



Hastie Group Limited

Hastie Group Ltd (The Company or HST)

BOARD CHARTER

The Board reviews and amends this charter regularly to reflect current best practice in corporate governance and the duties and responsibilities of Boards.

1. Role and responsibilities of the Board

HST's Board is responsible for:

- appointing and removing the Chief Executive Officer;
- assessing company progress against Board approved budgets, targets and strategies;
- ensuring that appropriate policies, controls, systems and procedures are in place within HST to manage business risks and to ensure compliance with all regulatory, prudential and ethical standards;
- reviewing and approving delegated authority limits;
- approving annual and half yearly accounts and reports, and material disclosures to the ASX;
- overseeing the communication of Hastie Group's financial position, trading performance and prospects to all stakeholders, in particular, shareholders, clients and employees;
- approving and monitoring the progress of major capital expenditure, acquisitions, divestments and overall capital management;
- ensuring appropriate succession planning for the CEO and senior executives;
- ratifying the appointment and the removal of the CEO's direct reports, in particular the CFO, the Company Secretary, and Divisional CEOs;
- reviewing the performance of the CEO;
- ratifying recommendations of the Remuneration Committee concerning the remuneration (including financial incentives), of the Chief Executive Officer and senior management; and
- reviewing and approving remuneration policy and incentive programs for employees, as recommended by the Remuneration Committee.

2. Composition

The composition of the Board is determined with regard to the following criteria:

- The number of directors is limited by Article 6.1 of the Constitution to not less than 3 and not more than 12. The Board considers the present complement of 5 directors (including the Managing Director) is appropriate and therefore casual vacancies shall be filled as and when they arise to maintain this complement.
- The Chairman of the Board will be an independent director.
- The role of the Chairman and the Managing Director will not be undertaken by the same individual.
- The Board will comprise a majority of independent directors.
- The Board requires directors to have a broad range of commercial expertise and experience and/or appropriate professional qualifications that will contribute to Board deliberations and decision-making.

3. Independence of Directors

The Board will regularly assess whether each director is independent having regard to the definition of independence in the ASX Corporate Governance Guidelines.

If notwithstanding some variance with the Guidelines the Board still considers a director to be independent, it will clearly state the reasons for this decision in the Annual Report. If the independent status of a director is lost this will be disclosed to the market immediately.

4. Board Committees

The Board has established three standing Committees to assist decision-making, supervision and control:

- Audit and Risk Management Committee
- Nomination Committee
- Remuneration Committee

The Board has approved Charters for each of these Committees, which are periodically reviewed by the Board. Minutes of Committee meetings are tabled at the next Board meeting.

Both the Chairman and Chief Executive Officer are ex officio members of all Board Committees, but will not attend that part of any meeting where they are deemed by the committee at that time to have a potential conflict of interest.

5. Board and Director Review Processes

The Board will meet at least once each year to objectively review its performance, and that of its committees. At this time it will also review the relationship between the Board and management, and matters of general corporate governance.

Prior to the nomination of a director for re-election, the Board will undertake a review of the performance of that director. If the review is satisfactory the Board will recommend that director to shareholders for re-election.

6. Independent Professional Advice

Directors have the right to seek independent professional advice at the expense of the Company in accordance with the guidelines established by the Board.