

Corporate Governance

The Board of Directors of InterK Peptide Therapeutics Limited (Company) has adopted this Charter and Code of Business Conduct (“Code”) to:

- promote honest and ethical conduct, including fair dealing and the ethical handling of conflicts of interest;
- promote full, fair, accurate, timely and understandable disclosure;
- promote compliance with applicable laws and governmental rules and regulations;
- promote prompt internal reporting of violations of the Code to an appropriate person;
- ensure the protection of the Company’s legitimate business interests, including corporate opportunities, assets and confidential information;
- deter wrongdoing; and
- promote accountability for adherence to the Code.

All directors, officers and employees of the Company are expected to be familiar with this Code and to adhere to those principles and procedures set forth in this Code that apply to them.



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1. Board Charter

1.1 Role of the Board

The Board of Directors is responsible for guiding and monitoring InterK Peptide Therapeutics Limited (**Company**) on behalf of Shareholders by whom they are elected and to whom they are accountable.

The Board is responsible for and has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company.

The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's Shareholders. The specific responsibilities of the Board include:

- (a) overseeing the Company, including its control and accountability systems;
- (b) appointment, evaluation, rewarding and if deemed necessary the removal of the Chief Executive Officer (or equivalent), the Company Secretary and senior management personnel;
- (c) ratifying the appointment, and where appropriate, the removal, of senior executives;
- (d) in conjunction with members of the senior management team, develop corporate objectives, strategies and operations plans and approve and appropriately monitor plans, new investments, major capital and operating expenditures, use of capital, acquisitions, divestitures and major funding activities;
- (e) establishing appropriate levels of delegation to the executive directors to allow them to manage the business efficiently;
- (f) monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company, including the reviewing and approving of annual budgets;
- (g) monitoring the performance of senior management, including the implementation of strategy, and ensuring appropriate resources are available to them;
- (h) identifying areas of significant business risk and ensure that the Company is appropriately positioned to manage those risks;
- (i) overseeing the management of safety, occupational health and environmental matters;
- (j) satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- (k) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;
- (l) ensuring that appropriate internal and external audit arrangements are in place and operating effectively;
- (m) having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and
- (n) reporting accurately to Shareholders as a whole and on a timely basis.

While the Board retains full responsibility for guiding and monitoring the Company it may make use of committees. The Board has not established any committees at this time. Until such time as the Board determines that it is appropriate to establish separate committees, the function of the

- (a) Audit Committee,
- (b) Nomination Committee, and
- (c) Remuneration Committee,

will be performed by the Board.

Each director has the right to seek independent professional advice on matters relating to his position as a director of the Company at the Company's expense, subject to the prior approval of the Chair, which shall not be unreasonably withheld.

In the event of a conflict of interest or where a potential conflict of interest may arise, involved directors will, unless the remaining directors resolve otherwise, withdraw from deliberations concerning the matter.

In accordance with the constitution of the Company, directors (other than the Managing Director) must offer themselves for re-election by Shareholders at least every 3 years. The constitution does not specify a maximum term for which a director may hold office.

The Board may not delegate its overall responsibility for the matters listed above. However, the responsibility for the day-to-day operation and administration of the Company may be delegated by the Board to the Chief Executive Officer. The Board will ensure that the Chief Executive Officer and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Chief Executive Officer and executive directors.

While there is a clear division between the responsibilities of the Board and management, the Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved including:

- (a) Board approval and monitoring of a strategic plan,
- (b) approval of budgets and monitoring actual performance against budget, and
- (c) procedures are in place to incorporate presentations at each Board meeting by financial, operations and marketing management, as appropriate.

1.2 Role of the Chair

The Chair is responsible for the leadership of the Board, for the efficient organisation and conduct of the Board's functioning and for the briefing of all directors in relation to issues arising at Board meetings. The Chair is also responsible for overall Shareholder communication, chairing shareholder meetings, arranging Board performance evaluation, and presides over meetings of the Board. The Chair is responsible for leading and managing the Board in the discharge of its duties.

The Chair should facilitate the effective contribution of all directors and promote constructive and respectful relations between directors and between the Board and management.

Any other position which the Chair may hold either within, or outside, the Company should not hinder the effective performance of the Chair in carrying out their role as Chair of the Company.

1.3 Role of the Managing Director

The roles of the Chair and Managing Director should not be combined except in particular circumstances, such as when the size of the entity necessitates the combining of the roles and is approved by the Board, as is the case with the Company.

The Managing Director of the Company is also referred to as the Chief Executive Officer.

The Chief Executive Officers' duties are to:

- (a) have the overall responsibility for running the affairs of the Company under delegated authority from the Board including undertaking and assessing risk management and internal control effectiveness and to implement the policies and strategies set by the Board. In carrying out his/her responsibilities, the Chief Executive Officer must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results;
 - (b) devote the whole of his or her time, attention and skill during normal business hours and at other times as reasonably necessary, to the duties of the office;
 - (c) be accountable for planning, coordinating and directing the operations of the company;
 - (d) promote the interests of the Company; and
 - (e) faithfully and diligently perform the duties and exercise the powers consistent with the position of a Chief Executive Officer of the Company and assigned by the Board.
- (a) In fulfilling his or her duties, the Chief Executive Officer:
- i. reports directly to the Board;
 - ii. provides prompt and full information to the Board regarding the conduct of the business of the Company; and
 - iii. complies with reasonable directions given by the Board.

1.4 Role of the Company Secretary

The Company Secretary supports the effectiveness of the Board by ensuring board policy and procedures are being followed, and by coordinating the timely completion and despatch of board agenda and briefing papers. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

1.5 Roles of Directors and Officers

Individual directors should devote the necessary time to the tasks entrusted to them. All directors should consider the number and nature of their directorships and calls on their time from other commitments.

Directors and officers should be aware of their legal obligations.

This policy is reviewed annually.

2. Code of Business Conduct

Each director, officer and employee owes a duty to InterK Peptide Therapeutics Limited (**Company**) to act with integrity.

Integrity requires, among other things, being honest and candid. Deceit and subordination of principle are inconsistent with integrity. Each director, officer and employee must:

- Act with integrity, including being honest and candid while still maintaining the confidentiality of information where required or consistent with the Company's policies.
- Observe both the form and spirit of laws and governmental rules and regulations, accounting standards and Company policies.
- Adhere to a high standard of business ethics.

2.1 General Principles

- (a) Directors, officers and employees of the Company must act honestly, in good faith and in the best interests of the Company as a whole.
- (b) Directors, officers and employees have a duty to use due care and diligence in fulfilling the functions of their position and exercising the powers attached to their employment.
- (c) Directors, officers and employees must recognise that their primary responsibility is to the Company's Shareholders as a whole.
- (d) Directors, officers and employees must protect the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company.
- (e) Directors, officers and employees must not take advantage of their position for personal gain, or the gain of their associates.
- (f) Directors, officers and employees have an obligation to be independent in their judgements.
- (g) Confidential information received by directors, officers and employees in the course of the exercise of their duties remains the property of the Company. Confidential information can only be released or used with specific permission from the Company.
- (h) Directors, officers and employees have an obligation to comply with the spirit and letter of the law affecting its operations, wherever it operates, and with the principles of this Code. Where the Company operates overseas, it shall comply with the relevant local laws as well as any applicable Australian laws.

2.2 Conflicts of Interest

At all times directors, officers and employees must be able to act in the interests of the Company.

A "conflict of interest" occurs when an individual's private interest interferes or appears to interfere with the interests of the Company. A conflict of interest can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. For example, a conflict of interest would arise if a director, officer or employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company.

Service to the Company should never be subordinated to personal gain or advantage. Conflicts of interest should, wherever possible, be avoided.

In particular, clear conflict of interest situations involving directors, officers and employees who occupy supervisory positions or who have discretionary authority in dealing with any third party specified below may include the following:

- (a) any significant ownership interest in any supplier or customer;
- (b) any consulting or employment relationship with any customer, supplier or competitor;
- (c) any outside business activity that detracts from an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company;
- (d) the receipt of non-nominal gifts or excessive entertainment from any company with which the Company has current or prospective business dealings;
- (e) being in the position of supervising, reviewing or having any influence on the job evaluation, pay or benefit of any immediate family member; and
- (f) selling anything to the Company or buying anything from the Company except on the same terms and conditions as comparable directors, officers or employees are permitted to so purchase or sell.

Where the personal interest of a director, officer or employee or a director's, officer's or employee's family may conflict with those of the Company, then the director, officer or employee must immediately disclose such conflict and either:

- (a) eliminate the conflict, or
- (b) abstain from participation in any discussion or decision-making process in relation to the subject matter of the conflict.

Information concerning the activities or proposed activities of the Company, which is not public and which could materially affect the Company's share price must not be used for any purpose other than valid Company requirements.

2.3 Breaches of the Code

Directors, officers and employees who breach the policies outlined in the Code may be subject to disciplinary action, including in the case of serious breaches, dismissal.

The Company will monitor compliance with the Code periodically by liaising with the Board, management and other employees especially in relation to any areas of difficulty which arise from this Code and any other ideas or suggestions for improvement of it.

Suggestions for improvements or amendments of the Code can be made at any time in writing to the Company Secretary.

2.4 Reporting breaches of this code

The Company views breaches of this code as serious misconduct. Directors, officers and employees who have become aware of any breaches of the Code must report the matter immediately to the Company Secretary, or in his absence, the Chairman.

The Company Secretary has the responsibility to report the breach to the appropriate senior management and to advise the relevant employee of the outcome and actions implemented.

Any director, officer or employee who, in good faith, reports a breach or a suspected breach will not be subject to any retaliation or recrimination for making that report.

The Board has adopted a detailed Whistleblower Policy which describes:

- (a) how personnel can report a violation of this Code or other serious wrongdoing with respect to the Company.
- (b) the protections for Eligible Whistleblowers, and
- (c) the process the Company will follow when it receives a report.

2.5 Directors

The following additional principles apply to directors of the Company and aim to ensure directors have a clear understanding of the Company's expectations of their conduct.

- (a) **Fiduciary duties.** All directors have a fiduciary relationship with the Shareholders of the Company. A director occupies a unique position of trust with Shareholders, which makes it unlawful for directors to improperly use their position to gain advantage for themselves.
- (b) **Duties of directors.** Each director must endeavour to ensure that the Company is properly managed so as to protect and enhance the interests of all Shareholders. To this end, directors need to devote sufficient time and effort to understand the Company's operations. Directors should avoid or fully disclose conflicts of interest.
- (c) **Conflict of interest.** Executive directors must always be alert to the potential for a conflict of interest between their roles as executive managers and their fiduciary duty as directors.

2.6 Stakeholders

The Board recognises that the primary stakeholders in the Company are its Shareholders. Other legitimate stakeholders in the Company include directors, officers or employees, customers and the general community.

The Company's primary objective is to create shareholder value through capital growth and continued successful development of its projects.

The Company is committed to conducting all its operations in a manner which:

- (a) protects the health and safety of all employees, contractors and community members;
- (b) recognises values and rewards the individual contribution of each employee;
- (c) employs the best available persons with the skills required to carry out vacant positions;
- (d) achieves a balance between economic development, maintenance of the environment and social responsibility;
- (e) maintains good relationships with suppliers and the local community; and
- (f) is honest, lawful and moral.

All employees (including directors) are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

This policy is reviewed annually.

3. Shareholder Communication Policy

InterK Peptide Therapeutics Limited (Company) recognises the value of providing current and relevant information to its Shareholders.

The Managing Director (CEO) and Company Secretary have the primary responsibility for communicating with Shareholders.

Information is communicated to Shareholders through:

- (a) quarterly newsletters or letters from the Chairman or CEO;
- (b) notices of meetings and explanatory material;
- (c) the annual general meeting; and
- (d) periodic disclosure through the annual report (or concise annual report),
- (e) the Company's website at www.interk.com.au
- (f) The CEO and Company Secretary

Directors, officers and employees of the Company must not discuss Company business with Shareholders or communicate in any way Company business with Shareholders at any time unless approved by the Board.

Annual General Meeting

The Company recognises the rights of Shareholders and encourages the effective exercise of those rights through the following means

- (a) notices of meetings are distributed to Shareholders in accordance with the provisions of the Corporations Act;
- (b) notices of meeting and other meeting material are drafted in concise and clear language;
- (c) Shareholders are encouraged to use their attendance at meetings to ask questions on any relevant matter, with time being specifically set aside for shareholder questions;
- (d) if Shareholders are unable to attend a meeting, notices of meetings encourage participation in voting on proposed resolutions by lodgement of proxies;
- (e) it is general practice for a presentation on the Company's activities to be made to Shareholders at each annual general meeting; and
- (f) it is both the Company's policy and the policy of the Company's auditor for the lead engagement partner to be present at the annual general meeting and to answer any questions regarding the conduct of the audit and the preparation and content of the auditors' report.

This policy is reviewed annually.

4. Disclosure Policy

As an **unlisted** public company, InterK Peptide Therapeutics Limited (Company) is under no obligation to comply with a policy of continuous disclosure, as required by a **listed** company, and described by ASX Listing Rules and the Corporations Act 2001 (Cth).

However, the Company has established a disclosure policy to ensure that procedures are in place to properly inform Shareholders and other stakeholders of matters which may have a material impact on the Company, including but not limited to the price at which shares are traded. The Company is committed to:

- (a) preventing the selective or inadvertent disclosure of price sensitive information;
- (b) preventing the selective or inadvertent disclosure of information to any party that may jeopardise the business of the Company;
- (c) ensuring Shareholders and potential investors are provided with full and timely information about the Company's activities;
- (d) ensuring that all participants have equal opportunity to receive externally available information issued by the Company.

4.1 Disclosure officer

The Chief Executive Officer and the Company Secretary have been appointed as the Company's disclosure officers responsible for implementing and administering this policy. The disclosure officers are responsible for all communication with Shareholders and external parties and for making decisions on what should be disclosed under this policy.

In the absence of the Chief Executive Officer and Company Secretary, any matters regarding disclosure issues are to be referred to the Chairman.

4.2 Insider Trading

If a director, officer or employee possesses inside information, the person must not:

- (a) trade in the Company's shares;
- (b) advise others or procure others to trade in the Company's shares; or
- (c) pass on the inside information to others, including colleagues, family or friends, knowing (or where the employee or Director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in, the Company's shares.

This prohibition applies regardless of how the director, officer or employee learns the information (e.g. even if the employee or director overhears it or is told in a social setting).

Note that the Company is deemed to have become aware of information where a director, officer or employee has, or ought to have, come into possession of the information in the course of the performance of his duties as a director, officer or employee.

The Corporations Act defines a material effect on price or value as being where a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the securities.

4.3 Review of communications for disclosure

The Board will review all external communications to ensure that they are full and accurate and comply with the Company's obligations. Such communications may include:

- (a) information memoranda;
- (b) capital raise statements;
- (c) media releases; and
- (d) any other communication, by whatever means, to existing Shareholders, potential investors, or any other party.

Examples of information or events that are likely to require disclosure include:

- (a) financial performance and material changes in financial performance or projected financial performance;
- (b) changes in relation to directors and senior executives, including changes in the independence of directors;
- (c) mergers, acquisitions, divestments, joint ventures or material changes in assets;
- (d) significant developments in new projects or ventures;
- (e) material changes to the Company's security position;
- (f) material information affecting joint venture partners, collaborative research partners or potential licensee(s);
- (g) industry issues which have, or which may have, a material impact on the Company; and
- (h) decisions on significant issues affecting the Company by regulatory authorities.

Directors, officers and employees must ensure that they bring to the attention of the Board any information which could have a material effect on the price or value of the Company's shares. Where there is any doubt as to whether an issue might materially affect the price or value of the Company's shares, the Board will assess the circumstances with appropriate senior executives and if necessary, seek external professional advice.

4.4 Authorised spokespersons

The Company's authorised spokespersons are the Chairman, Managing Director (CEO), and Company Secretary. In appropriate circumstances, the CEO or the Chairman may from time to time authorise other spokespersons on particular issues and those within their area of expertise.

No directors, officers, employees or consultants are permitted to comment publicly on matters confidential to the Company. Any information which is not public must be treated by directors, officers, employees or consultants as confidential until publicly released.

4.5 Reporting of disclosable information

Once the requirement to disclose information has been determined, the disclosure officers are the only persons authorised to release that information.

Directors and officers should be aware of their legal obligations.

This policy is reviewed annually.

5. Risk Management

The Company's process of risk management and internal compliance and control includes:

- (a) establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;
- (b) continuously identifying and reacting to risks that might impact upon the achievement of the Company's goals and objectives and monitoring the environment for emerging factors and trends that affect these risks.

Within the identified risk profile of the Company, comprehensive practices are in place that are directed towards achieving the following objectives:

- (a) effectiveness and efficiency in the use of the Company's resources,
- (b) compliance with applicable laws and regulations; and
- (c) preparation of reliable published financial information.

The Board oversees an ongoing assessment of the effectiveness of risk management and internal compliance and control.

The risk profile of the Company contains both financial and non-financial factors including but not limited the following:

- (a) Financial risk – includes cash flow, budgetary requirements, tax obligations, creditor and debtor management, foreign exchange rate fluctuations and other general account management;
- (b) Intellectual Property – creation and maintenance of sound intellectual property portfolio is a key component of risk management;
- (c) Security – security of company information, intellectual property protection, data security office equipment and laboratory assets and business premises;
- (d) Research Program
 - a. In-house research - includes close supervision of the in-house scientific program, data security, management of equipment, finances, resources, technology, time frames and research personnel;
 - b. Contract research – includes
 - i. close scientific oversight of that part of the scientific program carried out by external Contract Research Organisations (CROs), both domestic and international.
 - ii. Ensuring contract research agreements protect the Company's intellectual property estate and confidentiality of outcomes.
 - iii. Safe and timely delivery of peptides to domestic and international CROs as required;

- (e) Legal and regulatory compliance – includes legislation, regulations, standards, codes of practice and contractual requirements.;
- (f) Operational – covers the planning, daily operational activities, resources (including people and peptide inventories) and support required within the business that results in the successful development of the scientific program and commercialisation activity;
- (g) Commercialisation – includes risks associated with market placement, business growth, product development, diversification and commercial success;
- (h) Workplace safety – underpinned by State and Federal legislation. Adequate insurance is in place and all reasonable steps are taken to ensure health and safety at the workplace;
- (i) Reputation – entails the threat to the reputation of the business due to the conduct of the entity as a whole, the veracity of claims made for commercial outreach and the conduct of employees or others associated with the business, including the right of the Board to new Shareholders .

To mitigate/manage these risks, the Chief Executive Officer and the Chief Operating Officer (Management) are responsible for the ongoing management of risk with standing instructions to appraise the Board of changing circumstances within the Company and within the national and international business environment.

Accordingly, the Board holds regular monthly Board meetings wherein Management provides timely and accurate updates on the cash position, scientific program and commercialisation activity.

The Board’s expertise is augmented by the regular attendance of eminently qualified external advisors in the fields of science, contract law and intellectual property licensing.

Management are also required in conjunction with the preparation of the annual report to state to the Board that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and that this opinion has been formed on the basis of a sound system of risk management and internal control that the system is operating effectively.

This policy is reviewed annually.

6. Nomination Committee Charter

6.1 Composition

The full Board presently performs the function of a Nomination Committee. A separate Nomination Committee may be established when appropriate, as the Company's activities develop in size, nature and scope, and where increased efficiency and effectiveness can be derived from having a separate committee.

From time to time, non-Board members may be invited to attend Board meetings when nomination matters are being discussed, if it is considered appropriate.

6.2 Role

The Board's function as a Nomination Committee is to examine the selection and appointment practices of the Company.

6.3 Operations

The full Board shall consider nomination matters in its capacity as a Nomination Committee as part of general meetings of the Board as required. Minutes of the consideration of such matters are to be kept as part of the minutes of the general meeting of the Board.

6.4 Responsibilities

Size and Composition of the Board

To ensure that the Board has the appropriate blend of directors with the necessary skills, expertise, relevant industry experience and diversity (see Directors' Skills Matrix below), the Board shall:

- (a) regularly review the size and composition of the Board and consider any appropriate changes;
- (b) identify and assess necessary and desirable director skills and competencies and provide advice on the skills and competency levels of directors with a view to enhancing the Board;
- (c) make recommendations on the appointment and removal of directors;
- (d) make recommendations on whether any directors whose term of office is due to expire should be nominated for re-election;
- (e) regularly review the time required from non-executive directors and whether non-executive directors are meeting that requirement.

This policy is reviewed annually.

7. Directors' Skills Matrix: Competencies of Board Members

- **Scientific expertise**
The ability to review the scientific program through constructive questioning and suggestion;
- **Strategic expertise**
The ability to review the strategy through constructive questioning and suggestion;
- **Accounting and finance**
The ability to read and comprehend the company's accounts, financial material presented to the Board, financial reporting requirements and some understanding of corporate finance;
- **IP and Legal**
The Board's responsibility involves overseeing intellectual property policy and compliance with numerous laws as well as understanding an individual director's legal duties and responsibilities;
- **Managing risk**
Experience in managing areas of major risk to the organisation;
- **Managing people and achieving change;**
- **Industry knowledge**
Experience in similar organisations or industries.

8. Selection Process of new Directors

The Board shall review the Company's policies and procedures for selection and appointment of directors. This procedure should be transparent process in order to promote investor understanding and confidence in the process.

The Board is empowered to engage external consultants in its search for a new director as a means to increase the presentation of candidates which meet the requirements and targets set.

The initial appointment of a new director is made by the Board.

The new director will be required to stand for election at the Company's next general meeting.

8.1 Performance Appraisal Competency

The Board shall:

- (a) develop a process for evaluation of the performance of the Board, Board committees (if any), and when deemed appropriate by the Chair, individual Board members in accordance with the Company's Performance Evaluation Practices;
- (b) implement ways of enhancing the competency levels of directors;
- (c) consider and articulate the time required by Board members in discharging their duties efficiently;
- (d) undertake continual assessment of directors as to whether they have devoted sufficient time in fulfilling their duties as directors;
- (e) develop a process for, and carry out, an evaluation of the performance of the Managing Director (CEO) in accordance with the Company's Performance Evaluation Practices;
- (f) provide all directors with access to ongoing education relevant to their position in the Company, including education concerning key developments in the Company and in the industry and environment within which it operates.

8.2 Succession Plans

The Board shall formulate and review the Company's succession plans. Succession plans are to assist in maintaining the appropriate mix of skills, experience, expertise and diversity on the Board.

8.3 Authority and Resources

The Board may, when it considers it necessary or appropriate, seek advice from external consultants or specialists.

This policy is reviewed annually.

9. Performance Evaluation Practices

As part of the annual review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The Board also reviews the appropriate criteria for Board membership collectively.

The Board has established processes to review its own performance and the performance of individual directors - including the Managing Director (CEO) where appointed - and any committees of the Board, annually.

9.1 Board

An informal process has been established to review and evaluate the performance of the Board. Given the size of the Company, the Board is continuously reviewing the role of the Board, assessing its performance over the previous period, including comparison with others, and examining ways in which the Board can better perform its duties. The review will incorporate the performance of the Board.

The review may include consideration of the following measures:

- (a) comparison of the performance of the Board against the requirements of the Board Charter;
- (b) assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- (c) review the Board's interaction with management;
- (d) identification of any particular goals and objectives of the Board for the next year;
- (e) review the type and timing of information provided to the directors; and
- (f) identification of any necessary or desirable improvements to the Board Charter.

The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each director. The Board may also use an independent adviser to assist in the review.

9.2 Committees

Similar procedures to those for the Board review are applied to evaluate the performance of any of the Board committees as and when such committees are established.

An assessment will be made of the performance of any committee against each charter and areas identified where improvements can be made.

9.3 Non-executive directors

The Chairman will have primary responsibility for conducting performance appraisals of non-executive directors in conjunction with each non-executive director, having particular regard to;

- (a) contribution to Board discussion and function;
- (b) degree of independence including relevance of any conflicts of interest;
- (c) availability for, and attendance at, Board meetings and other relevant events;
- (d) contribution to Company strategy;
- (e) membership of, and contribution to, any Board committees; and
- (f) suitability to Board structure and composition.

Where the Chairman, following a performance appraisal, considers that action must be taken in relation to a director's performance, the Chairman must consult with the remainder of the Board regarding whether a director should be counselled to resign, not seek re-election, or in exceptional circumstances, whether a resolution for the removal of a director be put to Shareholders.

9.4 Managing Director (CEO)

The Board will annually review the performance of the CEO. At the commencement of each financial year, the Board and the CEO will agree a set of general Company specific performance measures to be used in the review of the forthcoming year.

These will include:

- (a) financial measures of the Company's performance;
- (b) the extent to which key operational goals and strategic objectives are achieved;
- (c) development of management and staff;
- (d) compliance with legal and Company policy requirements; and
- (e) achievement of key performance indicators.

9.5 Senior executives

The CEO is responsible for assessing the performance of the key executives within the Company. This is to be performed through a formal process involving an annual formal meeting with each senior executive and ongoing informal monitoring throughout each financial year.

The basis of evaluation of senior executives will be on agreed performance measures.

This policy is reviewed annually.