

## Corporate Governance

### Human Resources and Remuneration Committee

Members: Richard Lee (Chairman), Phil Aiken AM, Vince Gauci, Winifred Kamit and Tim Poole.

Function: This Committee assists the Board to fulfil its responsibilities with respect to the remuneration framework for all employees; remuneration levels for Executive Managers and Directors; human resources and remuneration strategies; implementation and administration of major components of the Company's remuneration strategies, policies and practices; the behavioural and cultural framework and practices; oversight of organisational design and human capability; performance management practices and outcomes; appointment of remuneration consultants; and oversight of industrial relations policies, practices and strategies. The Committee also considers the Company's practices in relation to diversity, including gender diversity. The Committee's role is to review and advise the Board, and it holds no delegated authority from the Board.

All members of the Committee are independent Non-Executive Directors.

### Safety, Health and Environment Committee

Members: Richard Knight (Chairman), Phil Aiken AM, Vince Gauci, Winifred Kamit and John Spark.

Function: This Committee assists the Board in its role of monitoring and reviewing the Company's practices in the areas of safety, health and environmental management, and monitors and reviews the Company's performance and approach to compliance with its policies and legal requirements in these areas. It reviews the Company's response on issues of concern or material non-compliance, recommendations from management in relation to industry trends and world standards, and reports and makes recommendations to the Board based on the Committee's work and findings. The Committee's role is to review and advise the Board, and it holds no delegated authority from the Board.

All members of the Committee are independent Non-Executive Directors.

### Board Executive Committee

Members: The Chairman, Managing Director and CEO (or in his absence the Finance Director and CFO) and one other Non-Executive Director. In practice, all Directors are invited to attend meetings of the Committee.

Function: This Committee acts as a delegate of the Board to facilitate Board processes and decisions between scheduled Board meetings, and at short notice. The Committee holds the full delegated authority of the Board in relation to matters referred to it by the Board.

### Company Secretary

All Directors have access to the services and advice of the Company Secretary. The appointment and removal of the Company Secretary is a matter for decision by the Board as a whole.

Stephen Creese was appointed as Company Secretary in November 2009. He stepped down as Company Secretary on 10 August 2012 when Scott Langford was appointed as Company Secretary. Details of the qualifications and experience of the Company Secretary are set out on page 40 of this report. Scott Langford is supported by Peter Larsen, an experienced lawyer, who is Deputy Company Secretary.

### Board Independence

Directors are considered independent if they are independent of management and free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

All Non-Executive Directors satisfy the Company's criteria for independence, which align with the guidance provided by the ASX Corporate Governance Council recommendations.

All Directors are required to disclose their relevant interests, and to give notice of any potential conflict of interest. Each Director is required to disclose any business or other relationship that he or she has directly, or as a partner, shareholder or officer of a company or other entity that has an interest in the Company or a related entity. The Board continues to monitor the independence of each Director, and periodically reviews its approach to assessing Director independence.

### Access to Independent Advice and Information

All Directors have direct access to all relevant Company information and to the Company's Senior Executives. The Board has adopted a policy which ensures that Directors also have access to independent legal, accounting or other professional advice as necessary to discharge their responsibilities, at the Company's expense.

## 2. BOARD AND EXECUTIVE PERFORMANCE

### Board Performance Evaluation

The Board undertakes an annual review of its own performance effectiveness and that of its committees and individual Directors. This process is led by the Chairman based on a formal questionnaire and evaluation provided to each Board member. Periodically, an external consultant is retained to assist in the process. The outcomes of the evaluation are reviewed and considered by the Board, and changes effected where required.

In 2012, the Board engaged an independent consultant to undertake its annual review, which was finalised in October of that year. The performance review process in 2012 included interviews with Directors and Senior Executives. The review was wide-ranging, and its outputs and conclusions, which were positive, were analysed and presented to the Board.

The review concluded that the Board and its committees were functioning effectively. Consideration to improve the functionality and performance of the Board and its committees occurs at regular intervals. The practice of having all Directors present at all committees is strongly supported.