

**INTRAPOWER LIMITED ABN 26 123 699 043  
AND CONTROLLED ENTITIES**

**BOARD CHARTER**

This charter sets out the main principles adopted by the Board of Directors ("Board") of IntraPower Limited and its controlled entities ("the Company") in order to implement and maintain a culture of good corporate governance both internally and in its dealings with external parties.

The Board supports to the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations (2<sup>nd</sup> edition)*, and as such the Board has developed policies and procedures that are consistent with the Principles, with such adjustments as the Board believes necessary. In addition, the Board is eternally mindful of its duties as directors under the *Corporations Act* and the ASX listing rules.

**1. Composition of the Board**

- 1.1. The structure of the Board has been determined in accordance with Principles 1 and 2 of the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations (2<sup>nd</sup> edition)*.
- 1.2. The Board is structured to aim for, so far as practical given the size the of Company, a majority of the Board being independent directors, and is responsible for the following:
  - (a) Determining the number of directors (in accordance with the Company's constitution);
  - (b) Composition of the Board;
  - (c) Nomination of all directors; and
  - (d) Terms and conditions of directors' appointments.
- 1.3. The Company's constitution provides:
  - (a) For the number of directors to be between three and twelve;
  - (b) Directors (apart from the Managing Director) are to retire from office at the end of the third annual general meeting after the director was last elected, with each director eligible for re-election; and
  - (c) For the appointment and removal of the Managing Director and its non-executive directors.
- 1.4. The Board has a policy in place on the independence of non-executive directors, which is regularly assessed to determine whether each director can continue to be regarded as independent under that policy and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the directors' ability to act in the best interests of the Company.
- 1.5. Each director has the right, at the Company's expense and subject to the Chairman's approval, to seek independent professional advice in relation to their duties as director of the Company.

**2. Purpose**

- 2.1 The Board charter sets out the division of responsibility between the Board and management to assist those affected by decisions to better understand the respective accountabilities and contributions of the Board and management.
- 2.2 The purpose of preparing and disclosing the matters set out in this document are to:

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**BOARD CHARTER (CONTINUED)**

- (a) Formalise procedures to ensure the Company and the Board act in a transparent and appropriate manner in both its internal and external dealings;
- (b) Ensure that appropriate checks, balances and procedures are in place to monitor the operations of the Company and those charged with its management;
- (c) Provide for a transparent method for shareholders to evaluate the performance of the Company from a corporate governance perspective.

**3. Duties and responsibilities**

3.1 The Board oversees the management of the Company, and generally the powers and responsibilities of the Board are governed by the *Corporations Act* and the general law.

3.2 Without limiting those matters, the Board expressly considers itself responsible for the following:

- (a) Ensuring compliance with the *Corporations Act*, ASX listing rules and all relevant laws;
- (b) Implementing appropriate strategies to monitor performance of the Board in implementing its functions and powers;
- (c) Oversight of the Company including its framework of control and accountability systems to enable risk to be assessed and managed;
- (d) Appointing and removing the Chief Executive Officer;
- (e) Ratifying the appointment and, where appropriate, removal of the Chief Operating Officer, Chief Financial Officer, Company Secretary and other senior executives;
- (f) Input into and final approval of the management's development of corporate strategy and performance objectives;
- (g) Reviewing ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (h) Monitoring senior management's performance, implementation of strategy and ensuring appropriate resources are available;
- (i) Approval of the annual budget;
- (j) Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- (k) Monitoring the financial performance of the Company;
- (l) Liaising with the Company's external auditors when required;
- (m) Monitoring and ensuring compliance with all of the Company's legal obligations;
- (n) Approving and monitoring financial and other reporting;
- (o) Appointing and overseeing the Committees where appropriate to assist in the above functions and powers; and
- (p) The responsibilities normally required of a nomination committee (refer to section 5).

3.3 The following responsibilities may be delegated to management:

- (a) Day-to-day management of the Company in accordance with the strategy set by the Board, including financial and capital management and reporting, operations, information technology, marketing, customer service and support, investor relations and other external relationships and human resources;
- (b) Reporting to the Board on the performance of the Company;
- (c) Such other duties delegated by the Board to management.

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**BOARD CHARTER (CONTINUED)**

**4. Board meetings**

- 4.1 The Board meets at least ten times per year.
- 4.2 Each director is entitled to receive notice of meeting not less than 24 hours prior to the meeting, unless the directors unanimously agree otherwise.

**5. Committees**

- 5.1 The Board has established an Audit and Risk Committee and Remuneration Committee.
- 5.2 A separate charter for each of these committees has been prepared.
- 5.3 Further to Recommendation 8.2 of the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations (2<sup>nd</sup> edition)*, the size and structure of the Board and the Company has not warranted the establishment of a nomination committee.
- 5.4 The Board discharges its responsibilities in relation to the appointment of members to the Board and management by:
  - (a) Developing criteria for seeking and reviewing candidates for a position on the Board, including by implementing processes to assess the necessary and desirable skill sets of the Board members, including experience, expertise, skills and performance of the Board;
  - (b) Identifying suitable candidates for appointment to the Board or senior management positions;
  - (c) Reviewing appropriate applications for positions of the Board and recommending individuals for consideration by the Board; and
  - (d) Recommending procedures for adoption by the Board for the proper oversight of the Board and senior management.

**6. Review**

- 6.1 The Board will participate in an annual review of the Board's effectiveness in carrying out its responsibilities, which may include:
  - (a) A review of effectiveness undertaken by the Board;
  - (b) Individual performance reviews for directors;
  - (c) Opportunities for directors to give feedback to the Chairman; and
  - (d) Other mechanisms of review as the Board decides.
- 6.2 The Board will decide whether or not to engage an external facilitator to assist with the review.
- 6.3 The Board shall review the charter annually, and an evaluation to the extent which the Board has met the requirements of the charter.