



GALE PACIFIC LIMITED

ACN 082 263 778

BOARD CHARTER

(Last Reviewed and Amended by the Board on 30 August 2011)

Introduction

This Charter establishes the role and responsibilities of the Board of directors of Gale Pacific Limited. The Board reviews and amends this Charter regularly to reflect current best practice in corporate governance.

In carrying out the responsibilities and powers set out in this Charter, the Board will at all times recognise its overriding responsibility to act honestly, diligently and in accordance with the law in the best interests of the Company's shareholders while also having regard to the interests of its other stakeholders, including its customers and employees.

1. PURPOSE AND ROLE

The Board Is Responsible For:

- Input into and final approval of corporate strategy, budgets and performance objectives;
- Appointing and removing the Managing Director/Chief Executive Officer (CEO);
- Assessing the Company's progress against Board approved budgets, targets and strategies;
- Monitoring the performance of the Company's management;
- Ensuring that appropriate policies, controls, systems and procedures are in place to manage business risks and to ensure compliance with all regulatory, prudential and ethical standards;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestments;
- Reviewing and approving delegated authority limits;
- Overseeing the Company's communication of its financial position, trading performance and prospects;
- Approving annual and half yearly accounts and reports, and material disclosures to the ASX;
- 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 Chief Operating Officer, Company Secretary, and divisional MD's;
- Reviewing the performance of the CEO;
- Ratifying recommendations of the Remuneration Committee concerning the remuneration (including financial incentives), of the CEO and senior management;

- Reviewing and approving remuneration policy and incentive programs for employees, as recommended by the Remuneration Committee;
- Maintaining the highest business standards and ethical behaviour;
- Identifying risks and initiating action to mitigate;
- Promoting gender diversity within all levels of the Group;
- Approving the Company's policies in relation to diversity at all levels of the Group (including the Board) and subsequent amendments to those policies;
- Monitoring and ensuring compliance with legal and regulatory requirements and ethical standards and policies including gender diversity and equal opportunity;
- Establishing measurable objectives for achieving diversity at all levels of the Group (including the Board);
- Assessing annually the measurable objectives set by the Board in relation to gender diversity at all levels of the Group (including the Board) and progress in achieving them, including a review of the relative proportion of women and men in the workforce at all levels of the Group; and
- Monitoring and ensuring compliance with best practice corporate governance requirements

2. BOARD COMPOSITION

- The number of directors is limited by Article 7.1(a) of the Company's constitution to not less than 3 and not more than 12.
- The Board requires directors to have a broad range of commercial expertise and experience, and appropriate professional qualifications that will contribute to Board deliberations and decision-making. The Board shall comprise a balance of skills appropriate to the present and planned operations of the Company.
- The Board shall appoint a chairperson who is an independent director and not an executive of the Company.
- The role of the Chairperson and the CEO will not be undertaken by the same individual.
- The Board shall comprise a majority of independent directors.

3. INDEPENDENCE OF DIRECTORS

- The Board will regularly assess whether each director is independent having regard to 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 is lost at any time, this will be immediately disclosed to the market.

4. BOARD COMMITTEES

- The Board has established three standing Committees to assist it in carrying out its responsibilities:
 - Remuneration Committee
 - Audit & Risk Committee
 - Nomination Committee

- The Board has approved Charters for each of the Committees setting out matters relevant to their composition, duties responsibilities and other appropriate matters. Minutes of Committee meetings are tabled at the next Board meeting.

5. AVAILABILITY OF INDEPENDENT ADVICE

Directors may seek independent professional advice, at the Company's expense, on any matter connected with the discharge of their responsibilities, provided the advice, together with a copy of the letter of instructions, is provided to the Board.

6. REVIEW

The Board shall review its performance and Charter annually to ensure that it is operating effectively.

First approved by the Board on 16 November 2005.