



Board Charter

This Board Charter is to set out its functions and responsibilities and those matters which are delegated to management.

Role of the Board

The Board is accountable to shareholders and other stakeholders for the performance of the Company. It is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

In performing its responsibilities, the Board will act:

1. in the best interests of Austco Healthcare Limited;
2. honestly, fairly and diligently; and
3. in accordance with the duties and obligations imposed upon it by Austco Healthcare Limited constitution and the law.

Membership

The Board determines its size within the limits provided in the Company's constitution. The Austco Healthcare constitution provides for a minimum of 3 directors and a maximum of 10 directors. The size of the Board is reviewed annually.

The Board consists of directors who have a proper understanding of the business and who can add value in the context of the Austco Healthcare business.

The Board should comprise a majority of non-executive directors.

Although the shareholders appoint directors, the Board will seek to ensure that the directors have a broad range of experience and expertise and have (or can develop) a thorough understanding of the business conducted by Azure.

The Board acknowledges the ASX Good Corporate Governance guidelines and will adopt as many of these policies as practicable.

Meetings

Board meetings will be conducted in accordance with the Austco Healthcare

constitution;

Board meetings will be held at least 9 times each year;

Wherever practical, Board and committee papers will be provided to directors at least 5 days before the relevant meeting except where a meeting is called urgently;

Board and committee papers will contain sufficient information to enable directors to be properly informed on the matters to be considered at the forthcoming Board and committee meetings;

The non-executive directors will meet at least from time to time to privately discuss management issues. These meetings are not required to be formal or minuted;

Powers and responsibilities

As well as matters expressly required by law to be approved by the Board, the Board has the power and is responsible for:

- appointing and removing the Managing Director and determining his or her terms and conditions of service and evaluation of the Managing Director's performance;
- ratifying the appointment of, and where appropriate removing, direct reports to the Managing Director, including the Chief Financial Officer and the Company Secretary;
- any changes to the delegations by the Board;
- within the constraints of the Corporation Act and the ASX Listing Rules, the issue of any shares, options, equity instruments or other securities in Azure.
- establishing of any incentive plan for Company officers and employees;
- approving the budget, the business plan and compliance policies;
- approving the matters set out in Attachment I and any matters in excess of the discretion that it delegates to the Chief Executive Officer and senior management in relation to business transactions, credit transactions, risk limits and expenditure.
- monitoring of the strategic and financial objectives;
- monitoring and assessing management's performance in achieving any strategies and budgets approved by the Board;
- monitoring the financial performance and other required reporting;
- delegating an appropriate level of authority to management, and in particular the Chief Executive Officer;
- appointing the members of the Audit Committee and Nomination & Remuneration Committee;
- monitoring compliance with regulatory requirements and ethical standards;
- recommending the appointment, and reviewing the performance, of directors;
- overseeing the risk management strategy and monitoring business risks;
- effectively communicating on the Company's financial position, trading performance and prospects to all stakeholders, in particular, shareholders, customers and staff; and
- approving annual accounts, reports and other public documents.

Board Committees

The Board may establish committees to assist it in carrying out its responsibilities. Where appropriate, the Board will adopt charters setting out the composition, responsibilities and administration, and other matters that the Board may consider appropriate to that Committee.

The Board has established an Audit Committee, a Nomination & Remuneration Committee, a Finance and Risk Management Committee and has adopted charters setting out matters relevant to the composition, responsibilities and administration of those committees.

Professional Development

The Board provides induction materials for new directors and opportunities for ongoing professional development for directors.

Performance Evaluation

Each year, the Board will evaluate itself and individual directors with assistance of the Nomination & Remuneration Committee. The evaluation will:

- compare the Board's performance with the requirements of this Charter;
- set the goals and objectives of the Board for the upcoming year; and
- provide any improvements to the Board Charter that are necessary or desirable.

Adopted (revised) by the Board on 3rd August 2012

Matters requiring Board Approval

The following matters require prior approval of the Austco Healthcare Board. This applies to Austco Healthcare or any company within the Austco Healthcare Group.

- The grant of an overriding royalty, net profit interest, or other royalty or profit interest, a success fee or a lease, licence or hire agreement.
- Grant of parent company guarantee.
- Grant of guarantee or indemnity where the obligations of an unrelated third party are being guaranteed or indemnified.
- Any financial accommodation being provided to Austco Healthcare.
- Grant of any security interest over Austco Healthcare assets.
- Commencement or settlement of litigation, arbitration or other dispute resolution procedure where the amount in dispute is greater than \$5,000.
- Expenditure:
 - of any amount greater than the authority limits specified in the Austco Healthcare Expenditure Authorisations matrix where that amount is not included in the Austco Healthcare Corporate budget;
 - on any line item amount included in the Austco Healthcare Corporate budget which is greater than the authority limits specified in the Austco Healthcare

Expenditure Authorisations or the amount allocated to that line item in the Austco Healthcare Corporate budget.

- Grant of Powers of Attorney