

GRUDEN

Board and Committee Charters

The Gruden Group Limited

The Gruden Group Limited (Gruden)

ABN 56 125 943 240

Approved by the Board on 26 May 2016

Board Charter

In carrying out the responsibilities and powers set out in this Charter, the Board of Gruden:

- a. recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
- b. recognises its duties and responsibilities to its employees, customers and the community.

1. The Specific Responsibilities of the Board

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

- a. appointment of a CEO and other senior executives and the determination of their terms and conditions including remuneration and termination;
- b. driving the strategic direction of Gruden, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- c. reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- d. approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- e. approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- f. approving the annual, half yearly and quarterly accounts and reports;
- g. approving significant changes to the organisational structure;
- h. approving the issue of any shares, options, equity instruments or other securities in Gruden;

- i. approving the terms of ASX releases in accordance with the Continuous Disclosure policy in place from time to time;
- j. ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- k. recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them; and
- l. meeting with the external auditor, at their request, without management being present.

2. Composition of the Board

- a. The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills, diversity and expertise is present to facilitate successful strategic direction.
- b. In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness and diversity of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of Gruden.
- c. At least half of the Board is comprised of non-executive Directors. Where practical, at least 50% of the Board will be independent. An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to; materially interfere with, the exercise of independent judgement. Independent Directors should meet the definition of what constitutes independence as set out in the Australian Stock Exchange Limited (ASX) Corporate Governance Guidelines and the principles set out in Annexure A.
- d. Directors must disclose their interests in any transaction to be considered by the Company. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.

- e. Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.
- f. Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- g. No member of the Board may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re- elected by the shareholders.
- h. Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Nomination Committee to ensure that they continue to contribute effectively to the Board. If no Nomination Committee has been formed, the Chair will conduct the evaluation, and in the case of the Chair, the Audit and Risk Committee will conduct the evaluation.
- i. The Board should comprise Directors with a mix of qualifications, experience, background and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting Gruden in achieving growth and delivering value to shareholders.

3. The Role of the Chair

- a. The Chair should be a non- executive Director. If a Chair ceases to be an independent Director then the Board will consider appointing a lead independent Director.
- b. The CEO should not be the Chair of Gruden during their term as CEO or in the future.
- c. The Chair must be able to commit the time to discharge the role effectively.
- d. The Chair is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings.
- e. The Chair should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.

- f. In the event that the Chair is absent from a meeting of the Board then the Board shall appoint a Chair for that meeting.

4. Board Committees

- a. To assist the Board in fulfilling its duties, the Board has established an Audit and Risk Committee. The charter for the Audit and Risk Committee is set out in Annexure B.
 - i. The Board will establish the committees listed below when the Company reaches a size and scale where the Board considers it appropriate. Each committee will have written terms of reference: Remuneration Committee; and
 - ii. Nomination Committee.
Draft charters for these committees are set out in Annexure C and Annexure D. Until these committees are established, the full Board will be responsible for the matters set out in the draft charters. In the absence of such committees, the full Board will formally consider the matters set out in the draft charters at least annually.
- b. The charters of the Committees are approved by the Board and reviewed following any applicable regulatory changes.
- c. The Board will ensure that the Committees are sufficiently resourced to enable them to fulfil their roles and discharge their responsibilities.
- d. Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.
- e. The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.

5. Board Meetings

- a. There must be two Directors present at a meeting to constitute a quorum.

- b. The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.
- c. Non-executive Directors may confer at scheduled times without management being present.
- d. The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chair and circulated to Directors after each meeting.
- e. The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable (with the general objective of circulating the Board papers on the Friday preceding the meeting).
- f. Minutes of meetings must be entered into the minute register within 30 days of the applicable meeting and approved at the next Board meeting.

6. The Company Secretary

- a. When requested by the Board the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committees and between senior executives and non-executive Directors.
- b. The Company Secretary is to facilitate the induction of new Directors.
- c. The Company Secretary is to facilitate the implementation of Board policies and procedures.
- d. The Company Secretary is to provide advice to the Board, on corporate governance matters and law.
- e. All Directors have access to the advice and services provided by the Company Secretary.
- f. The Board has the responsibility for the appointment and removal of the Company Secretary.

7. Access to Advice

- a. All Directors have reasonable access to company records and information pursuant to a Deed of Access, Indemnity and Insurance.
- b. All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
- c. The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary (and Gruden will pay reasonable costs associated with such advice), subject to providing the Chair with details of the nature of the advice, likely costs and the identity of the proposed advisor. A copy of any such advice received may be made available to all members of the Board (unless that will cause legal privilege to be waived).

8. The Board's Relationship With Management

- a. Subject to the specific responsibilities of the Board set out in paragraph 1, the Board has delegated responsibility for the day-to-day operations and administration of Gruden to the Chief Executive Officer (in accordance with the statement of delegated authority). Certain matters are reserved for the Board, the Chair and individual directors under the statement of delegated authority including:
 - i) Approval of annual budgets
 - ii) Appointing staff to new positions
 - iii) Termination of the CEO and Key Management personnel
 - iv) Board member expenditure above certain thresholds
 - v) Capital expenditure above certain thresholds
 - vi) Contracts outside acceptable risk parameters

vii) Material transactions including new permit applications, permit relinquishments, farmins, new ventures, new projects and corporate acquisitions and disposals

viii) Initiating or settling litigation; and

ix) Establishing bank accounts.

The statement of delegated authority is reviewed regularly to reflect changes in the size, complexity and operations of the Company.

- b. In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors.

9. Performance Review

The Nomination Committee will conduct an annual performance review of the Board in accordance with the Board Performance Evaluation Policy set out in Annexure E that:

- a. compares the performance of the Board with the requirements of its Charter;
- b. critically reviews the diversity of the Board; and
- c. suggests any amendments to the Charter as are deemed necessary or appropriate.

If no Nomination Committee has been formed, the Chair will conduct the evaluation.

The Remuneration Committee will conduct an annual performance review of the CEO, and the CEO will conduct an annual review of his or her direct reports, in accordance with the Senior Executive Performance Evaluation Policy set out in Annexure F. If no Remuneration Committee has been formed, the Chair will conduct the evaluation of the CEO.

10. Disclosure Policy

The Board should ensure that Gruden has in place effective disclosure policies and procedures so that shareholders and the financial market are fully informed to the extent required by the applicable disclosure rules and legislation on matters that may influence the share price of Gruden or its listed debt securities.

The Gruden Disclosure Policy is published on the Company's website. These provisions are subject to change from time to time as required by the Corporations Act, the ASX Listing Rules or the resolution of the Board.

Annexure A

Meaning of Independence

ASX Corporate Governance Council Best Practice Recommendations

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

- a. holds less than 5% of the voting shares of Gruden and is not an officer of, or otherwise associated directly or indirectly with, a shareholder of more than 5% of the voting shares of Gruden;
- b. within the last three years has not been employed in an executive capacity by Gruden or another group member, or been a Director after ceasing to hold any such employment;
- c. within the last three years has not been a principal of a material professional adviser or a material consultant to Gruden or another group member, or an employee materially associated with the service provided;
- d. is not a material supplier or customer of Gruden or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- e. has no material contractual relationship with Gruden or another group member other than as a Director of Gruden;

- f. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Gruden; and
- g. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Gruden.

The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.

Annexure B

Audit and Risk Committee Charter

1. Role

The role of the Audit and Risk Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. This Charter defines the Audit and Risk Committee's function, composition, mode of operation, authority and responsibilities.

2. Composition

- a. The Committee must comprise at least two members.
- b. Where possible, at least one member of the Committee must be a non-executive Director.
- c. Where possible, a majority of the members of the Committee must be independent non- executive Directors in accordance with the criteria set out in Annexure A to the Board Charter.
- d. The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.
- e. All members of the Committee must be able to read and understand financial statements.
- f. The Chair of the Committee may not be the Chair of the Board of Directors and must be independent.

- g. The Chair shall have leadership experience and if possible, a strong finance, accounting or business background.
- h. The external auditors, the other Directors, the CEO, Company Secretary and senior executives, may be invited to Committee meetings at the discretion of the Committee.

3. Purpose

The primary purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- a. the quality and integrity of Gruden's financial statements, accounting policies and financial reporting and disclosure practices;
- b. compliance with all applicable laws, regulations and company policy;
- c. the effectiveness and adequacy of internal control processes;
- d. the performance of Gruden's external auditors and their appointment and removal;
- e. the independence of the external auditor and the rotation of the lead engagement partner; and
- f. the identification and management of business risks.

A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

4. Duties and responsibilities of the committee

4.1 Review of Financial Reports

- a. Review the appropriateness of the accounting principles adopted by management in the financial reports and the integrity of Gruden's financial reporting.
- b. Oversee the financial reports and the results of the external audits of those reports.
- c. Assess whether external reporting is consistent with committee members' information and knowledge and adequate for shareholder needs.
- d. Assess management processes supporting external reporting.
- e. Establish procedures for treatment of accounting complaints.
- f. Review the impact of any proposed changes in accounting policies on the financial statements.
- g. Review the half yearly and annual results.

4.2 Relationship with External Auditors

- a. Recommend to the Board procedures for the selection and appointment of external auditors and for the rotation of external auditor partners.
- b. Review performance, independence, succession plans and rotation of lead engagement partner.
- c. Approve the external audit plan and fees proposed for audit work to be performed.
- d. Discuss any necessary recommendations to the Board for the approval of half yearly or annual reports.
- e. Review the adequacy of accounting and financial controls together with the implementation of any recommendations of the external auditor in relation thereto.
- f. Meet with the external auditors at least twice in each financial period without management being present and at any other time the Committee considers appropriate.
- g. Provide pre-approval of audit and non-audit services that are to be undertaken by the external auditor.

- h. Ensure adequate disclosure as may be required by law of the Committee's approval of all non-audit services provided by the external auditor.
- i. Ensure that the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with Gruden.
- j. Receive from the external auditor their report on, among other things, critical accounting policies and alternative accounting treatment, prior to the filing of their audit report in compliance with the Corporations Act and with ASX requirements.
- k. Assess whether any non-audit services provided by the external auditors affect the independence of the auditors and confirm to the board whether the auditor's independence has been compromised.

4.3 Internal Audit Function

- a. Monitor the need for a formal internal audit function and its scope.
- b. Assess the performance and objectivity of any internal audit procedures that may be in place.
- c. Review risk management and internal compliance procedures.
- d. Monitor the quality of the accounting function.
- e. Review the Internal Control Reports on a quarterly basis.
- f. Make recommendations for the appointment, or if necessary, the dismissal of the head of internal audit.

4.4 Risk Management

- a. Oversee Gruden's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
- b. Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

4.5 Other

- a. The Committee will oversee Gruden’s environmental risk management and occupational health and safety processes.
- b. The Committee will oversee procedures for whistleblower protection.
- c. As contemplated by the Corporate Governance Guidelines of ASX, and to the extent that such deviation or waiver does not result in any breach of the law, the Committee may approve any deviation or waiver from the “Code of Ethics and Conduct of Directors, Senior Executives and Officers”. Any such waiver or deviation will be promptly disclosed where required by applicable law.
- d. Monitor related party transactions.

5. Meetings

- a. The Committee will meet at least each financial half year and additionally as circumstances may require for it to undertake its role effectively.
- b. Meetings are called by the Secretary as directed by the Board or at the request of the Chair of the Committee.
- c. Where deemed appropriate by the Chair of the Committee, meetings and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.
- d. A quorum shall consist of two members of the Committee. In the absence of the Chair of the Committee or their nominees, the members shall elect one of their members as Chair of that meeting.
- e. Decisions will be based on a majority of votes with the Chair having a casting vote.
- f. The Committee Chair, through the Secretary, will prepare a report of the actions of the Committee to be included in the Board papers for the next board meeting.

- g. Minutes of each meeting are included in the papers for the next full Board meeting after each Committee meeting.

6. Secretary

- a. The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- b. The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- c. The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

7. Reliance on Information or Professional or Expert Advice

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- a. an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- b. a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence;
or
- c. another Director or officer of the Group in relation to matters within the Director's or officer's authority.

8. Access to Advice

- a. Members of the Committee have rights of access to management and to the books and records of Gruden to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to Gruden's interests.

- b. Members of the Committee may meet with the auditors, both internal and external, without management being present.
- c. Members of the Committee may consult independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities, subject to prior consultation with the Chair. Any costs incurred as a result of the Committee consulting an independent expert will be borne by Gruden.

9. Review of Charter

- a. The Board will conduct an annual review of the membership to ensure that the Committee has carried out its functions in an effective manner, and will update the Charter as required or as a result of new laws or regulations.
- b. The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to Gruden's website.

10. Report to the Board

- a. The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role and responsibilities.
- b. The Committee must brief the Board promptly on all urgent and significant matters.

Annexure C

Draft Remuneration Committee Charter

(to be adopted by a resolution of the Board when considered appropriate by the Board)

1. General Scope and Authority

- a. The Remuneration Committee is a Committee of the Board established on (*). This Charter be subject to review by the Board at any time.
- b. The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:
 - i. reviewing and approving the executive remuneration and benefits policy to enable Gruden to attract and retain executives and Directors who will create value for shareholders;
 - ii. ensuring that the executive remuneration and benefits policy demonstrates a clear relationship between senior management performance and remuneration and motivates senior executive to pursue the long-term growth and success of the company;
 - iii. developing recommendations in respect of executive remuneration and benefits that involve a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the company's circumstances and goals;

- iv. recommending to the Board the remuneration and benefits of executive Directors (noting that the nomination committee will normally consider remuneration and benefits for non-executive Directors);
 - v. fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
 - vi. reviewing executives' and senior manager remuneration by merit and gender to ensure there is no actual or apparent bias in remuneration;
 - vii. reviewing Gruden's recruitment, retention and termination policies and procedures for senior management;
 - viii. reviewing and approving the remuneration and benefits of direct reports to the CEO, and as appropriate other senior executives; and
 - ix. reviewing and approving any equity based plans and other incentive schemes.
- c. The Committee shall have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at Gruden's expense.

2. Composition

- a. The Committee shall comprise at least two Directors, the majority being independent non-executive Directors (where possible).
- b. The Committee will be chaired by an independent Director (where possible) who will be appointed by the Board.
- c. The Board may appoint additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.
- d. A quorum will comprise any two Committee members. In the absence of the Committee Chair or appointed delegate, the members shall elect one of their number as Chair for that meeting.

3. Secretary

- a. The Company Secretary or their nominee shall be the Secretary of the Committee, and shall attend meetings of the Committee as required.
- b. The Secretary will be responsible for keeping the minutes of meeting of the Committee and circulating them to Committee members and to the other members of the Board.
- c. The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

4. Meetings

- a. The Committee will meet at least once per year and additionally as circumstances may require.
- b. Meetings are called by the Secretary as directed by the Board or at the request of the Chair of the Committee.
- c. A quorum shall comprise any two members of the Committee. In the absence of the Committee Chair or appointed delegate, the members shall elect one of their members as Chair.
- d. Where deemed appropriate by the Chair of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or a conference call.
- e. Decisions will be based on a majority of votes with the Chair having the casting vote.
- f. The Committee may invite any executive management team members or other individuals, including external third parties, to attend meetings of the Committee, as they consider appropriate.

5. Access

- a. Members of the Committee have rights of access to the books and records of Gruden to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to Gruden's interests.
- b. The Committee may consult independent experts to assist it in carrying out its duties and responsibilities. Any costs incurred as a result of the Committee consulting an independent expert will be borne by Gruden, subject to paragraph 7(c) of the Board Charter.

6. Duties and Responsibilities

In order to fulfil its responsibilities to the Board the Committee shall:

- a. Executive Remuneration and Benefits Policy
 - i. Review and approve the Group's recruitment, retention and termination policies and procedures for senior executives to enable Gruden to attract and retain executives and Directors who can create value for shareholders.
 - ii. Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs.
 - iii. Ensure that remuneration policies fairly and responsibly reward executives having regard to the performance of Gruden, the performance of the executive and prevailing remuneration expectations in the market.
 - iv. Ensure that remuneration policies involve a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the company's circumstances and goals;
 - v. Ensure that remuneration policies are consistent with Gruden's Diversity Policy.
- b. Executive Directors and Senior Management

- i. Consider and make recommendations to the Board on the remuneration and benefits for each executive Director (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy.
 - ii. (ii) Review and approve the proposed remuneration and benefits (including incentive awards, equity awards and service contracts) for the CEO and direct reports of the CEO. As part of this review the Committee will oversee an annual performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of Gruden and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.
- c. Executive Incentive Plan
- Review and approve the design of any executive incentive plans.
- d. Equity Based Plans
- i. Review and approve any equity based plans that may be introduced (Plans) in the light of legislative, regulatory and market developments.
 - ii. For each Plan, determine each year whether awards will be made under that Plan.
 - iii. Review and approve total proposed awards under each Plan.
 - iv. In addition to considering awards to executive Directors and direct reports to the CEO, review and approve proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee.
 - v. Review, approve and keep under review performance hurdles for each equity based plan.
- e. Other
- The Committee shall perform other duties and activities that it or the Board considers appropriate.

7. Approvals

The Committee must approve the following prior to implementation:

- a. changes to the remuneration and benefits or contract terms of executive Directors and direct reports to the CEO and the CEO;
- b. the Plans or amendments to current equity plans or executive cash-based incentive plans;
- c. total level of awards proposed from equity plans or executive cash-based incentive plans; and
- d. termination payments to Directors, the CEO or direct reports to the CEO.
Termination payments to other departing executives should be reported to the Committee at its next meeting.

Annexure D

Draft Nomination Committee Charter

(to be adopted by a resolution of the Board when considered appropriate by the Board)

1. General Scope and Authority

- a. The Nomination Committee is a Committee of the Board established on (*). This Charter may be subject to review by the Board at any time.
- b. The primary purpose of the Committee is to support and advise the Board in:
 - i. maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
 - ii. ensuring that the Board is comprised of Directors who contribute to the successful management of Gruden and discharge their duties having regard to the law and the highest standards of corporate governance.

2. Composition

- a. The Committee shall comprise at least two Directors, the majority of whom must be independent and non-executive (where possible), one of whom will be appointed the Committee Chair.
- b. The Board may appoint additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

3. Secretary

- a. The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- b. The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- c. The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

4. Meetings

- a. The Committee will meet at least once a year and additionally as circumstances may require.
- b. Meetings are called by the Secretary as directed by the Board or at the request of the Chair of the Committee.
- c. Where deemed appropriate by the Chair of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or conference call.
- d. A quorum shall comprise any two members of the Committee. In the absence of the Committee Chair or appointed delegate, the members shall elect one of their number as Chair.
- e. Decisions will be based on a majority of votes with the Chair having a casting vote.
- f. The Committee may invite executive management team members or external third parties to attend meetings of the Committee, as they consider appropriate.

5. Access

- a. Members of the Committee have rights of access to the books and records of Gruden to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to Gruden's interests.
- b. The Committee may consult independent experts where the Committee considers this necessary to carry out its duties and responsibilities. Any costs incurred as a result of the Committee consulting an independent expert will be borne by Gruden, subject to paragraph 7(c) of the Board Charter.

6. Responsibilities

The Committee shall periodically review and consider the structure, diversity and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors. In particular, the Committee is to:

- a. develop a Board skills matrix to assist in identifying any "gaps" in the skills and experience of the directors on the Board;
- b. determine the process by which Board candidates are to be identified and selected (including whether professional intermediaries are to be used to identify and/or assess candidates)
- c. identify and recommend to the Board candidates for the Board after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience, taking into account the board skills matrix, Gruden's Diversity Policy and assessment of how the candidates can contribute to the strategic direction of Gruden;
- d. approve and review induction procedures for new appointees of the Board to ensure that they can effectively discharge their responsibilities;
- e. assess and consider the time required to be committed by a non-executive Director to properly fulfil their duty to Gruden and advise the Board whether the committee believes these requirements are being adequately fulfilled;

- f. consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
- g. review directorships in other public companies held by or offered to Directors and senior executives of Gruden;
- h. review succession plans for the Board with a view to maintaining an appropriate balance of skills, experience, expertise and diversity on the Board;
- i. review individual Directors skills, and expertise and develop plans to identify, assess and enhance Directors skills
- j. arrange an annual performance evaluation of the Board, its Committee and individual Directors in accordance with the Board Review Policy;
- k. make recommendations to the Board on the appropriate size and composition of the Board to facilitate the making of appropriate decisions; and
- l. make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board (including with regard to appropriate remuneration).

Annexure E

Gruden Energy Limited

ABN 5 6 125 943 240

Board Performance Evaluation Policy

The Nomination Committee (or, in the absence of a Nomination Committee, the Chair), will arrange a performance evaluation of the Board, its Committees and its individual Directors on an annual basis. To assist in this process an independent advisor may be used.

The annual review of the role of the Board will assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively. The performance evaluation will include a checklist of matters to be considered and evaluated and all Directors will have the opportunity to provide input into the checklist.

The review will include:

- a. analysis of the roles and responsibilities of the Board and each Director's understanding of their role;
- b. comparing the performance of the Board with the requirements of its Charter, including whether Board meetings facilitate focus and progress on important organisational matters;
- c. considering the Board's approach to setting and monitoring the Company's strategic goals
- d. diversity of the Board and Senior Management;

- e. examination of the Board's interaction with management, including the Board's input into policy matters which management applies in relation to operational issues;
- f. the nature of information provided to the Board by management; and
- g. Management's performance in assisting the Board to meet its objectives.

A similar review will be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.

Annexure F

The Gruden Group Limited

ABN 5 6 125 943 240

Senior Performance Evaluation Policy

The Remuneration Committee (or, in the absence of a Remuneration Committee, the Chair) will arrange a performance evaluation of the CEO and the CEO will arrange a performance evaluation of his or her direct reports (each an “Executive”) on an annual basis. To assist in this process an independent advisor may be used.

The annual review will assess the performance of the Executive over the previous 12 months and examine ways of assisting the Executive to performing his or her duties more effectively.

The review will include:

- a. comparing the performance of the Executive with the requirements of their position description;
- b. review of Executive’s progress in meeting short, medium and long term corporate objectives;
- c. development and management of resources, policies and systems and
- d. development of long term strategic relationships with key stakeholders and regulators
- e. examination of the Executive’s interaction with the Board;

- f. the quality and nature of information provided to the Board by the Executive;
- g. the Executive's performance in assisting the Board to manage and meet its objectives.