

**REEDY LAGOON CORPORATION LIMITED**  
**CORPORATE GOVERNANCE POLICIES**

**Corporate Governance Policy**

The Board of Directors is responsible for the corporate governance of the Company. The Board monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board's responsibilities also include overseeing the existence and maintenance of internal controls, accounting systems and financial reporting processes, nominating external auditors, and reviewing the existing external audit arrangements. The Chairman is responsible for overseeing compliance and services from outside consultants.

The following outlines the main corporate governance practices established to ensure the Board is equipped to discharge its responsibilities.

**Composition of the Board**

The composition of the Board is subject to shareholder approval. All nominations for appointment to the Company's Board will be reviewed by the Board.

The composition of the Board is determined in accordance with the following principles and guidelines:

- The Board comprises four Directors, each with expertise considered desirable in key areas.
- The Board comprises two Executive and two Non-Executive Directors.
- Directors bring characteristics that allow a mix of qualifications, skills and experience.

The Board will review its composition on an annual basis to ensure that it has the appropriate mix of expertise and experience. Where a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board will select appropriate candidates with relevant qualifications, skills and experience.

At each Annual General Meeting one third of the Board of Directors (apart from the managing director) will retire and each retiring Director, if they so choose, can offer themselves for re-election.

**Independent Professional Advice**

Non-Executive Directors will have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. The Chairman's prior approval of any expenditure will be required.

**Remuneration**

The Board will review the remuneration packages and policies applicable to the Chairman, Senior Executives and Non-Executive Directors on an annual basis. Remuneration levels are competitively set to attract or retain, as appropriate, qualified and experienced Directors and

Senior Executives. From time to time and as required, the Board will seek independent professional advice on the appropriateness of remuneration packages.

### **Business Risk**

The Board monitors and receives advice on areas of operational and financial risk, and consider strategies for appropriate risk management arrangements.

Specific areas of risk that are identified are regularly considered at Board meetings. Included in these areas are commodities price fluctuations, performance of activities, human resources, the environment, general business environment and continuous disclosure obligations.

### **Ethical Standards**

The Board's policy for the Directors and Management is to conduct themselves with the highest ethical standards. All Directors and employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

The Board ensures compliance with legal requirements and ethical principles. The Board monitors systems to ensure prompt and appropriate responses to shareholders complaints and enquiries.

### **Environment, Health and Safety Management**

The Company recognises the importance of environmental and occupational health and safety issues and is committed to the highest levels of performance. All employees are required to comply with all relevant legislation; to continually assess and improve the impact of the Company's operations on the environment; and to encourage the adoption of similar standards by the Company's principal suppliers and contractors.