

**BRISCONNECTIONS MANAGEMENT COMPANY
LIMITED**

**BOARD
CHARTER**

APPROVED 23 MAY 2008

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1.0 Introduction and Purpose

- 1.1. The primary objective of the Boards of Directors ("Board") of the BrisConnections Group is to build long term security holder value with due regard to other stakeholder interests. It does this by setting strategic direction and context, such as BrisConnections Group's mission, vision and values, and focussing on issues critical for its successful execution such as personnel, performance and the management of risk.
- 1.2. The Board is also responsible for overseeing the BrisConnections Group's corporate governance framework.
- 1.3. The purpose of this Charter is to promote high standards of corporate governance and to clarify the role and responsibilities of the Board.

2.0 Board Size and Composition

- 2.1. The Constitutions of BrisConnections Management Company Limited (as the responsible entity of the BrisConnections Investment Trust and BrisConnections Holdings Trust) (collectively "BrisConnections Group") provide that there will be a minimum of 3 Directors and a maximum of 10 Directors.
- 2.2. The Board should comprise:
 - (a) a majority of independent non-executive Directors;
 - (b) Directors with an appropriate range of skills, experience and expertise;
 - (c) Directors who have a proper understanding of, and competence to deal with, current and emerging issues of the business; and
 - (d) Directors who can effectively review and challenge the performance of management and exercise independent judgement.
- 2.3. An independent non-executive Director is independent of management and free of any business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement, and who otherwise meet the criteria for independence set out in the Best Practice Recommendations published by the ASX Corporate Governance Council. BrisConnections Group's guidelines for assessing the independence of Directors are attached as Appendix A to this Charter.
- 2.4. The Board's Nomination Committee is responsible for the identification and recommendation of candidates for appointment to the Board.
- 2.5. Directors will be appointed pursuant to formal letters of appointment setting out the key terms and conditions of their appointment to ensure that Directors clearly understand the BrisConnections Group's, and the Board's, expectations.

3.0 Board Accountabilities and Responsibilities

The following accountabilities and responsibilities have been adopted by the Board:

- 3.1. Strategy and Planning
 - 3.1.1. Review BrisConnections Group's strategic position, current strategies and alternative strategies.
 - 3.1.2. Approve strategic and/or major projects and capital expenditure.
 - 3.1.3. Review post-implementation assessments of those projects and capital expenditure audits.
 - 3.1.4. Approve operational plans and budgets.
 - 3.1.5. Review strategic planning processes.
- 3.2. Personnel
 - 3.2.1. Define required board competencies and number and profile of Board members.
 - 3.2.2. Appoint Board members.

- 3.2.3. Approve induction programs for new Board members and ongoing education programs for all Board members.
- 3.2.4. Ensure easy access to internal and external sources of information and advice.
- 3.2.5. Manage performance of the Board as a whole and of individual members.
- 3.2.6. Select and appoint the Managing Director.
- 3.2.7. Review the Managing Director's performance and provide counselling and mentoring if and when required.
- 3.2.8. Review appointments to the Executive Committee, as well as the appointments of the Chief Financial Officer and the Company Secretary.
- 3.2.9. Approve executive succession plans.
- 3.3. Remuneration
 - 3.3.1. Set remuneration and contracts of non-executive Directors after approval at the Annual General Meeting.
 - 3.3.2. Set remuneration and contract of the Managing Director.
 - 3.3.3. Approve remuneration and contracts of Executive Committee members on the recommendation of the Managing Director.
 - 3.3.4. Approve employee share acquisition schemes and any other executive incentive schemes.
- 3.4. Capital Management and Financial Reporting
 - 3.4.1. Approve capital requirements and strategic allocation across the BrisConnections Group.
 - 3.4.2. Approve half yearly accounts, full year accounts and the Annual Report.
 - 3.4.3. Approve the distribution policy and distribution payments.
 - 3.4.4. Approve major financial arrangements.
- 3.5. Performance Monitoring
 - 3.5.1. Approve relevant financial and non-financial Key Performance Indicators (KPI's) to be reported by management.
 - 3.5.2. Review KPI's with the Managing Director and senior management.
 - 3.5.3. Consider and approve any action/remediation plans to be implemented.
- 3.6. Risk Management
 - 3.6.1. Review major risks the BrisConnections Group is, and is likely to be, exposed to.
 - 3.6.2. Review risk management resources, structures and processes and consider and approve any changes.
 - 3.6.3. Approve risk management strategies.
- 3.7. Audit and Compliance
 - 3.7.1. Initially appoint and recommend for approval by securityholders in General Meeting the appointment of external auditors and agree their remuneration.
 - 3.7.2. Define the scope of the external audit function.
 - 3.7.3. Review the control environment and audit and compliance resources, structures and processes and consider and approve any changes.
 - 3.7.4. Approve the definition of significant audit and compliance issues.
 - 3.7.5. Review significant audit and compliance issues and consider and approve action and remediation plans.
- 3.8. Board Processes and Policies

- 3.8.1. Approve the annual Board program, comprising such matters as board meetings, agendas, venues, site visits and meetings with executives, other staff, customers, regulators and suppliers and other key stakeholders.
- 3.8.2. Decide the role and composition of board committees.
- 3.8.3. Approve delegated authorities to management.
- 3.8.4. Define and execute a policy dealing with conflicts of interest.
- 3.8.5. Define codes of conduct including related party transactions and dealing in the Group's securities.
- 3.8.6. Approve a disclosure policy and policies for communication with security holders, financial markets and regulators.
- 3.8.7. Approve policies dealing with Directors' liabilities, indemnities and insurance.

4.0 Board Committees

- 4.1. The Board may discharge any of its responsibilities through Committees of the Board in accordance with the BrisConnections Group's Constitutions and the Corporations Act (2001) (Cth). The Board has established:
 - (a) an Audit, Risk and Compliance Committee;
 - (b) a Remuneration Committee; and
 - (c) a Nomination Committee;

to consider relevant issues in more detail.

Each Committee shall adopt its own Charter, to be approved by the Board, setting out matters relevant to its composition and responsibilities. The Committee Charters will be reviewed periodically by the Board.

In general the Board has delegated the review of Personnel and Remuneration matters to the Remuneration Committee and Board composition and related matters to the Nomination Committee.

The review of capital management and financial reporting, risk management and audit and compliance matters has been delegated to the Audit, Risk and Compliance Committee.

In addition the Board has delegated the approval of certain acquisitions, investments and works to BrisConnections Group's Executive Committee.

5.0 The Board and Management

- 5.1. Responsibility for the day to day management and administration of the BrisConnections Group is delegated by the Board to the Managing Director assisted by the executive team ("management").
- 5.2. The Managing Director manages the BrisConnections Group in accordance with the strategy, plans and delegations approved by the Board.
- 5.3. The Board has implemented appropriate procedures to assess management's performance.

6.0 Role of the Chairman

- 6.1. The Chairman of the Board is appointed by the Directors.
- 6.2. The Chairman must be an independent non-executive Director.
- 6.3. The Chairman must not also be the Managing Director of the BrisConnections Group.
- 6.4. The role and responsibilities of the Chairman include:
 - (a) providing leadership to the Board and to the BrisConnections Group;
 - (b) ensuring the efficient organisation and conduct of the Board;
 - (c) monitoring Board performance annually;

- (d) facilitating Board discussions to ensure core issues facing the BrisConnections Group are addressed;
- (e) briefing all Directors in relation to issues arising at Board meetings;
- (f) facilitating the effective contribution and ongoing development of all Directors;
- (g) promoting consultative and respectful relations between Board members and between the Board and management;
- (h) chairing security holder meetings.

7.0 Responsibility of Individual Directors

- 7.1. Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors. Broadly these include:
- (a) acting in good faith in the best interests of the BrisConnections Group as a whole;
 - (b) acting with care and diligence and for proper purpose;
 - (c) avoiding conflicts of interest wherever possible; and
 - (d) refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director.
- 7.2. Directors are expected to support the letter and spirit of Board decisions.
- 7.3. Directors will keep Board information, discussions, deliberations and decisions, which are not publicly known, confidential.

8.0 Conflicts of Interest

- 8.1. 8.1 Directors must:
- (a) Disclose to the Board any actual or potential conflicts of interest which may exist, or be thought to exist, as soon as they become aware of the issue;
 - (b) Take any necessary and reasonable measures to try to resolve the conflict; and
 - (c) Comply with the Corporations Act provisions on disclosing interests and restrictions on voting.
- 8.2. If a conflict or potential conflict situation exists, it is expected that the conflicted Director shall be absent from the meeting whilst the Board discusses the matter and not vote on the matter, unless the other Directors who do not have a material personal interest in the matter have passed a resolution that states that those Directors are satisfied that the interest should not disqualify the Director from being present or voting on the matter.
- 8.3. Directors are expected to advise the Chairman of any proposed Board or executive appointment to other organisations as soon as practicable.

9.0 Access to Information and Independent Advice

- 9.1. Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgement in decision making.
- 9.2. Directors will be entitled to:
- (a) access members of the Executive Committee via the Managing Director at any time to request relevant and additional information or seek explanations;
 - (b) have access to internal and external auditors, without management present, to seek explanations or additional information;
 - (c) seek independent professional advice with the Chairman's consent, which will not be unreasonably withheld or delayed, and which will be at BrisConnections Group's expense.

10.0 Term of Appointment of Non-Executive Directors

- 10.1. At each Annual General Meeting one third of the Directors, or if their number is not three or a multiple of three, then the number nearest one third and any other Director who has held office for three years or more since last being elected, must retire from office.
- 10.2. The Managing Director and a Director appointed to fill a casual vacancy or as an additional Director are not subject to retirement by rotation and are not to be taken into account in determining the rotation of Directors.

- 10.3. A Director appointed to fill a casual vacancy or as an additional Director only holds office until the next Annual General Meeting, where they must retire and seek re-election by security holders at the meeting.

11.0 Review of Board Performance

- 11.1. Performance of the Board is to be reviewed annually by the Chairman.
- 11.2. The Nomination Committee may assist the Chairman in evaluating the Board's performance.
- 11.3. The evaluation will:
- (a) review the Board's role;
 - (b) review Board processes and the Committees appointed to support the Board; and
 - (c) review the Board's performance including the performance of its Committees.
- 11.4. A review of each individual Director's performance will also be undertaken by the Chairman.

12.0 Procedures

- 12.1. As provided by the BrisConnections Group's Constitutions, the Directors may meet together for the despatch of business and adjourn and otherwise regulate their meetings as they think fit.
- 12.2. The Board is scheduled to hold meetings at least six times a year, and otherwise as it considers necessary.
- 12.3. A quorum for Board meetings is three Directors, unless determined otherwise by Directors.
- 12.4. Directors' meetings may be held by Directors communicating with each other through any technological means by which they can participate in discussion even though they may not be physically present in the same place.
- 12.5. Directors may pass or approve resolutions of the Board by circulating resolution by adopting the procedures set out in the relevant sections of BrisConnections Group's Constitutions.
- 12.6. The Secretary will take minutes of all meetings held and keep records of all reports and papers submitted to the Board. Any dissenting Director shall be entitled to have his/her opinion recorded in the minutes.

Approved by the BrisConnections Group Board on 23 May 2008.

APPENDIX A - GUIDELINES FOR ASSESSING THE INDEPENDENCE OF DIRECTORS

- 1 An independent director is a non-executive director and:
 - 1.1 Is not a substantial shareholder of the Group or an officer of, or otherwise associated directly with, a substantial shareholder of the Group.
 - 1.2 Within the last three years has not been employed in an executive capacity by the Group or another group member, or been a director after ceasing to hold any such employment.
 - 1.3 Within the last three years has not been a principal of a material professional adviser or a material consultant to the Group or another group member or an employee materially associated with the service provided.
 - 1.4 Is not a material supplier or customer of the Group or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
 - 1.5 Has no material contractual relationship with the Group or another group member other than as a director of the Group.
 - 1.6 Has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Group.
 - 1.7 Is free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Group.
- 2 A director who is a principal or employee of a professional adviser will not participate in any consideration of the possible appointment of the professional adviser and will not participate in the provision of any service to the Group by the professional adviser.
- 3 For the purposes of these Guidelines: "Material" means that a Director:
 - (a) is a shareholder of a company holding more than two and half percent (2.5%) of the Group's voting stock or an officer of or otherwise associated directly or indirectly with a shareholder holding more than two and a half percent (2.5%) of the Group's voting stock;
 - (b) is a principal or employee of a professional adviser to the Group and its entities whose billings exceed two and a half percent (2.5%) of the adviser's total revenues;
 - (c) is a significant supplier or customer of the Group or its entities or an officer of or otherwise associated directly or indirectly with a significant supplier or customer.

A significant supplier is defined as one whose revenues from the Group exceed two and a half percent (2.5%) of the supplier's total revenue.

A significant customer is one whose amounts payable to the Group exceeds two and a half percent (2.5%) of the customer's total operating costs.
- 4 The Audit, Risk and Compliance Committee will review the independence of directors each year.