



THE BOARD OF GWA GROUP LIMITED ("GWA") CHARTER

Purpose of Charter

The Board Charter sets out the role, composition and responsibilities of the Board of GWA within the governance structure of GWA and its wholly-owned entities ("the Group").

The conduct of the Board is also governed by the Constitution of the Company.

Membership and Term

The GWA Constitution provides for a minimum of 3 directors and a maximum of 12 directors. The Board has adopted a policy to have 7 directors; 5 non-executive directors and 2 executive directors, the Managing Director and the Executive Director. The Board may review this requirement from time to time.

The Board shall consist of a majority of independent non-executive directors. An independent director is a non-executive director who acts independently and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another Group member, or been a director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or another Group member other than as a director of the Company;

- 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 interest of the Company; and
- 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 Company.

The materiality thresholds used for the determination of independence and issues of conflict of interest have been considered from the point of view of the Company and directors. For the Company, a relationship which accounts for 5% or more of its revenue is considered material. For a director, a relationship which accounts for 5% or more of the total income of a director is considered material. Directors' fees are not subject to this test.

Membership of the Board shall be disclosed in the Annual Report including the identification of the directors considered by the Board to be the independent directors of the Company.

Responsibilities

The Board has delegated authority for the operations and administration of the Group to the Managing Director.

The Board is responsible for the long-term growth and profitability of the Group in a way which ensures that the interests of shareholders and stakeholders are promoted and protected.

Specifically, the Board is responsible for:

- Final approval of corporate strategies and performance objectives developed by senior management, with Board input;
- Approval and monitoring of financial and other reporting;
- Monitoring of executive and senior management performance, including the implementation of corporate strategies, and ensuring appropriate resources are available;
- Appointment and monitoring of the performance of the Managing Director;
- Liaison with the Company's External Auditor through the Audit and Risk Committee;
- Ensuring that the Company has appropriate systems of risk management and internal control, reporting mechanisms and delegation authority limits in place;
- Approval and monitoring of the progress of major capital expenditure, capital management, acquisitions and divestments;
- Any other matters required to be dealt with by the Board from time to time, depending upon circumstances of the Company; and

- Other matters referred to in the Board Committee Charters

Chairman

The Chairman is a non-executive director.

Should the Chairman be absent from a meeting, the Deputy Chairman should act as Chairman of the meeting. If both are not present, the members of the Board present at the meeting have authority to choose one of their number to chair that particular meeting.

Separation of functions between the Chairman and Managing Director

The roles of the Chairman and Managing Director are strictly separated.

The Chairman is responsible for:

- leading the Board in its duties to the Group;
- ensuring there are processes and procedures in place to evaluate the performance of the Board, its committees and individual directors;
- facilitating effective discussions at Board meetings; and
- ensuring effective communication with shareholders.

The Managing Director is responsible for:

- policy direction of the operations of the Group;
- the efficient and effective operation of the Group;
- ensuring directors are provided with accurate and clear information in a timely manner to promote effective decision making by the Board; and
- ensuring all material matters affecting the Group are brought to the Board's attention.

Conflicts of Interest

The directors are required to disclose to the Board any relationships from which a conflict of interest might arise. A director who has a material personal interest in a matter is required to absent himself from any meeting of the Board or Board Committee, whenever the matter is considered. In addition, the director does not receive any Board papers or other documents in which there is a reference to the matter.

This process is applied to business or trading relationships, dealings with the directors, dealings with companies with common directors or dealings with any significant shareholders of the Company.

Access to Independent Advice

Directors and the Board Committees have the right in connection with their duties and responsibilities to seek independent advice at the Company's expense. Prior approval of the Chairman is required, but this will not be unreasonably withheld. Where appropriate, directors share such advice with the other directors.

Meetings

The Board meets at least 9 times each year for scheduled meetings and may, on other occasions, meet to deal with specific matters that require attention between scheduled meetings. The Board should regularly visit the Group's business operations to enhance the Board's understanding of operations and strategies.

Secretary

The Company Secretary will be the Secretary of the Board.

Reporting

Proceedings of all meetings are minuted and signed by the Chairman or the chairman of the meeting.

Minutes of all Board meetings are circulated to directors and approved by the Board at the subsequent meeting.

Review of Charter

The Board Charter is to be regularly reviewed by the Board to ensure it remains consistent with the Board's objectives and responsibilities, and complies with the recommendations of the ASX Corporate Governance Council.

Publication of the Charter

Key features of the Charter are to be outlined in the Annual Report to shareholders.

A copy of the Charter is available at www.gwagroup.com.au

The Charter is to be made available to shareholders of the Group upon request.