



**New Energy**  
Solar

# **CORPORATE GOVERNANCE CHARTER**

**New Energy Solar Limited**  
**ACN 609 396 983**



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## DEFINITIONS

<b>Act or Corporations Act</b>	Corporations Act 2001 (Cth)
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	Australian Securities Exchange operated by ASX Limited
<b>Board of the Company</b>	board of directors of the Company
<b>Board Charter</b>	policy of corporate governance in relation to the Board contained in Section 3 of this charter
<b>CFO or Chief Financial Officer</b>	chief financial officer of the Company
<b>Chairman</b>	chairman of the Board
<b>Charter</b>	this Corporate Governance Charter contained in this document
<b>Code of Conduct</b>	the Company's code of conduct as set out in Section 6 of this charter
<b>Company</b>	New Energy Solar Limited (ACN 609 396 983)
<b>Company Secretary</b>	secretary of the Company
<b>Constitution</b>	the Constitution of the Company
<b>Continuous Disclosure Policy</b>	the Company's Continuous Disclosure Policy as set out in Section 3.13 of this charter
<b>Corporate Governance Recommendations</b>	the ASX Corporate Governance Council "Corporate Governance Principles and Recommendations" (as amended from time to time)
<b>Director</b>	director of the Company
<b>Executive</b>	an executive officer (whether or not a Director) involved in the strategic and operational management of the Company, including the Company Secretary
<b>Insider Trading Policy</b>	the Company's insider trading policy as set out in Section 8 of this charter
<b>Listing Rules</b>	the ASX listing rules as amended from time to time
<b>Security Holder</b>	holder of a security interest in the Company
<b>Security Trading Policy</b>	the Company's security trading policy as set out in Section 7 of this document





# 1. INTRODUCTION

Corporate governance is a set of systems, policies and procedures which define the way in which entities – trust and companies alike – are governed with reference to their values. It establishes the objectives of an entity ensuring that administration and management is undertaken in a manner which is consistent with the interests of the entity's members. Additionally, it establishes a system for monitoring and evaluating the achievement of those objectives.

The Corporate Governance Recommendations define corporate governance as "the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations".

Corporate governance policies will vary from entity to entity as there is no single system of corporate governance that is applicable to all entities. An entity must establish systems, processes and policies that help it achieve its objectives in light of the nature and size of that entity.

As a result, the Board has adopted a number of policies to ensure that it has high-quality and transparent systems of corporate governance in place. These policies are incorporated in this Charter and are prepared in line with the Corporate Governance Recommendations which the Board recognises as best practice guidelines.

The Charter incorporates the following:

- (a) Statement of Values – see Section 2
- (b) Board Charter – see Section 3
- (c) Conflicts Management Policy – See Section 4
- (d) Continuous Disclosure Policy – see Section 5
- (e) Code of Conduct – see Section 6
- (f) Security Trading Policy – see Section 7
- (g) Insider Trading Policy – see Section 8.





## 2.STATEMENT OF VALUES

The Board values sustainable management of the world's natural resources for present and future generations. To this end, the Company aims to both capitalise on and contribute to increasing awareness of the impact of climate change on the world's resources and specifically, invests to achieve attractive risk-adjusted returns for its investors in utility-scale solar power plants, a key element in the global energy sector's transition to a low carbon emissions system.





## 3. BOARD CHARTER

### 3.1 INTRODUCTION

Directors will be appointed and removed in accordance with the Corporations Act and the Constitution.

The conduct of the Company is governed primarily by the Constitution.

This charter aims to set out the practices that the Company has established and to which the Board and each director are committed to. This charter is simply an aid to the Board and the Directors. In the course of undertaking its responsibilities, the Board at all times must act in a manner that is consistent with its duties and obligations as imposed by the Constitution and by the law. Should there be any inconsistency between this charter and the Constitution, the Constitution shall prevail.

### 3.2 RESPONSIBILITIES

The Board is primarily responsible for ensuring that the Company has appropriate corporate governance structures to:

- (a) ensure the creation and protection of Security Holder value; and
- (b) recognise the legitimate interests of stakeholders.

The Board is responsible for the overall operation, strategic direction, leadership and integrity of the Company and in particular, is responsible for the Company's growth and profitability. In meeting its responsibilities, the Board shall undertake the following functions:

#### STRATEGIC DIRECTION

- Providing and implementing the Company's strategic direction.
- Directing and monitoring the Company's performance against strategies and business plans.
- Approving and monitoring capital management and major expenditure and investments.

#### RISK MANAGEMENT AND REPORTING

- Reviewing and overseeing the operation of systems of risk management ensuring that the significant risks facing the Company are identified, that appropriate control, monitoring and reporting mechanisms are in place and that risk is appropriately dealt with.
- Monitoring and appraising financial performance including the approval of annual and half year financial reports and liaising with the Company's auditors.
- The Investment Manager is responsible for preparing the declaration pursuant to Section 295A of the Corporations Act. Accordingly, the Board of the Company will ensure that the Company has put in place sound systems of risk management and internal controls and ensure that the systems are operating effectively in all material respects in relation to financial reporting risks.
- Ensuring that Security Holders and the market are kept fully informed with timely and relevant information which is in accordance with the continuous disclosure provisions outlined in Section 5.
- Review the nature of the Company to determine if it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it intends to manage those risks.





## MANAGEMENT

- Monitoring and assessing the performance of the Company and ensuring that their actions are consistent with corporate strategy.
- Ensuring that appropriate and effective remuneration packages and policies are implemented by the Company.
- Monitoring and reviewing business results, outsourced service providers and the Board itself.
- Ensuring the Board is comprised of individuals who are best able to discharge the responsibilities of directors having regard to the law and the best standards of governance.

## REMUNERATION

- If non-executive directors are appointed to the Board, the allocation and amount of remuneration for non-executive directors will be reviewed periodically every six months and will reflect market rates.

## PERFORMANCE

- Formation and monitoring of corporate governance policies and codes of conduct.
- Undertaking an annual performance evaluation of the Board in light of this Charter.
- Reviewing and overseeing internal compliance and legal regulatory compliance.

## CORPORATE GOVERNANCE

- Ensuring compliance with the Constitution and with the continuous disclosure requirements of the Corporations Act.
- Communicating with and protecting the rights and interests of all Security Holders.

### 3.3 BOARD COMPOSITION

The Board shall comprise of a minimum of 3 directors, 2 of which will be Australian residents. The Board must be comprised of members with expertise, experience and skill relevant to the business of the Company.

The Board will determine the number of independent directors (if any) it considers appropriate based on the size, nature and complexity of the Company's business at any given time.

### 3.4 DIVERSITY


The Company is committed to building a diverse workplace and developing policies to promote diversity to the extent appropriate for the size, nature and complexity of the Company.

### 3.5 INDEPENDENCE

The Corporate Governance Recommendations establish a number of factors that may be considered when assessing the independence of directors. The factors are whether a director:

- (a) is a significant member of the Company or an officer of, or otherwise associated directly with, a significant member of the Company;
- (b) is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least 3 years between ceasing such employment and serving on the Board;



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- (c) has within the last 3 years been a principle of a material professional advisor or a material consultant to the Company or another group member, or an employee materially associated with the service provider;
  - (d) is a material supplier or customer of the Company or other group member, or an officer or otherwise associated directly or indirectly with a material supplier or customer;
  - (e) has a material contractual relationship with the Company or another group member other than as a Director.

These factors are only indicators of matters in which to assess the independence of a Director. The Board will assess the independence of each Director in light of the interests disclosed by them. The Board's assessment of the independence of Directors will be disclosed in the Company's annual report (to the extent deemed necessary).

### 3.6 COMMITTEES

The Company recognises the importance of establishing remuneration and nomination committees as good corporate governance in circumstances where appropriate for the size, nature and complexity of the Company.

However, considering the size of the Company, the functions that would be performed by these committees are best undertaken by the Board. This is also in line with Corporate Governance Recommendations which recognise that "the ultimate responsibility of the integrity of a company's financial reporting rests with the full board".

The Board will review its view on these committees in line with the Corporate Governance Recommendations and in light of any changes to the size or nature of the Company and if required may establish committees to assist it in carrying out its functions. At that time the Board will adopt a policy or charter for such committees in accordance with the Corporate Governance Recommendations and industry best practices.

### 3.7 SAFEGUARD THE INTERGITY OF CORPORATE REPORTING

The Board has adopted a policy to ensure that they independently verify and safeguard the integrity of the Company's corporate reporting. The policy requires the Board to review:

- (a) the adequacy of the Company's corporate reporting process;
- (b) whether the Company's financial statements provide a true and fair view, of the financial position of the Company;
- (c) the scope and adequacy of the external audit; and
- (d) the independence and performance of the external auditor

The appointment and removal of the external auditor of the Company will be governed by the requirements under the Corporations Act.

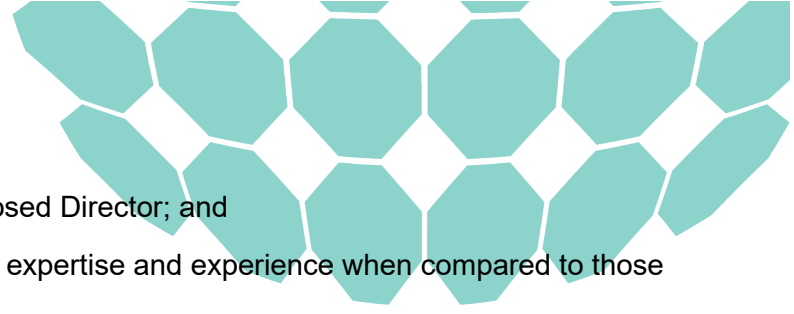
### 3.8 APPOINTMENT AND RETIREMENT

#### APPOINTMENT

The Board will consider the appointment of a Director as and when a vacancy arises in accordance with the following considerations:





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- (a) the skills, expertise and experience of any proposed Director; and
  - (b) the relevant and appropriateness of these skills, expertise and experience when compared to those of the current Board.

The terms and conditions of appointment must be recorded in a letter of appointment that is prepared in light of the Corporate Governance Recommendations.

The terms of appointment must be in accordance with the Constitution and the Corporations Act.

Prior to making any formal offer, a potential Director must be given sufficient information about the Company to allow the potential Director to conduct his/her personal due diligence. The information will extend to non-public information and care must be taken to ensure confidentiality.

#### RETIREMENT

A Director must retire in accordance with the Corporations Act and the Constitution. A Director may be re-elected if the Constitution permits.

### 3.9 INDUCTION AND INFORMATION

#### INDUCTION PROGRAM

The Company Secretary is responsible for arranging for the new Director to undertake an induction program to enable them to gain an understanding of:

- (a) the Company's industry sector and the Company's investments;
- (b) the Company's financial, strategic, operational and risk management position;
- (c) their rights, duties and responsibilities; and
- (d) any other relevant information.

As part of this induction program, a new Director will meet with all incumbent Directors (if this has not already taken place).

#### ONGOING INFORMATION

The Chairman, Directors, Financial Controller, the Executives, the Company Secretary and any other key members of management must be conscious to ensure that updated information is provided to the Board in a timely fashion to enable them to effectively discharge their duties as Directors. This may be part of, or in addition to, the periodic Board reporting process.

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. Any Director has the authority to seek any information he/she requires from any Executive or contractor of the Company. Unless a conflict exists or to do so would be inconsistent with the Director's duties, Directors are to request such information via the Chairman.

### 3.10 ADVICE, UNIT TRADING AND PERFORMANCE

#### INDEPENDENT ADVICE

In the performance of their duties as Directors, the Directors have a right to seek independent legal or other professional advice at the Company's expense. Any Director seeking independent advice must first discuss the request with the Chairman who will facilitate obtaining such advice.





## DIRECTOR SECURITY TRADING

The Security Trading Policy imposes restrictions on the trading of financial products (units) by people, including Directors with undisclosed price sensitive information. All Directors, Executives and senior management, if any, must follow that policy.

## PERFORMANCE

The performance of Directors shall be assessed and reviewed by the Board. To determine whether it is functioning effectively, the Board shall:

- (a) review this Charter annually; and
- (b) perform an evaluation of the Board's performance at intervals considered appropriate.

### 3.11 MEETINGS AND COMPANY SECRETARY OF THE COMPANY

Board meetings shall be held in accordance with the Company's Constitution. The Company Secretary is responsible for circulating to the Board all board papers in advance of any proposed meeting.

### 3.12 ETHICAL STANDARDS AND UNIT TRADING

The Directors must perform their duties in line with the Company's objectives and with the utmost integrity. Furthermore, the Directors must comply with the Code of Conduct, Security Trading Policy and Insider Trading Policy as set out in Sections 6, 7 and 8 of this Charter.

### 3.13 COMPLIANCE WITH LAWS

The Company must comply with (and ensures the Company complies with) the Corporations Act as well as all other applicable laws, statutes and policies. Examples of applicable areas of regulation include:

- (a) Regulatory Guides and Practice Notes issued from time-to-time by ASIC;
- (b) occupational health & safety legislation;
- (c) employment related legislation;
- (d) anti-discrimination legislation; and
- (e) taxation legislation.

### 3.14 CONSTITUTION

The Constitution is the key governance document. The Board must ensure that it and the Company comply at all times with the provisions of the Constitution.





## 4. CONFLICTS MANAGEMENT POLICY

### 4.1 OBLIGATIONS OF FINANCIAL SERVICES LICENSEES:

Section 912A(1)(aa) of the Corporations Act requires licensees to have adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to the activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative.

The law does not distinguish between wholesale or retail investors in relation to the management of conflicts of interest. Consequently, this Policy will apply to all financial services provided by the Company.

### 4.2 DEFINING CONFLICTS OF INTEREST

ASIC has issued Regulatory Guide 181: Licensing: Managing Conflicts of Interest (RG 181). RG 181 defines “conflicts of interest” as:

*Circumstances where some or all of the interests of people (clients) to whom a licensee (or its representatives) provides financial services are inconsistent with, or diverge from, some or all of the interests of the licensee or its representative. This includes actual, apparent and potential conflicts of interest.*

### 4.3 OBJECTIVES OF THIS POLICY

The main objectives of this Policy are to:


- (a) identify all potential or actual conflicts of interest that may arise in relation to the provision of financial services by the Company and its directors, Executives, and representatives (**Officers**);
- (b) assess and evaluate any identified conflicts of interest so as to allow a decision to be made as to whether a particular conflict of interests is manageable or whether it must be avoided;
- (c) control and deal with any potential or actual conflicts of interest; and
- (d) adequately disclose conflicts of interest to Security Holders investing in the Company so as to ensure that Security Holders are sufficiently informed to be able to assess whether a conflict may affect the independence or quality of the financial service provided.

### 4.4 CONFLICT MANAGEMENT PRINCIPLES

The Company has adopted the following principles in relation to the management of conflicts of interest:

- (a) to act fairly and honestly towards Security Holders;
- (b) to endeavour to identify conflicts of interest;
- (c) to avoid conflicts of interest that may have materially detrimental consequences for the Company and/or the Security Holders;
- (d) where a conflict of interest cannot be avoided and the Company form the view that the situation can be managed to prevent adverse consequences to Security Holders, make appropriate disclosure to Security Holders of that conflict;



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- (e) to adopt and promote a culture within the Company of conflict of interest awareness; and
  - (f) to effectively manage conflicts of interest that arise within the Company.

#### 4.5 CONFLICT MANAGEMENT PROCEDURES

The Company is committed to giving effect to these principles by:

- (a) compliance with this Policy;
- (b) compliance with other policies adopted by the Board, including but not limited to:
  - (i) Code of Conduct;
  - (ii) Security Trading Policy;
  - (iii) Continuous Disclosure Policy;
  - (iv) Security Holder Communications Policy;
- (c) appointing a Conflict Officer to attend to conflict of interest issues that arise on a day-to-day basis;
- (d) maintaining appropriate reporting to ensure the integrity of the conflicts of interest management process; and
- (e) reviewing annually the Company's conflict of interest management arrangements.

#### 4.6 QUESTIONS

Any questions relating to the interpretation or enforcement of this Policy should be forwarded to the Company Secretary.



## 5. CONTINUOUS DISCLOSURE POLICY

### 5.1 INTRODUCTION

The objective of the continuous disclosure policy is to ensure that the Company complies with the continuous disclosure obligations under the Corporations Act. Additionally, this policy aims to:

- (a) ensure that Company information is distributed to Security Holders and the market in a timely manner;
- (b) to promote investor confidence in the integrity of the Company and its securities; and
- (c) to generally promote investor protection and protection of the market.

### 5.2 CONTINUOUS DISCLOSURE

The Company is subject to the continuous disclosure requirements under the Corporations Act.

The continuous disclosure obligation requires the Company to disclose information which:

- (a) is not publicly available; and
- (b) a reasonable person would expect, if it were publicly available, to have a material effect on the price or value of its securities.

Contravention of continuous disclosure obligations can extend to a person (director or executive) who is involved in a contravention of the continuous disclosure regime by a disclosing entity.

### 5.3 DISCLOSURE EXCEPTION

The continuous disclosure obligation is not applicable where:

- (a) a reasonable person would not expect the information to be disclosed;
- (b) one or more of the following applies:
  - (i) it would be a breach of a law to disclose the information;
  - (ii) the information concerns an incomplete proposal or negotiation;
  - (iii) the information comprises matter of supposition or is insufficiently definite to warrant disclosure;
  - (iv) the information is generated for internal management purposes of the Company;
  - (v) the information is a trade secret.

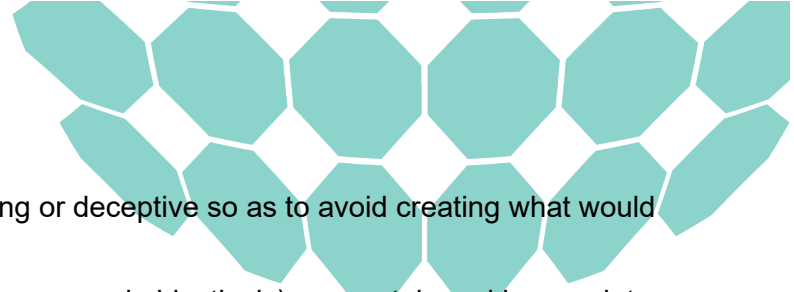
To rely on the exception, the above 3 requirements must be satisfied. Should one of the exceptions no longer be applicable then the Company can no longer rely on these exceptions and must disclose the information immediately to the market.

### 5.4 COMPLIANCE

The Company will ensure compliance with this policy and will disclose:

- (a) price sensitive information to the public as soon as it becomes aware of that information;



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- (b) ensure that the information is not false, misleading or deceptive so as to avoid creating what would constitute a false market; and
  - (c) ensure that the information is disclosed clearly (expressed objectively), accurately and is complete.

## 5.5 PRICE SENSITIVE INFORMATION

The Company will ensure that all price sensitive information is released to the public in accordance with the Announcements Procedure in Section 5.9 of this Policy.

Price sensitive information is information that if the information were publicly available a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Price sensitive information includes information relating to a takeover bid or a merger, proposed acquisition or disposal of a material asset, material variations in earnings or profits from previously published forecasts, a material change to the business plan, loss of a material contract and major litigation.

## 5.6 LOSS OF CONFIDENTIALITY

Where confidentiality is lost as a result of a specific rumour or media comment then the Company will respond to media speculations to the extent that such responses are required to correct or prevent a false market. In determining whether confidentiality is lost the Company will look at previous announcements it had made and will consider any likely reaction of the market or particular investors to such speculation.

## 5.7 ADMINISTERING CORPORATE GOVERNANCE COMPLIANCE

This policy will be administered by the Board and key personnel as follows:

- (a) the Board will be involved in reviewing significant announcements and ensuring and monitoring compliance with this policy;
- (b) the Company Secretary will be responsible for the overall administration of this policy and all communications with to the public.

## 5.8 COMPANY SECRETARY

The Company Secretary is responsible for the overall administration of this policy particularly:

- (a) ensuring that the Company is compliant with its disclosure obligations;
- (b) all communications with the public;
- (c) reviewing proposed announcements and consulting with the Board and other advisors as necessary;
- (d) implementing reporting processes for materiality of information;
- (e) reporting on continuous disclosure issues regularly to the Board;
- (f) keeping a record of public announcements;
- (g) monitoring and reporting to the Board on the effectiveness of this policy; and
- (h) regularly reviewing this policy in light of legislative changes or other developments.





## 5.9 ANNOUNCEMENTS PROCEDURE

The Company's announcements to the public will be managed in accordance with the following procedure:

- (a) as soon as an officer becomes aware of any price sensitive information the Board or the Company Secretary are to be notified;
- (b) the Company Secretary will review and assess that information and determine whether it needs to be disclosed or whether it needs to be further discussed with the Board;
- (c) if an announcement of price sensitive information is required the Company Secretary will prepare a draft announcement;
- (d) the Company Secretary will provide the draft announcement to the Board for approval; and
- (e) following the approval of an announcement of price sensitive information by the Board, the Company Secretary will then upload the announcement on the Company website.

## 5.10 NO COMMENTS POLICY

The Company has adopted a "no comments" policy in relation to any market speculation or rumours and this policy must be observed by all Executives and the Company at all times. In light of this, the Company may issue an announcement in response to a market speculation or rumour where it is necessary to do so to eliminate the possibility of a false market or contravention of the Corporations Act.

Where an Executive is approached by the media or any analysts or other external parties with respect to providing any information about the Company the general policy to be observed is a "no comments" policy and that Executive will notify the Company Secretary as soon as possible.

As part of the Company's management of investor relations it may conduct briefings with analysts or investors from time to time.

However, the Company's policy for conducting these briefings will be to ensure that no material price sensitive information is announced prior to it being announced to the market. No briefing will be held during the pre-results periods. In addition, a procedure will be in place for the conduct of the briefings which will include that at any briefing 2 officers of the Company must be present, notes of the briefing must be kept by an officer attending and any information to be used at briefings must be signed off by at least 2 officers prior to the briefing.

Where in the course of a briefing a question is raised that refers to price sensitive information that has not been previously disclosed, the Executive or officer must decline to answer the question but take the question on notice and advise the Board and the Company Secretary of the question.

## 5.11 RESPONDING TO ANALYST REPORTS AND FORECASTS

If a draft report about the Company has been sent to the Company for comments the report should be forwarded directly to the Company Secretary. The Company will not endorse any reports, and will restrict any comments to factual matters and matters which have been previously disclosed to the public.

See the Insider Trading Policy for further details.





## 5.12 ADVISORS

To ensure compliance with its obligations, the Company may from time to time require advisors to advise on its adherence to this policy.

## 5.13 CONTRAVENTION OF POLICY

Non-compliance with the continuous disclosure obligations may constitute a breach of the Corporations Act. This may result in fines for the Company, personal liabilities for Directors and other officers and damage to the Company's reputation. The Company takes continuous disclosure very seriously and will not tolerate any deviation from this policy by any officer and will take disciplinary action against any officer where a contravention arises. Disciplinary action may include dismissal.

## 5.14 SECURITY HOLDER COMMUNICATIONS

The Board aims to keep Security Holders informed of all major developments affecting the Company's activities and its state of affairs through announcements to the public, releases to the media and dispatch of financial reports. All such announcements and information relating to the Company's governance are also placed on the Company's website at [www.newenergysolar.com.au](http://www.newenergysolar.com.au).

These include:

- (a) the half year report;
- (b) the full year report;
- (c) the annual report;
- (d) the notice of annual general meeting, explanatory memorandum and the Chairman's address;
- (e) occasional correspondence sent to Security Holders on matters of significance to the Company.

The Board encourages full participation of Security Holders at any General Meeting of Security Holders to ensure a high level of accountability and identification with the Company's strategy and goals. If a General Meeting is held, Security Holders who are unable to attend, will be given the opportunity to provide questions or comments ahead of the meeting. Where appropriate, these questions will be answered at the meeting.

Security Holders also have the option to send any communication to the Company using any of the methods listed on the Company's website. Each Security Holder is also provided an online access to the Registry to allow them to receive communications directly from the Registry.

## 5.15 ETHICAL STANDARDS/BUSINESS CONDUCT

The Company actively promotes a set of values designed to assist all personnel in their dealings with each other, competitors, customers and the community. The Company has adopted a Code of Conduct policy which is set out in this Charter.

The Company has also adopted a Security Trading Policy, which is also set out in this Charter.







## 6.CODE OF CONDUCT

### 6.1 INTRODUCTION

The Company is committed to maintaining ethical standards in the conduct of its business activities. The Company's reputation as an ethical business organisation is important to its ongoing success and it expects all its officers to be familiar and have a personal commitment to meeting these standards.

### 6.2 PURPOSE OF THIS CODE

The Board has adopted this Code of Conduct (**Code**) to define basic principles of business conduct of the Company. This Code requires officers to abide by the policies of the Company and to the law. The Code is a set of principles giving direction and reflecting the Company's approach to business conduct and is not a prescriptive list of rules for business behaviour.

### 6.3 BUSINESS ETHICS

- (a) Executives will conduct themselves with openness, honesty, fairness and integrity in business transactions and in dealings with others.
- (b) Executives are expected to treat everyone else with whom they interact in their work with courtesy and respect.
- (c) Executives will act ethically in their approach to business decisions.
- (d) Executives are expected to comply with all laws that govern the Company's businesses and the policies that those entities adopt from time to time.

### 6.4 BUSINESS CONDUCT

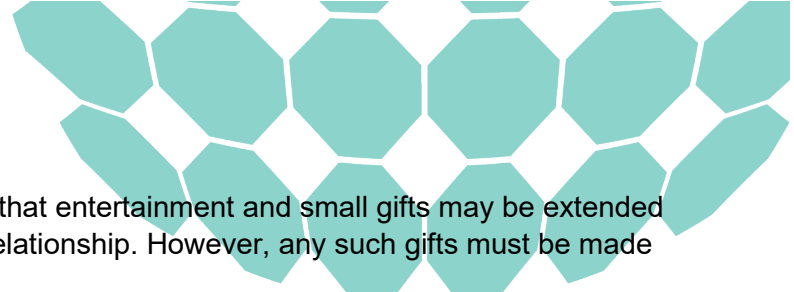
Executives will observe appropriate principles of behaviour when conducting Company business and interacting with others as representatives of the Company.

- (a) Directors and Executives will act in compliance with all laws that apply to the Company's business. Directors and Executives should discuss with the Chairman and if necessary obtain the consent of the Company Secretary or the Chairman to seek advice from one of the Company's legal advisors if they are unclear about any laws relating to their work.
- (b) Any trading of the Company's units must be done in accordance with the Security Trading Policy.
- (c) Each Executive is responsible for protecting the Company's intellectual property rights. All intellectual property that a contractor generates in relation to the Company is the property of the Company.

### 6.5 PERSONAL AND PROFESSIONAL CONDUCT

- (a) The Company has stringent financial accounting procedures that are overseen by management, the audit committee and the external auditor. The use of the Company's money or assets for any unethical purpose is prohibited.
- (b) The Company does not allow the making of payments or payments "in kind" (gifts, favours etc) to induce individuals to award business opportunities to the Company or to make a decision in the Company's favour. This activity is prohibited by the Criminal Code Act 1995. The Company





recognises that it is accepted business practice that entertainment and small gifts may be extended to third parties with whom the Company has a relationship. However, any such gifts must be made for a proper purpose.


- (c) Officers and Executives should not accept personal gifts or extraordinary hospitality, accommodation or travel which may influence, or appear to influence, a business decision.
- (d) The Company expects to compete fairly and ethically for all business opportunities. Executives involved in the negotiation of agreements and contracts must ensure that they act in accordance with the law. All appropriate approvals must be obtained before contracts are executed. The Company is committed to meeting its contractual obligations.
- (e) Executives may not at any time, directly or indirectly, profit from confidential information obtained during the course of duties they perform in relation to the Company. Each Executive must safeguard confidential information of the Company by not transferring, publishing, using or disclosing it other than when necessary in the ordinary course of business, or as specifically directed or authorised. All confidential or proprietary information that has been entrusted to the Company by a third party must be treated as if it was the Company's confidential information.
- (f) Public statements have the potential to breach the Company's obligations in respect to confidential information, unit trading and continuous disclosure. Officers should not make public statements unless authorized by the Chairman or Company Secretary.
- (g) A safe and healthy work environment is the responsibility of every officer. This obligation includes responsible behaviour with respect to the use of alcohol, drugs and tobacco when conducting Company business and at sponsored activities. Smoking and the use of recreational or non-prescription drugs is not permitted on the Company's premises.
- (h) Information should not be gained through unlawful or deceitful means.
- (i) All Executives have an obligation to seek to avoid financial, business or other relationships which might be opposed to the interests of the Company or which may conflict with the performance of their duties. Where an Executive has any doubt about conflicts of interest, the officer should contact the Company Secretary.
- (j) Executives must use all assets of the Company for proper purposes during their employment. No property of the Company may be sold, loaned, given away, or otherwise disposed of, without proper authorisation.
- (k) The Company's email and internet systems have been developed to assist communication with customers, suppliers and between staff. These facilities may not be used for personal gain or in a manner which may breach the law or is inappropriate for an officer of the Company.

## 6.6 RESPECT FOR OTHERS

The Company actively supports the principle of equal employment opportunity and expects its officers to practise and support this principle. The Company's policy is to ensure that it does not engage in discriminatory practices and to make employment and career decisions on the basis of each individual's ability, performance, experience and the Company's requirements.

The Company regards personal, physical or sexual harassment as unacceptable. The Company expects and requires its officers to comply with Occupational Health and Safety laws and relevant policies.





The Company's partners, customers and suppliers will be treated fairly and with respect. The Company strives to maintain open and frank business dealings and to develop mutually advantageous relationships.

## 6.7 IMPROPER BEHAVIOUR

Executives are encouraged to contact the Secretary where the officer has a reason to suspect that any fraudulent or unethical behaviour has occurred.

## 6.8 MORE INFORMATION

An Executive requiring further information regarding any aspect of this Code should contact the Company Secretary.





## 7. SECURITY TRADING POLICY

### 7.1 SECURITY TRADING POLICY

The Board has established the following policy to apply to trading in the Company's securities. This policy applies to those persons defined below as Restricted Persons of the Company.

Restricted Persons to whom this policy applies must restrict their buying and selling of Company's securities within the Company trading window established by this policy.

In addition to the requirements of this Security Trading Policy, all Restricted Persons (as defined below) must also comply with the Insider Trading Policy in Section 8 of the Corporate Governance Charter.

### 7.2 EXECUTIVE RESTRICTIONS ON TRADING

This Security Trading Policy and the restrictions on trading in securities of the Company set out below applies to the following representatives of the Company (**Restricted Persons**):

- (a) the Board;
- (b) Directors and Company Secretary of any entity controlled by the Company;
- (c) any person who is entitled to receive equity performance rights and/or options as part of any equity incentive-based scheme of the Company;
- (d) the Company Secretary; and
- (e) Executives.

The Restricted Persons are to be subject to restrictions on trading in the Company's securities at certain times of the year. Restrictions also apply where any Restricted Person is exposed to inside information in the course of their duties in accordance with the Insider Trading Policy (see Section 8 of the Corporate Governance Charter).

### 7.3 ASSOCIATED PARTIES

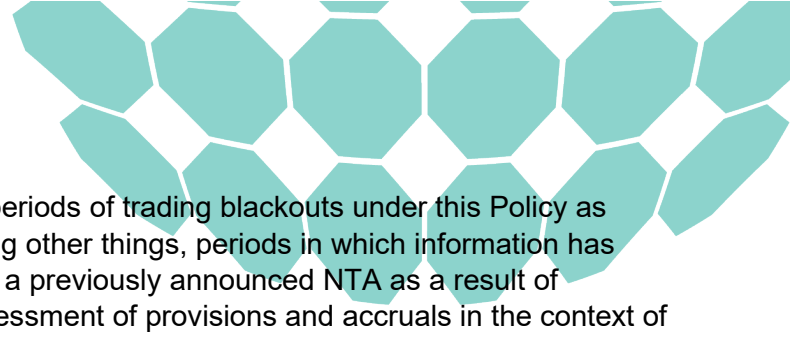
Each Restricted Person has a personal responsibility to ensure that his or her "associated parties" (being immediate family (including a spouse (or equivalent) or dependent), family company or trust) complies with the same respective restrictions as apply to Restricted Persons.

### 7.4 PROHIBITION ON EXECUTIVES DEALING IN SECURITIES

In addition to the overriding prohibition on dealing when a person is in possession of inside information in accordance with the Insider Trading Policy, Restricted Persons and their associated parties are prohibited (unless otherwise agreed to by the Board) from dealing in securities during:

- (a) each period between 1 February and 48 hours immediately after the date upon which the Company releases its annual financial statements on the ASX;
- (b) each period between 1 August and 48 hours immediately after the date upon which the Company releases its half-yearly financial statements on the ASX;
- (c) each period 48 hours immediately after the date upon which the Company issues a public announcement of the Company's financial results.





The Board may from time to time announce further periods of trading blackouts under this Policy as required. These blackout periods may include, among other things, periods in which information has become available to the Company which impacts on a previously announced NTA as a result of completion of periodic revaluation of assets and assessment of provisions and accruals in the context of preparation of the audited or auditor-reviewed financial statements of the Company. Discretionary trading blackouts will be communicated to Restricted Persons by the Company Secretary.

For the avoidance of doubt, it is emphasised that Restricted Persons may not deal at any time whilst in the possession of “inside Information”.

## 7.5 BOARD OF DIRECTORS’ DISCRETION

The Board has an absolute discretion to place an embargo on Restricted Persons and /or their respective associated parties trading in the Company’s securities at any time.

## 7.6 NOTIFICATION RULES IN RELATION TO DEALING IN SECURITIES

Restricted Persons are required to notify the Company of intended dealings in securities, by themselves or their associated parties, of the Company prior to such intended dealings. This should be done by written notice to the Company Secretary outlining:

- (a) name of security holder;
- (b) type of proposed transaction (purchase, sale, etc.); and
- (c) number of securities involved.

The Company Secretary may confer with the Chairman of the Board in relation to any proposed dealing.

## 7.7 DIRECTORS TO NOTIFY ASX OF SECURITY HOLDINGS

The Board is required to complete, or request that the Company Secretary complete necessary forms to the Company to be filed with the ASX in respect of their security holdings in the Company for the purposes of section 205G of the Corporations Act and the Listing Rules.

## 7.8 EXCEPTIONAL CIRCUMSTANCES

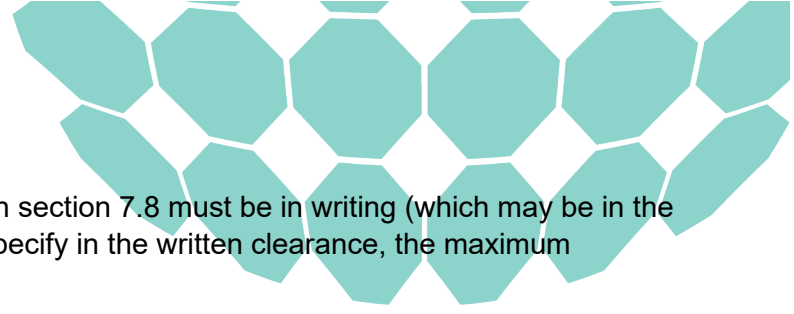
Where, in exceptional circumstances, and it is the only reasonable course of action available to a Restricted Person (e.g. a pressing financial commitment that cannot be satisfied otherwise) clearance may be given for the Restricted Person to sell (but not to purchase) securities in the Company when that person would otherwise be prohibited from doing so.

In this section 7.8, “exceptional circumstances” means severe financial hardship, a court order (or court enforceable undertaking), or some other overriding legal or regulatory requirement, to transfer or sell securities in the Company, or other circumstances that may be deemed exceptional by the Boards. For example, a Restricted Person may be in severe financial hardship if he or she has a pressing financial commitment that cannot otherwise be satisfied.

The Boards may not give clearance under the exception in section 7.8 if there is a matter about which there is inside information in relation to securities in the Company (whether or not the Restricted Person knows about the matter) when the Restricted Person requests clearance or proposes to deal in securities in the Company.

The Board will decide if circumstances are exceptional.





Any clearance given by the Board in accordance with section 7.8 must be in writing (which may be in the form of an email). The Board must determine, and specify in the written clearance, the maximum duration of the clearance.

## 7.9 TRADING NOT SUBJECT TO THIS TRADING POLICY

The following dealings are not subject to the provisions of this Security Trading Policy in respect of the Company:

- (a) undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of securities in lieu of a cash dividend);
- (b) the take up of entitlements under a rights issue or other offer (including an offer of securities in lieu of a cash dividend);
- (c) allowing entitlements to lapse under a rights issue or other offer (including an offer of securities in lieu of a cash dividend);
- (d) the sale of sufficient entitlements to allow take up of the balance of the entitlements under a rights issue;
- (e) undertakings to accept, or the acceptance of, a takeover offer or pursuant to a scheme of arrangement implemented in accordance with section 411 of the Corporations Act;
- (f) the purchase of securities or the communication of information pursuant to a requirement imposed by law;
- (g) bona fide gifts to a Director by a third party;
- (h) transfers of securities of the entity already held into a superannuation Company or other saving scheme in which the Restricted Person is a beneficiary;
- (i) an investment in, or trading in securities of, a Company or other scheme (other than a scheme only investing in the securities of the entity) where the assets of the Company or other scheme are invested at the discretion of a third party;
- (j) where a Restricted Person is a trustee, trading in the securities of the entity by that trust provided the Restricted Person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person; and
- (k) trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue.





## 8. INSIDER TRADING POLICY

### 8.1 POLICY

The Board has established the following Insider Trading Policy to apply to trading in the Company's securities.

This policy applies to all Directors and Executives. All Directors and Executives of the Company must not deal in the Company's securities while in possession of price sensitive information.

In addition, the general Security Trading Policy (see Section 7) sets out additional restrictions which apply to Directors and Executives of the Company.

The Corporations Act imposes severe penalties (both criminal and civil) on persons who conduct insider trading activities. Any perception of improper conduct by officers of the Company also has the potential to substantially damage the Company's reputation.

The Company has established the policy set out in Section 8 of this charter in an effort to prevent the incidence of insider trading in the Company's securities. The policy provides a general summary of the law in Australia in relation to insider trading, and as such operates in addition to the legal requirements. It is the personal responsibility of each Director and Executive to comply with this policy.

### 8.2 OVERVIEW OF THE INSIDER TRADING PROVISIONS IN THE CORPORATIONS ACT

It is illegal for anybody to deal in any securities of a body corporate (including the Company), when in possession of information that the person knows, or ought reasonably to know:

- (a) is not generally available (including information that the Company has not disclosed to the market in accordance with the Company's Continuous Disclosure Policy); and
- (b) might have material effect on the price or value of those securities if it was generally available (Inside Information).

This prohibition extends to procuring another person to deal, and, in the case of securities of listed entities, extends to communicating the inside information to another person, if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in the securities in question or procure another person to do so.

To communicate Inside Information to another person is also an offence which carries both civil and criminal penalties.


An officer in possession of Inside Information about the Company has a duty to keep that information confidential and must not in any way disclose or communicate that information to any person.

### 8.3 DEALING WITH SECURITY ANALYSTS, INSTITUTIONAL INVESTORS AND JOURNALISTS

An officer may be exposed to others outside the Company such as security analysts, institutional investors and journalists. It is important that all Directors and Executives be aware that selective disclosure of non-public information may result in a breach of the insider trading rules.

It is important to emphasise that it is the mere fact of conveyance of the material non-public information that gives rise to liability, not the manner in which it is conveyed.





It is possible to convey information in breach of this policy and the Corporations Act by expressing subjective attitudes about the Company's performance or by calling attention to selective information not available as an aggregate to the general public. It is essential to avoid the indirect conveyance of information by any means whatsoever.

If during the course of a discussion with any analyst, journalist or other outsider, material non-public information concerning the Company is disclosed, inadvertently or otherwise, the recipient of the information should be informed of its non-public nature and cautioned against its use unless and until the Company has made full public disclosure of the information. The Company Secretary should be notified of the situation immediately so that a decision can be made regarding disclosure of the information.

No public comments should be made regarding any previously undisclosed operating results or other developments unless authorised by the Company.

