	
6 Principle 6: Respect the rights of shareholders.	10
Communication with Shareholders	
General Meetings	
Reporting	
7 Principle 7: Recognise and manage risk	11
Chief Executive Officer	
Verification of financial reports.	
Reporting.	



8 Principle 8: Remunerate fairly and responsibly
Director and senior executive remuneration policies
Remuneration Committee
Reporting.

12



Principle 1 – Lay solid foundations for management and oversight

Responsibilities of the Board

1.1 The Board is responsible for the following matters:

1.1.1 ensuring the Company's conduct and activities are ethical and carried out for the benefit of all its stakeholders;

1.1.2 development of corporate strategy, implementation of business plans and performance objectives;

1.1.3 reviewing, ratifying and monitoring systems of risk management, codes of conduct, and legal and regulatory compliance;

1.1.4 the appointment of the Company's Managing Director (or equivalent), Chief Financial Officer, Company Secretary and other senior executives;

1.1.5 monitoring senior executives' performance and implementation of strategy;

1.1.6 determining appropriate remuneration policies;

1.1.7 allocating resources and ensuring appropriate resources are available to management;

1.1.8 approving and monitoring the annual budget, progress of major capital expenditure, capital management, and acquisitions and divestitures;

1.1.9 approving and monitoring financial and other reporting;

1.1.10 appointing the external auditor (where applicable, based on recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company; and

1.1.11 convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities (not less than one per month).

Chairperson

1.2 The Chairperson is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's business. The Chairperson should facilitate the effective contribution of all directors and promote constructive and respectful relations between directors and between the Board and management of the Company. The Chairperson is responsible for briefing directors on issues arising at Board meetings.

The Company, since the resignation of Ken Allen in December 2010, has not nominated a Chairperson. Pending the appointment of a new Chairperson, the Managing Director is currently undertaking the above responsibilities.



Managing Director

1.3 The Managing Director is responsible for running the affairs of the Company under delegated authority from the Board. In carrying out his or her responsibilities the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results. The Managing Director is ultimately responsible for communications with shareholders and arranging Board performance evaluation.

Executive Director, Exploration

1.4 The role of the Executive Director, Exploration is to set exploration programs/budgets, maintain Company projects in good standing, supervise exploration and introduce new projects to the Board. In carrying out his or her responsibilities the Executive Director, Exploration must report to the Board in a timely manner and ensure all reports to the Board represent a true and fair view of the Company's assets and operational results.

Company Secretary

1.5 The Company Secretary is responsible for monitoring the extent that Board policy and procedures are followed, and coordinating the timely completion and dispatch of Board agenda and briefing material. All directors are to have access to the Company Secretary.

Role and Responsibility of Management

1.6 The role of management is to support the managing director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Management is responsible for reporting all matters in first instance to the managing director or, if the matter concerns the managing director, then directly to the chairperson or the lead independent director, as appropriate.

Performance Evaluation

1.7 The Chairperson and/or the Managing Director shall review the performance of each executive at least once every calendar year with reference to the terms of their employment contract.

Reporting

1.8 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 1.



Principle 2 - Structure the Board to add value

Composition of the Board

2.1 The Board should be of a size and composition that is conducive to making appropriate decisions. The Board should be large enough to incorporate a variety of perspectives and skills, and to represent the best interests of the Company as a whole rather than of individual shareholders or interest groups. It should not, however, be so large that effective decision-making is hindered. The current Constitution of the Company allows for a minimum of three and a maximum of eight directors.

Independent Directors

2.2 The Company will regularly review whether each non-executive director is independent and each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independence status changes this should be disclosed and explained to the market in a timely fashion.

2.3 The Company should endeavour to ensure that it has at least one independent director at all times, subject to the right of shareholders in general meeting to elect and remove directors.

Chairperson

2.4 The company policy is to require the Chairperson to be a non-executive director. In the event that the Company has a non-executive Chairperson, that person should be an independent director. In the event that the Company has an executive Chairperson, a deputy Chairperson should be an independent director will be appointed. The Chairperson should not be the Managing Director of the Company. The Chairperson's other positions should not be such that they are likely to hinder the effective performance of their role of Chairperson of the Company.

The Company, since the resignation of Ken Allen in December 2010, has not yet appointed a replacement Chairperson.

Independent decision- making

2.5 All directors – whether independent or not - should bring an independent judgment to bear on Board decisions. Non-executive directors are encouraged to confer regularly without management present. Their discussions are to be facilitated by the Chairperson, if he or she is independent or the deputy Chairperson. Non-executive directors should inform the Chairperson before accepting any new appointments as directors.



Independent advice

2.6 To facilitate independent decision making, the Board and any committees it convenes from time to time may seek advice from independent experts whenever it is considered appropriate. With the consent of the Managing Director, individual directors may seek independent professional advice, at the expense of the Company, on any matter connected with the discharge of their responsibilities.

Procedure for selection of new directors

2.7 The Company believes it is not of a size to justify having a Nomination Committee. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board believes corporate performance is enhanced when the Board has an appropriate mix of skills and experience.

2.8 In support of their candidature for directorship or re-election, non-executive directors should provide the Board with details of other commitments and an indication of time available for the Company. Prior to appointment or being submitted for re-election non-executive directors should specifically acknowledge to the Company that they will have sufficient time to meet what is expected of them. Re-appointment of directors is not automatic.

Induction and education

2.9 The Board has an informal induction program to enable new directors to gain an understanding of the Company.

2.10 Directors will have reasonable access to continuing education to update and enhance their skills and knowledge, including education concerning key developments in the Company and in the mining and resources industry.

Access to information

2.11 The Board has the right to obtain all information from within the Company which it needs to effectively discharge its responsibilities.

2.12 Senior executives are required on request from the Board to supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.

Reporting

2.13 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 2.



Principle 3: Promote ethical and responsible decision-making

Code of conduct

3.1 The Board has adopted the Code of Conduct set out at Appendix A to promote ethical and responsible decision making by directors, management and employees. The Code embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of stakeholder opportunity.

3.2 The Board is responsible for ensuring that training on the Code of Conduct is provided to staff and officers of the Company.

3.3 The Board is responsible for making advisers, consultants and contractors aware of the Company's expectations set out in the Code of Conduct.

Diversity

3.4 The Board has not yet adopted a Diversity Policy on achieving gender, age and ethnic diversity in the Company's employees.

3.5 The Managing Director and the Company Secretary will be responsible for ensuring the policy, once adopted, is brought to the attention of all affected persons and for monitoring compliance with the policy.

Reporting

3.6 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 3.



Principle 4: Safeguard integrity in financial reporting

Audit Committee

4.1 The Board has established an Audit Committee pursuant to the Audit Committee Charter set out at Appendix D.

4.2 The Audit Committee's mandate is to review the integrity of the Company's financial reporting and oversee the independence and competence of the external auditors.

Composition of Audit Committee

4.3 Members of the Audit Committee are directors of the Company appointed by the Board and the committee is structured as follows:

4.3.1 consists only of non-executive directors unless the Chairperson is an executive director in which case it may include the Chairperson;

4.3.2 is chaired by a non-executive director; and

4.3.3 has at least three members (or less if there are less than three non-executive directors appointed to the Board).

Reporting

4.4 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 4.



Principle 5: Make timely and balanced disclosure

Disclosure Policy

5.1 The Board has adopted a Disclosure Policy for ensuring timely and accurate disclosure of price-sensitive information to shareholders through the ASX set out in Appendix C.

5.2 The Disclosure Policy ensures that:

5.2.1 all investors have equal and timely access to material information concerning the Company including its financial position, performance, ownership and governance; and

5.2.2 Company announcements are subjected to a vetting and authorization process designed to ensure they:

(a) are released in a timely manner;

(b) are factual;

(c) do not omit material information; and

(d) are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

Reporting

5.3 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 5.



Principle 6: Respect the rights of shareholders

Communication with Shareholders

6.1 The Board is committed to open and accessible communication with holders of the Company's shares. Disclosure of information and other communication will be made as appropriate by mail or email.

6.2 The Company's website will also be used to provide additional relevant information to security holders. The Board considers the following to be appropriate features for the Company's website:

6.2.1 placing the full text of notices of meeting and explanatory material on the website;

6.2.2 providing information about the last three years' press releases or announcements plus at least three years of financial data on the website; and

6.2.3 providing information updates to security holders on request by email.

General Meetings

6.3 The Company is committed to improving shareholder participation in general meetings. In order to achieve that objective, the Company has adopted guidelines of the ASX Corporate Governance Council for improving shareholder participation through the design and content of notices and through the conduct of the meeting itself.

Reporting

6.4 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 6.



Principle 7: Recognise and manage risk

Establishment and Review of Policies

7.1 The identification and development of strategies to mitigate risks associated with Fairstar Resources Limited's operation is the responsibility of the Board. The Board recognises that as the Company progresses through exploration to evaluation, development, and mining, there are new issues and risks that need to be prudently addressed. If necessary, the Board draws on the expertise of external consultants to assist in dealing with and mitigating risk.

The company is not currently considered to be of a size, nor its affairs of such complexity to justify the implementation of a formal system for identifying, assessing, monitoring and managing risk in the organisation.

The Company does not have an internal audit function.

Verification of financial reports

7.2 The Managing Director (or equivalent) and Chief Financial Officer (or equivalent) are required by the Company to state the following in writing prior to the Board making a solvency declaration pursuant to section 295(4) of the Corporations Act:

7.2.1 that the Company's financial reports contain a true and fair view, in all material respects, of the financial condition and operating performance of the Company and comply with relevant accounting standards; and

7.2.2 that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.

Reporting

7.3 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 7.



Principle 8: Remunerate fairly and responsibly

Director and senior executive remuneration policies

8.1 The Company's remuneration policy is structured for the purpose of:

8.1.1 motivating senior executives to pursue the long-term growth and success of the Company; and

8.1.2 demonstrating a clear relationship between senior executives' performance and remuneration.

8.2 The Board's responsibility is to set the level and structure of remuneration for officers (including but not limited to directors and secretaries) and executives, for the purpose of balancing the Company's competing interests of:

8.2.1 attracting and retaining senior executives and directors; and

8.2.2 not paying excessive remuneration.

8.3 Executive Directors' remuneration is structured to reflect short and long-term performance objectives appropriate to the Company's circumstances and goals.

8.4 Executive directors' and senior executives' remuneration packages involve a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.

8.5 Non-executive directors' remuneration is formulated with regard to the following guidelines:

8.5.1 non-executive directors are normally remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or equity, usually without participating in schemes designed for the remuneration of executives;

8.5.2 non-executive directors are not to be provided with retirement benefits other than superannuation.

8.6 No director may be involved in setting their own remuneration or terms and conditions and in such a case relevant directors are required to be absent from the full Board discussion.

Remuneration Committee

8.7 The Board has established a Remuneration Committee.

Charter

8.8 A copy of the Remuneration Committee Charter is attached at Appendix E.

Composition of Remuneration Committee

8.9 The Remuneration Committee should be structured so that it:

- consists of a majority of independent directors
- is chaired by an independent director
- has at least three members.



The Remuneration Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

Reporting

8.10 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 8.



Appendix A – Code of Conduct

Introduction

1 This Code of Conduct sets out the standards which the Board, management and employees of the Company are encouraged to comply with when dealing with each other, the Company's shareholders and the broader community.

Responsibilities to shareholders

2 The Company aims:

2.1 to increase shareholder value within an appropriate framework which safeguards the rights and interests of shareholders; and

2.2 to comply with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity.

Responsibilities to clients, employees, suppliers, creditors, customers and consumers

3 The Company is to comply with all legislative and common law requirements which affect its business.

Employment practices

4 The Company will employ the best available staff with skills required to carry out the role for which they are employed. The Company will ensure a safe workplace and maintain proper occupational health and safety practices.

Responsibility to the community

5 The Company will recognise, consider and respect environmental, native title and cultural heritage issues which arise in relation to the Company's activities and comply with all applicable legal requirements.

Responsibility to the individual

6 The Company recognises and respects the rights of individuals and will comply with the applicable legal rules regarding privacy and confidential information.

Obligations relative to fair trading and dealing

7 The Company will deal with others in a way that is fair and will not engage in deceptive practices.

Business courtesies, bribes, facilitation payments, inducements and commissions

9 Corrupt practices are unacceptable to the Company. It is prohibited for the Company or its directors, managers or employees to directly or indirectly offer, pay, solicit or accept bribes or any other corrupt arrangements.

Conflicts of interest



Share Trading Policy

1. Introduction

FairStar Resources Limited (Company) has adopted a share trading policy to regulate dealings by the Company's employees in shares, options and other securities issued by the Company.

2. Purpose

The purpose of this policy is to ensure that the Company's employees are aware of the legal restrictions of trading securities while such a person is in possession of unpublished price sensitive information concerning the Company and any of its subsidiaries.

In addition, the policy is intended to minimise the possibility that misunderstandings or suspicions arise that the Company's employees are trading while in possession of unpublished price sensitive information.

3. Employees covered by this policy

In the context of this policy, employees include:

- (a) Executive and non-executive directors, company secretaries, and full time, part-time and casual employees; and
- (b) a trust, company or investment vehicle controlled by any of the above.

4. Market Sensitive Information

Unpublished price sensitive information is information which a reasonable person would expect to have a material effect on the price or value of the Company's securities. Examples may include:

- (a) the financial results of the Company and any of its subsidiaries;
- (b) projections of future earnings or losses;
- (c) news of a new joint venture (or the loss of a joint venture partner); and
- (d) changes in senior management.

It should be noted that either positive or negative information may be material.

5. Restrictions on Trading

In these rules, reference to "securities" include shares, units in trusts, debentures, prescribed interests and rights or options to subscribe for shares, units, debentures or prescribed interests.

5.1. General Prohibition

Consistent with the legal prohibitions on insider trading contained in the Corporations Act, all employees are prohibited from trading in the Company's securities while in possession of unpublished price sensitive information.

An employee, whilst in possession of unpublished price sensitive information, is subject to 3 restrictions:

- (a) they must not deal in securities affected by information;
- (b) they must not cause or procure anyone else to deal in those securities; and
- (c) they must not communicate the information to any person if they know or ought to know that the other person will use the information, directly or indirectly, for dealings in securities.



If after you have placed an order to buy or sell FAS securities:

- you come into possession of relevant information; and
- your order has not been filled,

you must cancel that order.

5.2. Cancellation of ability to trade

The ability to trade in the Company's securities may be closed at any time by direction of the Managing Director or a majority of directors. This is not required to be communicated to directors, however the Managing Director shall use his best endeavours to do so.

5.3. Prohibition on active trading

Dealing in the securities of FAS is subject to the prohibition that FAS Officers must not engage in the business of active dealing in FAS securities. This means that a FAS Officer must not actively trade in FAS securities with a view to deriving profit related income from that activity. "Active trading" for this purpose means to deal in FAS securities in a manner which involves frequent and regular trading activity.

5.4. Approval for Trading

- Directors of FAS must notify the Chairman, and if there is no Chairman or the Chairman is unavailable, the Managing Director, of their intention to deal in FAS securities.
- The Chairman must notify the MD of his/her intention to deal in FAS securities.
- All staff must notify the Company Secretary of their intention to deal in FAS securities.
- All Directors and staff must notify the Company Secretary once the proposed trading has occurred.

5.5. Blackout Periods - Additional restrictions for employees

All employees of the Company will be under an additional obligation to not trade in the securities of the Company during the following periods:

- one week before and 24 hours after the release of the Company's quarterly, half yearly or annual report to the ASX; and
- one week before lodgement and during the period that a disclosure document including a prospectus is open for applications except to the extent that a Director or employee is applying for securities pursuant to that disclosure document.
- Trading during a blackout period is subject to Section 5.6 below:

5.6. Trading under exceptional circumstances

FAS Personnel, who are not in possession of inside information, may be given prior written clearance to sell or otherwise dispose of the securities of the Company during a prohibited period under the Trading Policy due to the following listed exceptional circumstances:

- (a) The person is in severe financial hardship; or
- (b) The person is required by a court order;

In recognition of the case that exceptional circumstances, by their nature, cannot always be specified in advance, it is envisaged that there may be other circumstances that have not been specified in this policy. The Chairman, or in his absence the Managing Director, may deem that a circumstance not listed above is exceptional based on evidence presented to them and may grant written approval.



It is the responsibility of the Chairman of the Board or in his absence the Managing Director to determine if the situation is sufficient to meet one or more of the exceptional circumstances listed above. Any request must be accompanied by a Securities Trading Request Notice and must contain adequate details of the exceptional circumstances for consideration. Requests can be made to the Chairman, or in his absence the Managing Director, through the Company Secretary. Written clearance in the form of an email is acceptable.

At all times consideration must be given to the ASX Listing Rules and any discretion made under the section should be exercised with caution. Any approval should include details of the duration for which clearance to trade under the exceptional circumstances may be given and should not exceed 3 business days.

6. Corporations Act

The requirements imposed by this policy are separate from the insider trading provisions contained in the Corporations Act.

Anyone who contravenes the prohibitions against insider trading contained in the Corporations Act will be guilty of an offence and risks substantial fines and/or imprisonment.

7. Summary

This policy is designed to clarify the obligations on employees, including directors and officers, in relation to trading in the Company's securities, and to help them should they wish to buy and sell Company securities.

All queries regarding issues raised in this policy should be directed to the Company Secretary.

FORM OF ACKNOWLEDGEMENT BY EMPLOYEE

1. **I have read and understood the document titled "Share Trading Policy".**
2. **I agree to be bound by and to comply with the Share Trading Policy.**
3. **I acknowledge and agree that the Share Trading Policy constitutes a variation of the terms of my appointment as a Director, Officer or Employee.**

Signature:

Name:

Date:

To be returned to the Company Secretary on completion.



Appendix C - Disclosure Policy

Disclosure Requirements

1 The Company recognises its duties pursuant to the continuous disclosure rules of the ASX Listing Rules and Corporations Act to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities.

2 Subject to certain exceptions (in ASX Listing Rule 3.1A), the Company is required to immediately release to the market information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Responsibilities of directors' officers and employees

3 The Board as a whole is primary responsibility for ensuring that the Company complies with its disclosure obligations and for deciding what information will be disclosed. Subject to delegation, the Board is also responsible for authorising all ASX announcements and responses of the Company to ASX queries.

4 Every director, officer and employee of the Company is to be informed of the requirements of this policy and must advise the Managing Director, Chairperson or Company Secretary as soon as possible (and prior to disclosure to anyone else) of matters which they believe may be required to be disclosed.

Authorized Disclosure Officer

5 The Board has delegated its primary responsibilities to communicate with ASX to the following Authorized Officer:

5.1 the Company Secretary; or

5.2 in the absence of the Company Secretary, the Managing Director, or a designated Executive Director who is authorised to act in that capacity by the Board.

Responsibilities of Authorized Disclosure Officer

6 Subject to Board intervention on a particular matter, the Authorized Officer is responsible for the following:

6.1 monitoring information required to be disclosed to ASX and coordinating the Company's compliance with its disclosure obligations;

6.2 ASX communication on behalf of the Company, authorising Company announcements and lodging documents with ASX;

6.3 requesting a trading halt in order to prevent or correct a false market;

6.4 providing education on these disclosure policies to the Company's directors, officers and employees; and

6.5 ensuring there are vetting and authorisation processes designed to ensure that Company announcements:

6.5.1 are made in a timely manner;

6.5.2 are factual;

6.5.3 do not omit material information;



6.5.4 are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

7 An authorised Disclosure Officer must be available to communicate with the ASX at all reasonable times, and are responsible for providing contact details and other information to ASX to ensure such availability.

Measures to avoid a false market

8 In the event that ASX requests information from the Company in order to correct or prevent a false market in the Company's securities, the Company will comply with that request. The extent of information to be provided by the Company will depend on the circumstances of the ASX request.

9 If the Company is unable to give sufficient information to the ASX to correct or prevent a false market, the Company will request a trading halt.

10 If the full Board is available to consider the decision of whether to call a trading halt, only they may authorise it, but otherwise, the Authorized Disclosure Officer may do so.

ASX Announcements

11 Company announcements of price sensitive information are subjected to the following vetting and authorisation process to ensure their clarity, timely release, factual accuracy and inclusion of all material information:

11.1 The Authorized Officer must prepare ASX announcements when required to fulfill the Company's disclosure obligations.

11.2 Proposed announcements must be approved by the Managing Director or in his or her absence, urgent announcements may be approved by the Company Secretary or Chairperson or any other person expressly authorised by the Board.

11.3 Announcements must first be released to the ASX Announcements Platform before being disclosed to any other private or public party (such as the media). After release of the announcement, it must be displayed on the Company's website, following which the Company can then release such information to media and other information outlets.

11.4 Wherever practical, all announcements must be provided to the directors, Managing Director (or equivalent) and Company Secretary prior to release to the market for approval and comment.

Confidentiality and unauthorised disclosure

12 The Company must safeguard the confidentiality of information which a reasonable person would expect to have a material effect on the price or value of the Company's securities. If such information is inadvertently disclosed, the Authorized Disclosure Officer must be informed of the same and must refer it to the Managing Director (or equivalent) and Chairperson as soon as possible.



External communications and Media Relations

13 The Chairperson and Managing Director (or equivalent) are authorised to communicate on behalf of the Company with the media, government and regulatory authorities, stock brokers, analysts and other interested parties or the public at large. No other person may do so unless specifically authorised by the Chairperson, Managing Director (or equivalent).

14 All requests for information from the Company must be referred to the Authorized Disclosure Officer for provision to the Chairperson and Managing Director (or equivalent).

Breach of Disclosure Policy

15 Serious breaches of this disclosure policy may be treated with disciplinary action, including dismissal, at the discretion of the Board.

16 Where the breach is alleged against a member of the Board, that director will be excluded from the Board's consideration of the breach and any disciplinary action for the Company to take.



Appendix D Audit Committee Charter

Introduction

1 The Company recognises its obligations pursuant to ASX Listing Rule 12.7 to have an Audit Committee.

Responsibilities of the Audit Committee

2 The Audit Committee is entrusted by the Board to provide appropriate quality assurance regarding procedures and processes in relation to the following responsibilities:

2.1 external audit function:

2.1.1 review and oversee the planning process for external audits;

2.1.2 review the overall conduct of the external audit process including the independence of all parties to the process;

2.1.3 review the performance of the external auditors;

2.1.4 consider the reappointment and proposed fees of the external auditor; and

2.1.5 where appropriate seek tenders for the audit and where a change of external auditor is recommended this will be reported to the Board for submission to shareholders for shareholder approval;

2.2 reviewing the quality and accuracy of published financial reports;

2.3 reviewing the accounting function and ongoing application of appropriate accounting and business policies and procedures; and

2.4 any other matters that the Board may refer to the Audit Committee from time to time.

Authority

3 The Company's Audit Committee has the following authority:

3.1 to request management to attend meetings and to provide advice or information in the form required by the Audit Committee, and to request attendance by or information from a Company director with prior authority of the Chairperson;

3.2 through the Chairperson of the Audit Committee to contact external regulatory agencies directly in circumstances where the Audit Committee considers it is appropriate with all such contact documented clearly by the Audit Committee Chairperson; and

3.3 for the Audit Committee Chairperson on behalf of the Audit Committee to seek independent legal advice at the expense of the Company in circumstances where the Audit Committee Chairperson considers it is appropriate.

Secretary of the Audit Committee

4 The Secretary to the Board shall be the Secretary to the Audit Committee.

Conduct of meetings

5 The Audit Committee shall meet at least two times each year. Beyond this the Audit Committee Chairperson will arrange meetings as often as required as to allow the Audit Committee to fulfill its obligations.



6 The Audit Committee Chairperson is required to call a meeting of the Audit Committee if requested to do so by the Chairperson of the Board, by any Audit Committee member or by the external auditor.

7 The quorum for an Audit Committee meeting shall be a minimum of two members.

8 Audit Committee meeting agendas will be sent to Audit Committee members in advance of meetings wherever practicable.

9 The Secretary shall maintain minutes of all meetings of the Audit Committee and these minutes shall be signed by the Chairperson of the Audit Committee and approved by the Audit Committee at the next Audit Committee meeting or sooner if required.

10 The minutes of each Audit Committee meeting will be tabled at the next Board meeting.

11 The Secretary shall assist the Audit Committee Chairperson in dealing with the meeting agenda, providing documentation to Audit Committee members and any communications with Audit Committee members.

Voting

12 Each member of the Audit Committee shall have one vote.

13 In the case of equality of voting, the Audit Committee Chairperson shall have a casting vote in addition to his deliberative vote.

Who attends Audit Committee meetings

14 All Audit Committee members are expected to attend Audit Committee meetings.

15 Any members of the Board may attend Audit Committee meetings.

16 The Audit Committee Chairperson may request the Audit Committee to meet with only non-executive directors present and may require that only Audit Committee members be present at all or part of a meeting.

17 The Audit Committee Chairperson may invite representatives of the external auditor and the Company management to attend all or part of any Audit Committee meeting. The external auditor shall attend an Audit Committee meeting at least once in each annual reporting cycle.

Audit Committee review and reporting

18 The Audit Committee is required to undertake an annual performance review of its own activities and the Chairperson of the Audit Committee shall report to the Board on the Audit Committee's performance annually. This review will assess the performance of the Audit Committee against the objectives contained in this document and other relevant criteria as approved by the Board.

19 The Audit Committee activities and functions shall be reviewed annually by the Board and its activities and functions may be revised in the interests of better meeting the needs of the shareholders as owners of the Company as a whole.

20 The Audit Committee will report to shareholders through the Annual Report. Information to be provided will include:

20.1 full description of the Audit Committee's composition;

20.2 an outline of Audit Committee responsibilities; and

20.3 any other information required by law or the ASX Listing Rules.



Appendix E Remuneration Committee Charter

Composition

1 The Remuneration Committee shall comprise a minimum of two members, the majority being independent directors. The Committee shall be chaired by an independent director. From time to time, non Committee members may be invited by the Committee to attend meetings of the Committee, if it is considered appropriate.

Role

2 The function of the Committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations on:

- (a) remuneration packages of executive directors, non-executive directors and senior executives; and
- (b) employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Operations

3 The Committee shall meet at least once a year and otherwise as required. Minutes of all meetings of the Committee are to be kept and a report of actions taken to be given at each subsequent meeting of the full Board. Committee meetings will be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board.

Responsibilities

4 The responsibilities of the Committee include a review of and recommendation to the Board on:

- (a) the Company's Remuneration Policy and framework;
- (b) senior executives' remuneration and incentives; and
- (c) superannuation arrangements.

Executive Remuneration

4.1 In considering the Company's Remuneration Policy and levels of remuneration for executives, the Committee makes recommendations which:

- (a) motivates executive directors and senior executives to pursue long term growth and success of the Company within an appropriate control framework;
- (b) demonstrates a clear correlation between senior executives performance and remuneration;
- (c) aligns the interests of key leadership with the long-term interests of the Company's shareholder; and
- (d) prohibits executives from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.



To the extent that the Company adopts a different remuneration structure for its executive directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

Non-Executive Remuneration

4.2 In considering the Company's Remuneration Policy and levels of remuneration for non-executive directors, the Committee is to ensure that:

- (e) fees paid to non-executive directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting;
- (f) non-executive directors are remunerated by way of fees (in the form of cash and superannuation benefits);
- (g) non-executive directors are not provided with retirement benefits other than statutory superannuation entitlements; and
- (h) non-executive directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders.

To the extent that the Company adopts a different remuneration structure for its non-executive directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

Incentive Plans and Benefits Programs

4.3 The Committee is to:

- (i) review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, the Committee will administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans;
- (j) ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and
- (k) continually review and if necessary improve any existing benefit programs established for employees.

Authority and Resources

5 The Company is to provide the Committee with sufficient resources to undertake its duties. The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

The Committee has the authority, as it deems necessary or appropriate, to obtain advice from external consultants or specialists in relation to remuneration related matters.