



MacarthurCook Limited Board Charter

Role of the Board of Directors

The primary role of the Board is to protect and promote the interests of shareholders in achieving sustainable returns and the long term success of the Company by:

- setting and monitoring the strategic objectives goals and business direction for management, with a view to maximizing shareholder value and achieving best practice in meeting other shareholder and stakeholder expectations (eg ethical, environmental and regulatory);
- ensuring the supply of the requisite resources, both financial and human, to achieve those objectives and goals;
- recognising and promoting a focus upon a “triple bottom line” comprised of earnings, societal and environmental measures; developing a set of corporate governance principles and guidelines for the Company and providing for processes which will achieve conformance with such;
- approving annual, half-yearly and quarterly financial reports upon recommendation from the Audit, Risk & Compliance Committee, a sub-committee of the Board;
- through the Audit, Risk & Compliance Committee, ensuring adequate internal controls exist and are appropriately monitored for compliance;
- through the Audit, Risk & Compliance Committee, appointing and assessing the performance of the Company’s auditor;
- ensuring that the executive management team is appropriately qualified and experienced to discharge their responsibilities;
- adopting an annual budget and monitoring financial performance by the establishment and reporting of both financial and non-financial KPIs for both the Company and its senior executives, with the latter achieved by way of delegation to the Remuneration Committee, a sub-committee of the Board;

- reviewing the performance of the Managing Director and the senior management team;
- through the Audit, Risk & Compliance Committee, ensuring significant business risks are identified and appropriately managed;
- through the Remuneration Committee, determining the remuneration for senior executives and non-executive Directors;
- through the Nomination Committee, a sub-committee of the Board, establishing guidelines for the selection, appointment and ongoing education of Directors and monitoring the performance of the Board;
- setting the highest business standards and code for ethical behaviour;
- promoting and maintaining the Company's reputation;
- promoting the well being of the Company's staff and ensuring that they receive ongoing training and support by way of a human resources program overseen by the Remuneration Committee.

Board Structure

Since good governance principles require independence, transparency and flexibility, the Board acknowledges the importance of board structure and, as a consequence, the Board seeks to use the following provisions as guidance when implementing an effective governance structure.

Number of Directors

In accordance with the Constitution, the Board may comprise up to ten (10) individual Directors with a minimum of three (3). Directors will be classified as independent, non-executive or executive.

Independent Director

An Independent Director is one who is not or has not within the last three years been an executive, is not a nominee of a substantial shareholder, is not involved in the value chain of the organisation either upstream or downstream and is not, and has not within the last three years been, an adviser to the Company for fees or some other benefit.

For the purposes of this definition 'substantial shareholder' is one who owns equal to or greater than 5% of the issued capital of the Company (i.e. Corporations Act definition)

Non-executive Director

A Non-executive Director is not a current executive but can be a previous executive (so long as he has not been employed by the Company for a period of 2 years), a nominee of a major shareholder, involved in the value chain of the organisation or an adviser to the Company for fees.

Executive Directors

The Managing Director is the only Executive Director.

The Board recognises that there may be a role for other Executive Directors within the Company, from time to time. It is envisaged that the Executive Directors will hold substantially wider delegations than other Directors, in line with their particular management functions within the Company.

The Board of the ASX listed parent will contain a majority of non-executive Directors.

Attributes of Board

The responsibility for recommending the appointment of Directors is delegated to the Nomination Committee. A formal charter for that sub-committee exists separately, however, in summary the attributes the Board should be able to offer the Company include: business and financial management; capital raising and legal experience; property, lending and financial services industry knowledge and compliance orientation.

Board Vacancies

When a vacancy exists, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board, through its Nomination Committee selects a candidate with the appropriate experience and expertise. The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

Rotation of Directors

Non-executive Directors must retire every three years and they are eligible for re-election at the Annual General Meeting. The Nomination Committee reviews the performance of all Directors each year.

Independent advice

Each Director has the right to seek independent advice at the consolidated entity's expense. However, prior approval of the Chairman is required, which will not be unreasonably withheld.

Board shareholdings

In order to encourage long term commitment and more closely align the interests of the Board with shareholders, there is to be a minimum shareholding requirement for non-executive Directors equal to their annual remuneration. This holding may be accumulated over three years.

Board sub-committees

The Board is supported by a number of specialist sub-committees that ensure key controls are in place. These committees are:

Remuneration Committee

Nomination Committee

Audit, Risk & Compliance Committee

Charters for the sub-committees have been drafted separately.