



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 three directors and a maximum of twelve directors. The Board presently comprises seven directors, six of whom, including the Chairman and Deputy Chairman, are non-executive directors and one, the Company Secretary, is an 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:

- 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;
- does not receive any performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of the Company;
- within the last three years has not been in a material business relationship (eg. as a supplier, professional adviser, consultant or customer) with the Company or another Group member, or is an officer of, or otherwise associated with, someone with such a relationship;
- within the last three years has not been an officer or employee of, or professional adviser to, a substantial shareholder;
- does not have close personal ties with any person who falls within any of the categories described above; or
- has not served as a director of the Company for such period that their independence from management and substantial shareholders may have been compromised.

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 and Corporate Governance Statement 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 Chief Executive Officer.

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:

- Demonstrating leadership and defining the Group's purpose;
- Providing input and final approval of the Group's corporate strategies and performance objectives developed by executives and senior management;
- Approval and monitoring of financial and other reporting;
- Approving the Group's Statement of Values and Code of Conduct to underpin the desired culture within the organisation;
- Monitoring of executive and senior management performance, including the implementation of corporate strategies, instilling of the Group's values and ensuring appropriate resources are available;
- Appointment and monitoring of the performance of the Chief Executive Officer and the Company Secretary;
- Setting the risk appetite within which management are expected to operate;
- Ensuring that the Group has appropriate systems of risk management and internal controls, reporting mechanisms and delegation authority limits in place;
- Liaison with the Group's external and internal auditors through the Audit and Risk Committee;
- Approval and monitoring the progress of major capital expenditure, capital management, acquisitions and divestments;
- Satisfying itself that the remuneration policies are aligned with the Group's purpose, values, strategic objectives and risk appetite;
- Any other matters required to be dealt with by the Board from time to time depending upon circumstances of the Group;
- Other matters referred to in the Board and Board Committee charters.

Chairman

The Chairman is a non-executive independent 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 Chief Executive Officer

The roles of the Chairman and Chief Executive Officer 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 Board Committees and individual directors;
- approving Board meeting agendas;
- facilitating effective discussions at Board meetings and respectful relations between the Board and management; and
- ensuring effective communication with shareholders.

The Chief Executive Officer 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 themselves 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. There is also a requirement for the directors to notify the Chairman on accepting any new outside roles to ensure that the appointment does not give rise to a conflict of interest.

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. To assist with the Board's understanding of the business, the Board should regularly conduct Board meetings at various business locations followed by management presentations and site tours.

Management should regularly attend and present at Board meetings on strategy, divisional operational issues and performance.

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 Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council.

Publication of the Charter

Key features of the Charter are to be outlined in the Corporate Governance Statement.

A copy of the Charter is available at www.gwagroup.com.au under Corporate Governance Policies.

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