



ANMTEC Ltd.

A.B.N. 23 063 332 516

6 Macadam Place
Balcatta Western Australia 6021
Phone +61 8 9344 2416 Fax +61 8 9345 4688
Email: manager@ammtec.com.au

CORPORATE GOVERNANCE POLICY

Revision 3.0

17/2/2010

TABLE OF CONTENTS

	PAGE NO.
1. INTRODUCTION	1
2. PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	2
2.1 Board Charter	2
3. PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE	4
3.1 Composition and Organisation of the Board	4
4. PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING	6
4.1 Code of Conduct	6
4.2 Trading in Securities	6
5. PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING	7
5.1 Sign-off on Financial Statements	7
5.2 Audit Committee	7
5.3 Audit Committee Charter	7
5.4 Selection and Appointment of External Auditors	8
5.5 Rotation of External Audit Engagement and Review Partners	8
6. PRINCIPLE 5 - MAKE TIMELY AND BALANCED DISCLOSURE	9
7. PRINCIPLE 6 - RESPECT THE RIGHTS OF SHAREHOLDERS	10
8. PRINCIPLE 7 - RECOGNISE AND MANAGE RISK	11
8.1 Reporting on Risk Assessment and Management	11
9. PRINCIPLE 8 - REMUNERATE FAIRLY AND RESPONSIBLY	12
9.1 Remuneration Committee	12
9.2 Remuneration of Non-Executive Directors	12
9.3 Performance Management for Senior Executives	13

APPENDICES

- Appendix 1.1 Board Charter**
- Appendix 3.1 Code of Conduct**
- Appendix 3.2 Securities Trading Policy**
- Appendix 4.1 Audit Committee Charter**
- Appendix 5.1 Continuous Disclosure Policy**
- Appendix 6.1 Communication with Shareholders**
- Appendix 7.1 Risk Management Policy**
- Appendix 8.1 Remuneration Committee Charter**
- Appendix 8.2 Remuneration Policy**

1. INTRODUCTION

This Corporate Governance Policy has been formulated based on the best practice requirements for corporate governance as set out in “ASX Corporate Governance Council: Principles of Good Corporate Governance and Best Practice Recommendations”, March 2003. The Policy has been updated to incorporate the changes suggested under the 2nd Edition of Corporate Governance Principles and Recommendations. These policies have been applied from 1 July 2008.

The Corporate Governance Policy outlines the eight essential corporate governance principles in accordance with the best practise guidelines.

For reporting periods commencing on or after 1 July 2003 AMMTEC is required in accordance with listing rule 4.10 to provide a statement in the annual report disclosing the extent to which they have followed the best practise recommendations in the reporting period.

Where the recommendations have not been followed then AMMTEC must identify those recommendations and give reasons for not following them.

The appendices provide copies of the documents which will be published on the AMMTEC website as represents best practice.

2. PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Formalise and disclose the functions reserved to the board and those delegated to management.

2.1 Board Charter

The Board of Directors guide and monitor the business and affairs of the Company on behalf of the shareholders to whom they are responsible.

It is the responsibility of the Board to determine the appropriate corporate governance practices applicable to the Company's circumstances and ensure processes and procedures are in place to achieve the Company's corporate governance objectives.

To give further effect, a number of Board Committees to assist in the execution of its responsibilities have been established including a Remuneration Committee, an Audit Committee and a Risk and Compliance Committee.

The Board, in the discharge of its duties, is required to delegate responsibility for the operation and administration of the Company to management.

The Managing Director, being involved in the day to day operations of the Company, ensures the efficiency of this responsibility and reports to the Board.

The main responsibilities of the Board are detailed below:

- Approving the strategic direction, policies and budgets of the Company and ensuring that these are followed.
- Approving and monitoring the progress of major capital expenditure over \$150,000, capital management and acquisitions and divestures.
- Monitoring financial performance including approval of the annual and half year financial statements and reports.
- Appointing the Managing Director and monitoring the performance of the Managing Director and other senior management.
- Overseeing the remuneration, development and succession planning for the Managing Director and senior management, and ensuring that appropriate human resource management systems are in place.
- Ensuring appropriate risk management systems are established and reports on performance are regularly reviewed.
- Reviewing and approving the Company's compliance systems and corporate governance principles.
- Ensuring the Company provides continuous disclosure of information to the investment community, and that shareholders have available all information they reasonably require to make informed assessments of the Company's prospects.
- Overseeing the Company's commitment to its values, sustainable development, the environment and health and safety of employees, contractors, customers and the community.
- Ensuring the reputation of the Company is protected and enhanced.

The Board Charter is published on the Company's website as detailed in Appendix 1.1.

Formal letters of appointment are issued to Directors on their appointment setting out the key terms and conditions of their appointment. These letters include details of the following:

- Term of appointment
- Time commitment envisaged
- Powers and duties of directors
- Remuneration
- Requirement to disclose directors interests
- Trading policy for securities
- Board policy on access to independent professional advice
- Confidentiality

3. PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

3.1 Composition and Organisation of the Board

The composition of the Board is determined using the following principles:

- The Chairman of the Board is a Non-Executive and Independent Director.
- The Board will comprise Directors with a broad range of expertise and experience relevant to the Company's business. There is no set ratio of Non-Executive to Executive Directors; however the Board will include a minimum of two Non-Executive Directors.
- There is no maximum for the number of Directors on the Board. Currently there are six Directors, three Non-Executive and three Executives. When it is considered that the Board would benefit from the services of a new Director with particular skills, then an appropriate person will be elected.
- The positions of Chairperson and Managing Director must be filled by different people.
- The independence of the Non-Executive Directors is assessed on an annual basis to determine that they are still independent.
- Due to the size of the Board there is no nomination committee. The functions that would normally be performed by a separate nomination committee are performed by the Remuneration Committee. These include:
 - i. Review of Board succession plans.
 - ii. Appointment and re-election of Directors.
 - iii. Overseeing the evaluation and performance of the Board.
 - iv. The Remuneration Committee is chaired by an independent director and consists of three independent directors.
 - v. The Committee can obtain advice from external consultants where required.
- Board meetings are held on a regular basis. Prior to each meeting, the Directors receive an agenda together with detailed attachments concerning those items for discussion.
- Items reviewed at each meeting include but are not limited to shareholder movements, financial results for the period, the Managing Directors report and ASX Continuous Disclosure requirements.

- The Board is provided with sufficient information as part of Board meetings and on an on-going basis by Management and the Company Secretary to enable it to discharge its duties effectively. The Directors are entitled to request additional information where they consider such information is necessary to make informed decisions.
- The Company Secretary co-ordinates the timely completion and despatch of Board agendas and briefing material.
- All Directors have access to the Company Secretary and the Company Secretary is accountable to the Board on all governance matters and attends all Board meetings.
- The appointment and removal of the Company secretary is a matter of decision by the Board as a whole.

The Board's responsibilities are covered in Principle 1.

4. PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Actively promote ethical and responsible decision making.

4.1 Code of Conduct

A code of conduct is a guide to the Directors, the Managing Director and any other key executives as to the practises necessary to maintain confidence in the Company's integrity and the responsibility and accountability of individuals for reporting and investigating reports of unethical conduct.

Each Director has the right to seek independent professional advice at the Company's expense. However, prior approval of the Board is required, which should not be unreasonably withheld.

The Board aims to ensure that all Directors, managers and employees act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

A copy of the Code of Conduct is published on the Company's website as detailed in Appendix 3.1.

4.2 Trading in Securities

The Company's policy on trading in securities applies to all Directors and the Company Secretary and any other employees who are privy to detailed information on the Group.

The Board has formally advised the Directors in their letter of appointment as follows:

If during the course of acting as a Director of AMMTEC they come across any details or matters which may affect the share price of the security they may not trade in those securities until this information has been made available to the ASX.

In addition the Directors and Company Secretary must not trade in the Company's securities during the following circumstances:

- *Two months immediately preceding the preliminary announcement of AMMTEC's results or, if shorter, the period from the relevant financial year end up to and including the time of the announcement; and*
- *Two months immediately preceding the publication of the half-yearly report or, if shorter, the period from the relevant financial period up to and including the time of such publication.*

The Directors must advise the Company Secretary of AMMTEC Limited of any change in their security holdings in the Company within 3 days of that change occurring.

The Securities Trading policy is published on the Company's website as detailed in Appendix 3.2.

5. PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Have a structure to independently verify and safeguard the integrity of the Company's financial reporting.

5.1 Sign-off on Financial Statements

The Managing Director being the responsible Director is required to state in writing to the Board that the financial reports present a true and fair view of the Company's financial position and that the operational results are in accordance with relevant accounting standards.

The Board regards the role of the external auditor as a key protection of shareholders' interests and believes that the auditor's independence is vital in ensuring that the Company's reports are true and fair and meet the highest standards of financial integrity.

5.2 Audit Committee

The Audit Committee consists of three non-executive directors who are all considered to be independent directors.

5.3 Audit Committee Charter

The role of the Audit Committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company.

The Audit Committee also gives the Board of Directors additional assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in financial statements.

The Auditors, Managing Director and Company Secretary are invited to Audit Committee meetings as appropriate.

The responsibilities of the Audit Committee include the following:

- Identifying significant risks and ensuring that adequate processes are in place to adequately manage those risks.
- To maintain and review systems of controls within the Company and redress any deficiencies or breakdowns when they arise.
- Reviewing compliance of the Board and Company with all relevant legislation including the Corporations Act 2001, ASX Listing Rules and Income Tax Legislation.
- Maintenance of proper accounting records and ensuring the implementation of any improvement in the quality of the accounting function.

A copy of the Audit Committee Charter is included on the Company's website as detailed in Appendix 4.1.

The Audit Committee is responsible for liaising with the Company's Auditors during the year and ensuring that the annual audit and half-year review are conducted in an effective manner.

The Auditors are engaged, subject to satisfactory completion of their duties, for a period of three years. The audit engagement will be formally reviewed at the conclusion of each three year period.

In conjunction with the performance of the audits, the Audit Committee reviews the following and makes recommendations to the Board for the approval of the reports:

- The results and findings of each audit, the adequacy of financial and operating controls, and monitors the implementation of any recommendations made.
- The pro-forma preliminary final statement and pro-forma half-year statement prior to lodgement of these documents with the ASX, and any significant adjustments required as a result of the audit.
- The draft financial statements and the audit report prior to lodgement with ASIC and ASX.

5.4 Selection and Appointment of External Auditors

The selection of an external auditor will be based on an assessment of submissions from potential auditors, taking into account factors such as audit strategy and methodology, approach to managing independence and conflict of interest issues, relevant experience and calibre of the audit team and proposed fees.

At the conclusion of this assessment, the Board will be provided with the Audit Committee's recommendation, accompanied by details of the selection process and the rationale for the recommendation. If satisfied, the Board will then select the auditor subject to formal appointment by shareholders at the Annual General Meeting.

5.5 Rotation of External Audit Engagement and Review Partners

AMMTEC requires its external audit engagement and review partners rotate at least every five years, with a minimum of two years before any individual is again involved with the audit.

The independence of the Auditor is reviewed and affirmed annually by the Audit Committee and reported to the Board.

6. PRINCIPLE 5 - MAKE TIMELY AND BALANCED DISCLOSURE

Promote timely and balanced disclosure of all material matters concerning the Company.

Policies and procedures are designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance

Procedures are also in place to ensure that all relevant information is reported to the ASX in accordance with the Continuous Disclosure Requirements.

The Company Secretary is responsible for all communications with the ASX and the Directors are updated on these details at each board meeting.

The Board acknowledges that it is responsible for the overall internal control framework but recognises that no cost effective internal control system will preclude all errors and irregularities.

Monthly financial statements are prepared and comparison is made to budgets on a monthly basis.

The Continuous Disclosure Policy is published on the Company's website as detailed in Appendix 5.1.

7. PRINCIPLE 6 - RESPECT THE RIGHTS OF SHAREHOLDERS

Respect the rights of shareholders and facilitate the effective exercise of those rights.

The Board of Directors aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders as follows:

- The annual report is available to all shareholders via the website; it is also distributed to all shareholders who request a copy. The Board ensures that the annual report includes relevant information about the operations of the Company during the year, changes in the state of affairs of the Company and details of future developments, in addition to the other disclosures required by the Corporations Act 2001.
- Half-year reviewed financial statements prepared in accordance with the requirements of Accounting Standards and the Corporations Act 2001 are lodged with the Australian Stock Exchange and contain summarised financial information together with a review of the operations of the consolidated entity during the period.
- All ASX releases are made available via the Company's website after they have been released to the ASX.
- All information provided to analysts or media during briefings is made available to all shareholders via the website, after they have been released to the ASX.
- The full text of notices of meeting and explanatory material is on the website.
- Proposed major changes in the Company which may impact on share ownership rights are submitted to a vote of shareholders.
- The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as single resolutions.
- The shareholders are responsible for voting on the appointment of Directors.
- The Board encourages the participation of the external Auditor at the annual general meeting and ensures that they are available to answer shareholder questions about the conduct of the audit and preparation and content of the auditor's report.

A copy of the policy on Communication with Shareholders is published on the Company's website as detailed in Appendix 6.1.

8. PRINCIPLE 7 - RECOGNISE AND MANAGE RISK

Establish a sound system of risk oversight and management of internal control.

The Board of Directors of AMMTEC Limited recognises the need for risk oversight and management being an integral component of the business of the Company. It is the policy of the Board that all risk to shareholders funds and stakeholders in the Company be identified, assessed, monitored and managed.

The AMMTEC Board has established a Risk Management Committee to review the risk assessment of the Group on a biannual basis and to provide input into risk management processes and procedures.

The Committee is made up of three non-executive independent directors and meets twice a year. The Committee reports directly to the Board of Directors.

The Committee oversees the identification of risks, analyses the potential consequences and how likely those consequences are to occur, compares the risk analysis against pre-established criteria, implements risk management plans and monitors and reviews the effectiveness of the risk management plan in controlling risk.

Management provides an update on the Key Risks at each Directors meeting.

8.1 Reporting on Risk Assessment and Management

In addition the Managing Director and Chief Financial Officer are required to state to the Board in writing that the financial statements are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and the Company's Risk Management and internal compliance and control system is operating efficiently and effectively in all material respects in accordance with the risk management policies.

9. PRINCIPLE 8 - REMUNERATE FAIRLY AND RESPONSIBLY

Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.

Provide disclosure in relation to the Company's remuneration policies to enable investors to understand the costs and benefits of those policies and the link between remuneration paid to key executives and corporate performance

AMMTEC assesses individual employee salaries on a yearly basis. When determining the remuneration to be paid to employees, account is taken of their contribution to the business during the financial year and changes in the cost of living.

The key executives of the Company are the Executive Directors and the Remuneration Committee is responsible for determining their remuneration packages based on performance during the year.

9.1 Remuneration Committee

The role of the Remuneration Committee is to review and make recommendations to the Board on remuneration packages and policies applicable to the Executive Directors and senior executives.

Remuneration for non-Executive Directors is recommended by the Committee based on current market rates. Any increase in the pool is subject to approval at the annual general meeting of shareholders.

The Remuneration Committee consists of three (minimum of two) Non-Executive Independent Directors and meets as required. The Managing Director is invited to Remuneration Committee meetings as appropriate to discuss management performance and remuneration packages.

Remuneration levels are competitively set to attract the most qualified and experienced Directors and senior executives. The Remuneration Committee obtains independent advice on the appropriateness of remuneration packages.

The Remuneration Committee Charter is published on the Company's website as per Appendix 8.1.

9.2 Remuneration of Non-Executive Directors

Remuneration of Non-Executive Directors is approved by shareholders based on recommendations of the Remuneration Committee. Non-Executive Directors are not eligible to receive options or bonuses.

Superannuation is paid to Non-Executive Directors at the mandated statutory rate only.

Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.

All equity based remuneration of Directors needs to be approved at a general meeting of all shareholders. 50% of the votes cast excluding those of the relevant Directors needs to be in favour of the resolution for it to be passed.

The employee options scheme was approved at the AGM on 16 October 2008 and is reviewed every three years and any changes will be approved by a general meeting of shareholders.

9.3 Performance Management for Senior Executives

The Remuneration Committee is responsible for overseeing the performance of senior executives.

The remuneration of senior executives and performance against specific criteria is reviewed annually by the remuneration committee. The Remuneration Committee determines the level of remuneration for the senior executives based on their performance over the previous year.

The Remuneration Committee has introduced targets for the balance between fixed remuneration and “at-risk” remuneration for the senior executives.

The aim of the short-term incentive (STI) and long-term incentive (LTI) targets is to align the performance of senior executives with the creation of shareholder value and the performance of the Company. The weighting between STI targets and LTI targets vary depending on the classification of each executive.

The performance criteria related to STI and LTI are reviewed each year by the Remuneration Committee, as is performance against the previous years’ criteria.

The Remuneration Policy is published on the website as per Appendix 8.2.

APPENDICES

APPENDIX 1.1

Board Charter

POWER AND AUTHORITY

The shareholders have elected the Directors and have authorised them to manage the business of the Company and to exercise the powers conferred under the Constitution and the law.

The Board is thereby responsible for the performance of the Company and guiding and monitoring the Company on behalf of the shareholders to whom they are accountable.

DELEGATION OF AUTHORITY TO MANAGEMENT

The Board has delegated responsibility for the conduct of the Company's businesses to the Managing Director, but remains responsible for overseeing the performance of management. The Board has established delegated limits of authority, which define the matters that are delegated to management and those which require Board approval. They include:

- Delegated Limits of Authority
- Commodity Risk Management Policy
- Health, Safety and Environment Policy
- Remuneration Policy

The policies and delegated limits of authority are reviewed on a regular basis.

RESPONSIBILITIES OF THE BOARD

The Board retains all rights and powers conferred upon it by the Constitution and the law which cannot be delegated.

The primary role of the Board is to ensure the long-term prosperity of the Company. To ensure that this is achieved specific responsibilities of the Board include:

- Approving the strategic direction, policies and budgets of the Company and ensuring that these are followed.
- Approving and monitoring the progress of major capital expenditure over \$150,000, capital management and acquisitions and divestures.
- Monitoring financial performance including approval of the annual and half year financial statements and reports.
- Appointing the Managing Director and monitoring the performance of the Managing Director and senior management.
- Overseeing the remuneration, development and succession planning for the Managing Director and senior management, and ensuring that appropriate human resource management systems are in place.
- Ensuring appropriate risk management systems are established and reports on performance are regularly reviewed.
- Reviewing and approving the Company's compliance systems and corporate governance principles.

- Ensuring the Company provides continuous disclosure of information to the investment community, and that shareholders have available all information they reasonably require to make informed assessments of the Company's prospects.
- Overseeing the Company's commitment to its values, sustainable development, the environment and health and safety of employees, contractors, customers and the community.
- Ensuring the reputation of the Company is protected and enhanced.

The Board may establish other policies and practices to ensure that that the Board fulfils its functions and ensuring that it remains an effective decision making body.

COMMITTEES OF THE BOARD

The Board has established committees to assist in the execution of its duties and to allow detailed consideration of complex issues or areas of special interest. Current committees established by the Board are:

- Audit Committee
- Remuneration Committee
- Risk and Compliance Committee

Each of these committees has its own written charter setting out its roles and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All charters of committees of the Board are reviewed on an annual basis and to be made available on the Company website. Each of the committees comprises only independent non-Executive Directors.

APPENDIX 3.1

Code of Conduct

AMMTEC'S MISSION STATEMENT

Our Vision

Our vision is to be a global organisation that is regarded by our customers, competitors, employees, suppliers and stakeholders as the leader in providing metallurgical consulting and testwork services.

Our Mission

Our aim is to maximise shareholder value by providing accurate, efficient and economical, metallurgical design data for mining projects around the world.

Our Values

Fundamental to creating and maintaining shareholder value is our commitment to:

- PEOPLE – they constitute our single most important advantage. It is only through the combined efforts of our people that we will grow and prosper.
- INTEGRITY – Caring about how we get results. We are committed to a future based on the fundamentals of our *Code of Conduct*, and ensuring our actions match our words.
- LEADERSHIP – This provides the environment for all our people to realise their potential and focus on our goals.
- PERFORMANCE – We aim to continuously improve all that we do, measuring what is important and striving for excellence
- INNOVATION – Differentiating our business through innovation

AMMTEC'S CODE OF CONDUCT

AMMTEC Limited has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders.

AMMTEC Code of Conduct

AMMTEC Limited and its wholly owned businesses Metcon Laboratories, Optimet Laboratories, Burnie Research Laboratory and Marc Technologies employ metallurgists, chemical engineers, chemists, technologists and administration personnel. All staff operate under the Code of Ethics and the Code for Consultants as required by the Australasian Institute for Mining and Metallurgy (AusIMM).

Our established Code of Conduct describes five ethical principles: respect for persons, respect for the law and system of government, integrity, diligence, and economy and efficiency.

The Code outlines our expected ethical standards and provides a guide to appropriate ethical behaviour for executives, managers and employees in carrying out their duties and responsibilities.

AMMTEC wishes to enhance its deserved reputation for integrity, and to be valued as an employer and business associate in all its relationships. This objective is reflected in our pride in what we do and how we do it.

The AMMTEC Board and executive management believe that integrity is an important quality and one which, by improving our reputation, gives advantages to our employees and shareholders.

AMMTEC expects all its Directors, employees and other persons acting on behalf of the Company, to conduct themselves in accordance with AMMTEC's commitments, principles, values and the policies that guide business conduct.

PRINCIPLES

AMMTEC's principles provide guidance and direction for decision making.

Our principles are:

- We recognise and manage risk
- We treat each other with respect and dignity
- We respect the law and act accordingly
- We are fair and honest in our dealings
- We are accountable for our actions and their consequences

KEY POLICIES AND DIRECTIVES

AMMTEC has adopted key policies and directives that govern business conduct and how employees, executives, directors, consultants and contractors must conduct themselves in the pursuit of Company's objectives.

These include:

- Occupational Health and Safety
- Drug and Alcohol Policy
- Training and Development
- Special Equipment and Protective Clothing
- Dealing in Securities
- Continuous Disclosure
- Confidentiality and Privacy
- Conflicts of Interest
- Trade Practices

REPORTING OF SERIOUS CONCERNS

Employees are encouraged to refer to Company policies, or their supervisor or manager, if they have concern about any conduct that may breach the law or AMMTEC's policies. If in doing this an employee is not able to obtain a satisfactory response to their concern, or the concern is of a serious nature that could affect the whole Company and its reputation, employees may report their concerns to a higher authority.

Employees who report any such concerns in good faith are protected from discrimination or other reprisals to the extent that the law permits.

CONSEQUENCES OF BREACHES OF THE CODE OF CONDUCT

Consistent with AMMTEC's standard employment terms and conditions, AMMTEC requires its employees to comply with all Company policies including the Code of Conduct. Compliance will be monitored and any known or suspected instances of non-compliance will be reported to relevant Management Executive for full investigation and appropriate disciplinary action. Confirmation of adherence to the Code of Conduct will also be sought via the Management Questionnaire.

Employees must ensure they are familiar with all of the Company's Policies.

A critical area of compliance is the Company's Occupational Health and Safety Policy which requires that employees maintain familiarity with and comply with all relevant safety regulations, codes of practice, standards, operating procedures and safety directions affecting their work and work areas.

A breach of Company Policy will result in disciplinary action and may result in dismissal.

APPENDIX 3.2

Securities Trading Policy

SECURITIES TRADING POLICY

The purpose of the policy is to ensure that employees and Directors of the Company do not trade in the securities of the Company in a way which:

- Breaches the Corporations Act and/or other legislative prohibitions on insider trading, or
- Compromises confidence in the Company's practices in relation to securities dealings.

This will be achieved by establishing procedures relating to buying and selling securities that provide protection to AMMTEC and its directors, management and employees.

This policy should be read in conjunction with the *Continuous Disclosure Policy* which details AMMTEC's obligations to disclose material information to the ASX.

This policy applies to:

- all Directors and senior management of AMMTEC and its subsidiaries
- employees nominated as being in possession of material information
- all employees of AMMTEC and its subsidiaries.

AMMTEC is required under the ASX Listing Rules to immediately provide all information which may have a material effect on the price or value of the Company's shares (material information). In some circumstances, employees may come into possession of material information before the Company has made that information available to the market or the Company may need to rely upon exclusion to the requirement to provide that information to the market. In these circumstances it is imperative that all employees comply with this policy to ensure they keep that material information confidential and do not trade in securities before that material information is released and becomes generally available. To deal in AMMTEC securities at these times would breach the insider trading provisions of the Corporations Act which provide as follows:

A person is prohibited from dealing in, or procuring others to deal in, securities of a relevant entity where:

- the person possesses information which is not generally available, and
- that information may have a material effect on the share price of the relevant entity, and
- the person knows or ought reasonably to know that the information is not generally available and if it were, it might have a material effect on the share price.

Trading Restrictions on AMMTEC Securities

A person must not trade in the Company's securities during the following circumstances:

- Two months immediately preceding the preliminary announcement of AMMTEC's results or, if shorter, the period from the relevant financial year end up to and including the time of the announcement; and
- Two months immediately preceding the publication of the half-yearly report or, if shorter, the period from the relevant financial period up to and including the time of such publication.

At other times employees may trade in the Company's securities. In so doing, directors and senior management of the Company must notify the Company Secretary to ensure that they are not in possession of material information that is not generally available before they trade.

Where doubt exists as to the possession of material information not available to the market, advice should be sought from the Company Secretary.

The Directors must advise the Company Secretary of AMMTEC Limited of any change in their security holdings in the Company within 3 days of that change occurring.

Employees may subscribe for AMMTEC securities under prospectuses, or by participating in the AMMTEC Dividend Reinvestment Plan during blackout periods.

When the Company is relying upon exceptions to the continuous disclosure requirements as to the release of material information, it may be necessary to prohibit the trading of securities in the Company by senior executives and Directors or employees or a group of employees. In these circumstances, the Company Secretary will advise directors or senior management or the relevant employees of the prohibition on trading that will apply and the term of that prohibition.

Any known or suspected instances of non-compliance will be reported to the Company Secretary for full investigation and appropriate disciplinary action. Employees should be aware that breaches of this directive may result in summary dismissal and may also attract civil or criminal legal penalties.

APPENDIX 4.1

Audit Committee Charter

ROLES AND RESPONSIBILITIES

Effective Management of Financial Risks

- To be aware of the areas of greatest financial risk and require that management are effectively managing those risks.
- To satisfy itself that effective systems of accounting and internal control are established and maintained to manage financial risk.
- To satisfy itself as regards the integrity and prudence of management control systems, including the review of policies and/or practices.
- To make the Board aware of any matters that might have a significant impact on the financial condition or affairs of the entity.

Compliant and Reliable Financial Reporting

- To require that the entity's accounting policies and practices are appropriate and comply with the Corporations Act, Australian Accounting Standards, ASX requirements and generally accepted accounting principles. The Committee should discuss with the external auditor its view on the quality and acceptability of the entity's accounting principles.
- To review and discuss with management and the external Auditor, before submission to the Board, the semi-annual and annual financial statements, ASX forms and reports required by law to accompany financial statements, that are to be released to third parties.
- To assess the effects of any new or proposed accounting practices, principles or developments, disclosure requirements and legislative or regulatory pronouncements.

Maintenance of Effective and Efficient Audit Processes

- To recommend to the Board the appointment, re-appointment or replacement of the internal and external auditors.
- To confirm that there have been no unjustified restrictions or limitations placed on auditors.
- To review the efficiency, effectiveness and objectivity of the Auditors in relation to their respective responsibilities.
- To review the scope of the audit to establish that it is adequate, placing emphasis on areas where the Audit Committee, management and/or the auditors believe special emphasis is necessary.
- To review and assess the findings of the Auditors and the action taken and timetable proposed by management in response to the findings.
- To approve audit fees and non-audit services performed by the external Auditor. Non-audit services performed by the external auditor require pre-approval of the Audit Committee. The Committee may delegate authority to one independent member to approve any additional services as they arise to a limit as determined by the Committee.
- To consider the independence of the external Auditor and the level of non-audit services provided by the audit firm and report to the Board on the status of their independence and any issues arising. The Lead Audit partner for the external audit should be rotated every five years.

Other Responsibilities

- To report any matter identified during the course of carrying out its duties that the Audit Committee considers should be brought to the attention of the Board.
- To perform or undertake on behalf of the Board any such other tasks or actions as the Board may from time to time authorise.

ADMINISTRATION MATTERS

Membership and Attendance at Meetings

- The Audit Committee and its Chairperson shall be appointed by the Board. A quorum shall be two. It shall have at least three members and all members shall be independent non-Executive Directors.
- Decisions of the Committee shall be made by a majority of members present.
- Members of the Audit Committee should be financially literate in the opinion of the Board and at least one member should have financial expertise.
- The Chairperson of the Audit Committee may not be the Chairman of Directors.
- The Audit Committee Chairperson has the power to convene and conduct meetings of the Audit Committee.
- The Audit Committee may invite such other persons (e.g. the Managing Director and Chief Financial Officer) as it deems necessary. All Directors, including those directors not on the Audit Committee may attend Audit Committee meetings with the consent of the Chairman of the Audit Committee.
- The Auditors shall normally make presentations to the Audit Committee at its meetings.
- The Secretary of the Audit Committee shall be the Company Secretary or such other person as nominated by the Board.

Meetings

- Meetings shall be held not less than once a year.
- Special meetings of the Audit Committee may be convened as required.
- The auditors may request a meeting if they consider that one is necessary.
- Comprehensive papers and an agenda will be provided to Audit Committee members before each meeting.
- The proceedings of all meetings will be recorded in minutes.
- The minutes of each meeting will be submitted to the Directors and be considered at a subsequent meeting of the Board.

Review of Charter

This Charter will be reviewed annually by the Audit Committee to ensure its effectiveness and currency. Any changes are to be recommended to the Board for approval.

The Audit Committee Charter shall be available to shareholders and should be posted on the Company website.

APPENDIX 5.1

Continuous Disclosure Policy

CONTINUOUS DISCLOSURE POLICY

This policy explains the key accountabilities and responsibilities of AMMTEC Directors and employees in respect of continuous disclosure and includes specific guidance in respect of external communications.

AMMTEC is committed to the provision of timely, full and accurate disclosure and compliance with the Continuous Disclosure requirements of the *Corporations Act* and the *ASX Listing Rules*.

The purpose of the continuous disclosure policy is to:

- assist Ammtec to achieve best practice in complying with its continuous disclosure obligations under the *Corporations Act* and *ASX Listing Rules*
- put in place procedures so that all of AMMTEC's shareholders have access to material information about the Company and its prospects and
- assist AMMTEC and individual officers to comply with the *Corporations Act* or *ASX Listing Rules* (which carry serious penalties).

To achieve these purposes, this policy sets out AMMTEC's processes for:

- identifying all material information
- reporting such material information to the Company Secretary; and
- timely disclosure of material information.

This policy applies to all Directors, senior management and employees of AMMTEC and its subsidiaries.

The Company Secretary is accountable for:

- providing guidance to determine what constitutes material information under this policy
- providing advice as to disclosure of material information under this policy, and
- disclosing material information to ASX, once a decision to make that disclosure has been made in accordance with this policy.

Accountability for ensuring that material information is communicated to the Company Secretary under this policy applies to:

- all Directors of AMMTEC and its subsidiaries;
- all members of the Senior Management Team and their direct reports;
- any such other employees or groups of employees that may be nominated as having this accountability from time to time.

As soon a person becomes aware of information that:

- is material information; and
- is not generally available (i.e. the information in question has not been included in any *Annual Report*, *ASX Release* or other publication of the company), that person must provide to the Company Secretary as much detail about the matter or *information as is reasonable* in the circumstances and a brief description of why the accountable person believes that the information does or may have a material effect on the price or value of AMMTEC securities.

Examples of what must be provided include:

- a general description of the matter or information;
- details of the parties involved;
- the relevant date of the event or transaction giving rise to the information;
- the status of the matter (e.g. final/negotiations still in progress/preliminary negotiations only);
- the estimated value of the transaction or event giving rise to the information;
- the estimated effect on AMMTEC's finances, operations or reputation.

If a person becomes aware of information that is based on rumour or speculation that may give rise to a false market in AMMTEC's securities, that person should provide to the Company Secretary as much detail about that as is reasonable in the circumstances, including, by way of example:

- detail of the rumour or speculation;
- the source of the information; and
- the estimated effect of the information if true on AMMTEC's finances and operations.

All employees are responsible for reporting material information under this policy. There are exceptions under the *Listing Rules* to the requirement for disclosure of certain material information. Whether an exception applies in any specific circumstance will be decided by the Company Secretary in consultation with the Managing Director and/or Chairman. The possible application of an exception does not qualify or change the obligation on every employee to communicate or report material information under this policy. Employees must keep all material information confidential until it is released and becomes generally available.

ASX Announcements

Except as described in the next paragraph, the Managing Director or the Company Secretary in conjunction with the Chairman is accountable for approving the disclosure of material information to the market.

- Any release considered under this policy which includes disclosure of a profit projection or forecast must be approved by the Board.
- Any release which relates to a material and strategically important matter for the Group must be approved by the Board.
- The Company Secretary will co-ordinate the actual disclosure to the ASX as required. All releases to the ASX will be promptly posted on the company's website by the Company Secretary.

Analysts/Shareholders

All communications with market analysts shall be conducted by the Managing Director and/or Company Secretary. All such communication will be limited to information previously released to the ASX or otherwise publicly available.

No other employee shall communicate with analysts or shareholders on material information, unless specifically authorised by the Managing Director or the Company Secretary.

Media

No employee shall communicate to the media any material information that has not been the subject of an *ASX Release* or is not generally available.

All media enquiries must also be dealt with by the Managing Director and/or the Company Secretary.

Other External Communications

This policy also applies to information or presentations provided to, and discussions with, professional bodies or any other person. Material information must not be selectively disclosed (e.g. to analysts, professional bodies, the media, customers or any other person) prior to being announced to the ASX and only publicly available information should be used in these external communications.

If material information is provided to analysts, the media or other external parties without first being disclosed to ASX, the Company Secretary should be notified of the disclosure immediately.

Compliance

AMMTEC requires all of its employees to comply with this directive. Any known or suspected instances of non-compliance will be reported to the Company Secretary for full investigation and appropriate disciplinary action. Employees should be aware that breaches of this policy may result in summary dismissal and may also attract civil penalties under the Corporations Act.

APPENDIX 6.1

Communication with Shareholders

COMMUNICATION WITH SHAREHOLDERS

AMMTEC is committed to providing a high standard of communication to its shareholders and other investors so that they have available all information reasonably required to make informed assessments of the Company's value and prospects.

To achieve this AMMTEC has established policies and procedures to ensure compliance with its continuous disclosure obligations and to ensure accountability at a senior management level for that compliance.

AMMTEC is committed to the provision of timely, fully accurate disclosures including keeping the market informed through releases detailing information that is relevant to the Company's ongoing value.

AMMTEC complies with its obligations to provide continuous disclosure to the market.

The Company Secretary is responsible for communications with the ASX and compliance with the Company's Listing Rules obligations. AMMTEC's continuous disclosure policy is available on the Company's website.

Periodic Reports

AMMTEC produces an Annual Report to 30 June comprising a review of operations, Directors' Report, Corporate Governance statement and the Financial Report for the Corporate Governance statement and the Financial Report for the year to 30 June.

Shareholders may elect to be sent this report by mail or alternatively be notified by email when these are available from the AMMTEC website.

Announcements

AMMTEC makes announcements to the ASX of all material information that affects any of AMMTEC's activities in accordance with its continuous disclosure obligations and AMMTEC's policy.

Following the full year and half year periods AMMTEC announces its financial results and operations of the Company for the period. The reports are released to the ASX immediately and are made available on the Company's website.

Annual General Meetings

AMMTEC holds an Annual General Meeting (AGM) normally in October of each year.

The date, time and venue of the AGM is notified to the ASX when the preliminary Final Report is lodged in August each year.

The date, venue and time of the AGM are determined in order to provide the maximum opportunity for as many shareholders as possible to attend personally.

The Notice of Meeting for the AGM is sent to shareholders with an explanatory memorandum providing information to shareholders to help them decide how they should vote on each item of business. AMMTEC has regard to the Guidelines for Notices of Meeting as produced by the ASX Corporate Governance Council and the requirement of the Corporations Act that Notices of Meeting be written in a clear, concise and effective manner.

A full copy of the Notice of Meeting and Proxy form is posted on the Company's website and lodged with the ASX.

Shareholders are encouraged to attend, however if they are unable to they are encouraged to vote by proxy on matters to be decided at the meeting.

The proceedings of AGMs including the formal addresses are made available for viewing on the Company's website.

AMMTEC requires that its auditor attend each AGM so as to be available to answer questions about the conduct of the audit and the preparation and content of the auditor's reports.

Website

The AMMTEC website provides comprehensive information to shareholders on the Company.

All announcements to the ASX are posted on the AMMTEC website immediately following release.

The following information is posted and maintained on the website for at least three years from first release:

- Annual Reports
- Reports on Proceedings at Annual General Meetings
- Share Price History
- Notices of Meeting and Explanatory Memoranda/Proxy Forms
- Corporate Governance Statement including relevant policies charters and practices
- Dividend Payment Details
- Calendar of Events for Investors
- Link to the Share Registry
- Preliminary Final Report (Full Year Results) and Half Year Report
- All announcements to the ASX
- All Media Releases
- Investor Presentations
- Broker Research

Investor Presentations

Investor presentations are released to the ASX and are posted on the Company website prior to the presentation being given.

Shareholders/Investor Queries

Shareholders with enquiries relating to their holding of AMMTEC shares can contact the Share Registry which provides a call centre to deal with all such enquiries.

Shareholders may also access their holding information, dividend details and change information relating to their holding through the Registry website which is also accessible through the AMMTEC website.

Contact details for the Share Registry and Investor Relations including email and facsimile contacts are provided on the AMMTEC website and in the Annual report to shareholders.

AMMTEC ensures that all shareholder and investor queries are responded to expeditiously.

APPENDIX 7.1

Risk Management Policy

RISK MANAGEMENT POLICY

The effective management of risk is central to the continued growth and profitability of AMMTEC.

The purpose of this policy is to ensure that:

- Appropriate systems are in place to identify to the extent that is reasonably practicable all material risks that the Company faces in conducting its business;
- The financial impact of identified risks is understood, and appropriate limits set to control exposures to those risks;
- Appropriate responsibilities are delegated to control the identified risks effectively;
- Any material changes to the Company's risk profile are disclosed in accordance with the Company's Continuous Disclosure Policy.

For the purpose of this policy, risk is defined as possible outcomes that could materially adversely impact on the Company's financial performance, assets, reputation, people or the environment.

The Board is accountable for:

- Reviewing and approving the risk profile of the Company and the policies and systems implemented for the ongoing identification and control of those risks;
- Annual review of the Company's financial capacity to absorb risk and approving appropriate exposure limits; and
- Requiring provision by management of reports on performance of systems used to identify and control risks and regularly reviewing these reports.

The Board may delegate all or part of this accountability to a Board Committee.

The Managing Director is accountable for:

- Identification and control of risks including risk identification and assessment in all significant investment decisions;
- Appointing the systems Owners through which appropriate systems and procedures for the identification, reporting and control of all material risks are developed, implemented, maintained and reviewed;
- Ensuring that regular reporting is prepared and presented to the Board on performance in relation to identification and control of risks;
- Providing an effective system for sign off at six monthly intervals from employees with specific delegated responsibilities under this policy; and
- The maintenance of an insurance program that covers all economically insurable risks.

The Company Secretary is accountable for:

- Disclosure of the Company's risk profile or any material change to it in accordance with the Company's Continuous Disclosure Policy.

All managers, supervisors and employees are responsible for:

- Taking all reasonable and practicable steps to perform their responsibilities delegated under this policy and the related systems and procedures; and
- Contributing to the continued improvement of the Company's risk management capabilities by reporting through management or the Company's established procedures any incidents that may result in unacceptable levels of risk or non-compliance with established procedures for measuring and reporting risks.

For the approval of AMMTEC's annual financial reporting, the Managing Director and Chief Financial Officer state to the Board in writing that:

- The financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- The Company's risk management and internal compliance and control system which underpin the integrity of the Company's financial reporting is operating effectively in all material respects.

APPENDIX 8.1

Remuneration Committee Charter

ROLE AND RESPONSIBILITIES

The role of the Committee is to support and advise the Board on Remuneration and related matters where specified and to make decisions under delegated authority with a view to ensuring that the interests of employees and shareholders are aligned. The recommendations will attempt to ensure that employees are appropriately and equitably compensated for their services and motivated to perform to the best of their abilities in the interest of shareholders.

The role of the Committee is to provide advice and make recommendations to the Board on the following matters:

- Remuneration policy and any changes to remuneration policy and practices for all employees whose remuneration is not determined through Awards or Enterprise Bargaining Agreements;
- The remuneration for the Managing Director and members of the Senior Management Team, being those executives reporting to the Managing Director;
- Performance-based (at-risk) components of remuneration and targets for the Company's financial performance as they relate to incentive plans;
- Allocations made under all equity-based remuneration plans;
- The remuneration for non-Executive Directors;
- The review and assessment of the effectiveness of the Company's remuneration policy;
- Corporate governance processes relating to remuneration;
- Remuneration Report and processes supporting its preparation.

ADMINISTRATION MATTERS

Membership and Attendance at Meetings

- The Remuneration Committee and its Chairperson shall be appointed by the Board. A quorum shall be two. It shall have at least three members and all members shall be independent non-executive Directors.
- Decisions of the Committee shall be made by a majority of members present.
- The Chairperson of the Remuneration Committee may not be the Chairman of Directors.
- The Remuneration Committee Chairperson has the power to convene and conduct meetings of the Audit Committee.
- The Remuneration Committee may invite such other persons (e.g. the Managing Director and Chief Financial Officer) as it deems necessary. All directors, including those directors not on the Committee may attend Committee meetings with the consent of the Chairman of the Committee.
- The Secretary of the Remuneration Committee shall be the Company Secretary or such other person as nominated by the Board.
- The Committee Executives will not participate in that portion of the meeting at which their own remuneration and its structure are under discussion.
- The Committee may seek advice or assistance from external advisors or consultants as required to enable the Committee to fulfil its role.

Meetings

- Meetings shall be held not less than once a year.
- Special meetings of the Remuneration Committee may be convened as required.
- Comprehensive papers and an agenda will be provided to Remuneration Committee members before each meeting.
- The proceedings of all meetings will be recorded in minutes.
- The minutes of each meeting will be submitted to the Directors and be considered at a subsequent meeting of the Board.

Review of Charter

This Charter will be reviewed by the Remuneration Committee to ensure its effectiveness and currency. Any changes are to be recommended to the Board for approval.

The Remuneration Committee Charter shall be available to shareholders and should be posted on the Company website.

APPENDIX 8.2

Remuneration Policy

REMUNERATION POLICY

AMMTEC Limited is committed to ensuring that its remuneration practices enable the Company to:

- Appropriately compensate employees for the services they provide to the Company;
- Attract and retain employees with skills required to effectively manage the operations and growth of the business;
- Motivate employees to perform in the best interests of the Company and its stakeholders;
- Provide an appropriate level of transparency; and
- Ensure a level of equity and consistency across the group.

Remuneration Committee

Under the terms of the Remuneration Committee Charter, the role of the Committee is to provide advice and make recommendations to the Board on the following matters:

- Remuneration policy and any changes to remuneration policy and practices for all employees whose remuneration is not determined through Awards or Enterprise Bargaining Agreements;
- The remuneration for non-Executive Directors;
- The remuneration for the Managing Director and members of the Executive Management Team, being those executives reporting to the Managing Director;
- Targets for the Company's financial performance as they relate to incentive plans, and the performance-based (at-risk) components of remuneration; and
- Allocations made under all equity-based remuneration plans.

Remuneration Policy and Procedures: Non-Executive Director Remuneration

Non-executive Directors are remunerated by way of fees paid and superannuation.

The overall level of annual Non-Executive Director's fees is approved by shareholders in accordance with the requirements of Corporations Act. Directors decide on actual fees, set by reference to the market and within the bounds of the shareholder approval.

Employee Remuneration

AMMTEC aligns its remuneration with that of comparable organisations for roles at all levels of the Company. A systematic role evaluation methodology is used to establish each employee's appropriate level of remuneration. Remuneration comprises elements of fixed remuneration and performance-based (at-risk) remuneration.

At a minimum, all full-time and part-time employees have an element of their remuneration at-risk once they have been with the Company for a six-month qualifying period, after which they are eligible to participate in the Employee Share Plan described below in Equity-Based Remuneration.

The employee's "at-risk" remuneration increases with seniority and with the individual's ability to impact the performance of the Company. At-risk elements of total remuneration comprise both short-term incentives as a reward for performance and long-term incentives that align medium and long-term shareholder interests. The long-term incentive structure also encourages retention of high performance employees in the organisation.

An annual performance review process assesses the degree to which each employee is satisfying the requirements of his/her role and the degree to which established performance objectives have been achieved.

Fixed Remuneration

AMMTEC's principal remuneration strategy for fixed remuneration is to align it with the medians of comparable industry positions. AMMTEC benchmarks its position against broad-banded target market rates, using market surveys and analysis supported by information gathered from a number of organisations.

A systematic assessment of roles at all levels of the organisation is done, using techniques that facilitate comparison with the markets in which AMMTEC competes for employees.

Fixed remuneration for executives is provided on a Total Cost basis, providing flexibility to receive remuneration as cash, payments to superannuation or non-cash benefits such as vehicles, along with related expenses. Where FBT is payable by the Company for allowed items such as vehicles, the amount of the FBT is included in determining the amount allocated to the Total Cost package.

All employees have the flexibility to receive a portion of their remuneration in the form of minor items limited by the provisions of legislation covering Fringe Benefits Tax (FBT) or as superannuation beyond that contributed by the Company.

Performance-Based (At-Risk) Remuneration

AMMTEC has introduced targets for the weighting between Short Term Incentive (STI) targets and Long Term Incentive (LTI) targets as a percentage of total remuneration and they differ between each category of employees as follows:

Category	STI	LTI
Managing Director	20%	40%
Management Executives	20%	30%
Senior Technical Managers	5%	15%

STI's are taken in the form of cash bonuses and the levels of STI's are determined on an annual basis by the Managing Director based on the financial performance of the company for the year and individual contributions to that performance. Any STI's are approved by the Remuneration Committee on recommendation of the Managing Director if appropriate.

The LTI takes the form an Employee Share Option Plan, which has a vesting period of 3 years and contains specific performance hurdles for each category of employee. These performance hurdles are as follows:

- Total Shareholder Return (TSR)
- Earnings Per Share (EPS)
- Profitability Performance Measures (PPM)

The same performance hurdles apply to the Management Executives and the Managing Director. The vesting conditions are a dual test of Earnings Per Share (EPS) and Relative Total Shareholder Return (TSR) (Vesting Conditions). The Board considers it appropriate to have a dual test since:

- an EPS component rewards achievement against a target which is within management's influence, thereby focusing executives on the Company's key business drivers; while
- a TSR component provides both an additional hurdle (where reward is only delivered for 'out-performing' a target) plus transparency for external stakeholders.

The Board believes that the dual tests, if achieved, will demonstrably aid the creation of shareholder value.

Each Vesting Condition is weighted evenly with vesting details as follows:

Earnings Per Share Target (50%)		Relative Total Shareholder Return Target (50%)	
EPS Growth Above Target*	Options to Vest	TSR Growth Above Target**	Options to Vest
< 10%	Nil	<50 th percentile	0
By 10%	50%	At 50.1 th percentile	50%
Between 10% and 20%	An additional 5% for each 1% increment (straight line vesting)	Between > 50 th and 75 th percentile	2% for each 1 percentile increase (straight line vesting)
By 20%	100%	>75 th percentile	100%
Between 20% and 30%	An additional 2.5% for each 1% increment (straight line vesting)		
By 30%	125%		

* Target is EPS from prior year adjusted for one off transactions in that year.

** Target is constituents of comparator group of entities (comparators based on operations and market capitalisation).

The performance hurdles for the Senior Technical Managers are 50% EPS and 50% PPM. The PPM's for this group are based on divisional revenue (25%) and the recordable injury frequency rate (25%).

- The EPS target is the same as for the Management Executives and Managing Director.
- For divisional revenue if budgeted revenue is met then 100% of the options will vest.
- For recordable injury frequency rate the options vest based on the following scale:

Total Recordable Injury Rate	Options to Vest	Options to Vest each year
20% or greater than the prior year	Nil	Nil
Between 20% higher and the same as the prior year	25%	8.25%
Same as prior year	50%	16.5%
Between the same as the prior year and 20% lower	75%	24.75%
More than 20% lower than the prior year	100%	33%

Equity-Based Remuneration

Equity-based remuneration is used for delivering components of at-risk remuneration through:

- Shares awarded under the terms of the Employee Share Plan, under which all qualifying employees, except Executive Directors, are eligible to receive up to \$1,000 worth of Company shares per year. Shares awarded through the Plan are issued at market value with the total cost fully expensed; or
- Options awarded under the terms of the shareholder-approved Employee Share Option Plan as a long-term component of remuneration provided to senior executives. Options awarded through the Plan have an exercise price established on the basis of the market price at the time of approval, a three-year vesting period and clear performance hurdles requiring out-performance relative to a reference group of listed companies. Values disclosed for options awarded are determined using the Black-Scholes valuation method expanded using a trinomial lattice to include probability assumptions allowing for the incorporation of performance hurdles. Options are recorded as an expense when they are issued. The total number of options that can be awarded is limited to 5% of total number of shares on issue.

Termination Payments

Termination payments are based on specific contractual arrangements for all employees. The basis for determining entitlements in the event of termination is consistent with the contractual obligations set out in those documents, which in turn align with market norms and practice.

Disclosure of Remuneration

Total remuneration reported will include appropriate values for all elements of remuneration, incorporating fixed remuneration, performance-based remuneration comprising payments made or value provided for at-risk components, superannuation and value for benefits provided and equity-based components of remuneration. Where possible, reported remuneration will relate to the year in which the remuneration is earned. Other than disclosure included in this document and annual reports, remuneration information is confidential between the Company and the employee, other than when disclosure is required by law, and there is a mutual obligation and expectation to retain that confidentiality.