

## HAMILTON JAMES AND BRUCE GROUP LIMITED Board Charter

### 1. ROLE OF THE BOARD

- 1.1 This Board Charter sets out the principles for the operation of the Board of Directors (the **Board**) of Hamilton James & Bruce Group Limited (**HJB** or the **Company**) and describes the functions of the Board.
- 1.2 The Board is accountable to shareholders for the overall performance of the Company. The Board must at all times act honestly, fairly and diligently in all respects in accordance with the laws applicable to the Company.
- 1.3 The Board Charter and the respective Charters and Policies adopted by the Board for the Committees established by the Board have been prepared and adopted on the basis that good governance policies and procedures can add to the overall performance of the Company.

### 2. BOARD SIZE AND COMPOSITION

The Constitution of the Company provides that the Board may comprise a minimum of three Directors and a maximum of twelve Directors. The Board shall comprise Directors with broad skills, knowledge and experience that will add value to the integrity and effectiveness of the Board and the decision-making process. The Chairman is elected by the Directors.

### 3. BOARD AND CHAIRPERSON INDEPENDENCE

- 3.1 The Board acknowledges the benefits of independence and supports the ASX guidelines. It also acknowledges the appropriateness of maintaining a majority of independent Directors across the Board and its Committees.
- 3.2 The Board currently comprises two Executive Directors and three Non-Executive Directors, one of whom is the Chairman.

### 4. BOARD ACTIVITIES AND RESPONSIBILITIES

Responsibilities of the Board, either directly or through its committees, include:

- Review and approval of the HJB group's strategic direction and monitoring its progress against approved strategies.
- Monitoring the performance of the Company and its controlled entities on a regular basis.
- Receiving and considering reports from the Remuneration and Nomination Committee and Audit Committee.
- Performance assessment of the Chief Executive Officer.
- Review and approval of major initiatives.
- Ensuring legal compliance.
- Ensuring adequate risk assessment, reporting and control procedures are established and reviewed regularly.
- Reporting and communications to stakeholders.
- Reviewing external auditor reports.
- Monitoring the financial performance of the Company.
- Maintaining an independent view of management activities.

## 5. BOARD COMMITTEES

The Board has established the following committees:

- Audit Committee.
- Remuneration and Nomination Committee.

## 6. CORPORATE GOVERNANCE

The Board is committed to the following:

- As a minimum, once per year, review the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amending those policies and procedures as necessary.
- Reviewing and approving all disclosures related to any departures from the ASX Principles of Good Corporate Governance.
- Reviewing and approving the public disclosure of any of the Company's policies and procedures.
- Monitoring compliance with the *Continuous Disclosure Policy* approved by the Board;
- Appointing Directors to Committees established by the Board.
- Approving and monitoring delegations of authority.

## 7. THE BOARD AND MANAGEMENT

Responsibility for the day-to-day management of the Company is delegated by the Board to the Chief Executive Officer and Managing Director who will be assisted by the senior management team.

## 8. RESPONSIBILITY OF INDIVIDUAL DIRECTORS

Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors. This includes acting in good faith and with due care and diligence.

## 9. CONFLICTS OF INTEREST

Directors must avoid conflicts wherever possible and must disclose to the Board any actual or potential conflicts of interest, and take reasonable measures to resolve such conflicts.

## 10. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgment in decision-making.

## 11. TERM OF APPOINTMENT OF DIRECTORS

The Constitution of the Company requires that at every Annual General Meeting one third of the Directors, excluding the Managing Director, must retire. Retired Directors are eligible to offer themselves for re-election. The Director(s) to retire are the longest in office since last being elected or re-elected.

## 12. REVIEW OF BOARD PERFORMANCE

The Chairman reviews the performance of the Board annually. The evaluation will include the Board's role, its committees and processes plus the Board's overall performance.

### 13. PROCEDURES

The Board may meet in person or otherwise for the dispatch of business, and may regulate their meetings as they see fit. Meetings of the Board occur approximately 10 times per annum. All proceedings of the Directors are in accordance with the rules of the Company's Constitution.

**ISSUED DATE:** August 2009

**LAST UPDATED:** January 2010

**VERSION NO:** Version 2

**APPROVED BY:** Chief Executive and Managing Director  
Hamilton James & Bruce Group Ltd