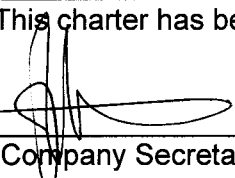


E&A Limited
ACN 088 588 425
("Company")

Board Charter

This charter has been ratified by the Board of Directors of E&A Limited on 24 October 2007.



Company Secretary

Next due for review October 2008.

Revision History

Version No

1

Date Approved by the Board

24 October 2007

1. **ROLE AND RESPONSIBILITIES OF THE BOARD**

1.1 **Role**

The role of the Board of Directors of the Company ("**Board**") is to use its expertise to develop, review and implement the strategic direction of the Company while at all times representing the shareholders, protecting the interests of the Company and fulfilling the Board's duties and obligations under the Company's Constitution, and the Corporations Act 2001 (Cth).

1.2 **Responsibilities**

The Board has the following responsibilities:

- 1.2.1 regularly considering and monitoring the implementation of corporate strategies and objectives, including the Company's control and accountability systems;
- 1.2.2 appointing and removing the Managing Director/Chief Executive Officer and where appropriate ratifying the appointment and removal of senior executives;
- 1.2.3 monitoring and evaluating the performance of the Company's management and the implementation of corporate strategies and performance objectives;
- 1.2.4 approving and monitoring compliance with systems of financial reporting, continuous disclosure, corporate governance, legal requirements and ethical standards;
- 1.2.5 approve and monitor major capital expenditure, capital management and acquisitions and divestitures;
- 1.2.6 reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance;
- 1.2.7 ensuring appropriate resources are available to senior executives;

- 1.2.8 issuing securities in the Company and establishing any incentive plans for directors and/or staff;
- 1.2.9 confirming that audit arrangements (including internal and external) are in compliance with all legal requirements and reviewing the Company's policies on such issues; and
- 1.2.10 delegating an appropriate level of authority to management.

2. **MEMBERSHIP AND PROCESS**

2.1 **Appointment**

The Board of Directors is appointed by the Shareholders of the Company to understand and act upon the concerns and issues of Shareholders.

2.2 **Composition of the Board**

- 2.2.1 The Board will at all times be comprised of a majority of independent directors as assessed by the Board in accordance with the Company's Policy on Independence of Directors.
- 2.2.2 The Board acknowledges that, while it is important to have a majority of Independent Directors, it is equally important to have a mix of executive directors who have a strong understanding of the Company's core business.
- 2.2.3 Directors will be engaged by a Letter of Appointment.
- 2.2.4 Remuneration of Directors will be decided by the Board by reference to the recommendations of the Remuneration and Nominations Committee.

3. **POSITIONS**

3.1 **Chairman**

- 3.1.1 The Board will elect a Director to be Chairman and will identify an alternative Director to replace the Chairman in the event that the Chairman is unable to act at any particular time.
- 3.1.2 The Chairman's role is to:
 - (a) maintain compliance with the Board's principles and processes;
 - (b) aid the progress of meetings of the Board;
 - (c) prepare agendas for meeting and liaise with the Chief Executive Officer (if not the same person) and Company Secretary;
 - (d) oversee the provision of information from the Company's management personnel to the Board; and
 - (e) oversee leadership of the Board.

3.2 **Company Secretary**

- 3.2.1 The Board shall appoint and remove the Company Secretary as the Board sees fit.

- 3.2.2 The Company Secretary's role is to advise the Chairman and Board of Directors on procedures to be followed by the Board, to develop systems and procedures to assist the Board in fulfilling its objectives, and to co-ordinate the timely despatch of board agenda and briefing material.
- 3.2.3 All Directors must have access to the Company Secretary.
- 3.2.4 The Company Secretary shall arrange for independent professional advice at the request of the Board and shall ensure that the Company Secretary's services are available to all Directors.
- 3.2.5 The Company Secretary is accountable to the Board, through the Chairman, on all governance matters.

3.3 Chief Executive Officer

- 3.3.1 The Chief Executive Officer or Management Director ("**Chief Executive Officer**") shall be appointed by the Board and the position may be held by an executive director.
- 3.3.2 The role of the Chief Executive Officer in conjunction with the Executive Directors is:
 - (a) to manage the day to day operation of the Company;
 - (b) to report to the Board on any issues arising out of the Company's commercial activities;
 - (c) oversee compliance with all laws and regulations applicable to the Company's activities; and
 - (d) to oversee and evaluate the performance of staff and management.

4. BOARD MEETINGS

Holding the office of Director of the Company is an important role. The Directors of the Company acknowledge the serious commitment that their position entails and agree to use their best endeavours to attend all Board meetings.

The Company endorses open and frank discussion of all issues at Board meetings in a constructive and ethical manner. Directors are encouraged to question alternative views at meetings of the Board and use their expertise to bring judgment to issues discussed and determined by the Board.

Non-executive Directors shall meet regularly in the absence of Executive Directors. These discussions should be held by the lead independent director.

Board agendas and related documentation should be provided to the Directors at least 2 days prior to a meeting of the Board.

5. COMMITTEES

- 5.1 The Board shall establish committees to assist the Board with meeting its responsibilities.
- 5.2 The Board shall have the following permanent committees and such other committees as to the Board determines is appropriate from time to time:

5.2.1 Nomination Committee and Remuneration; and

5.2.2 Risk Management & Audit Committee.

5.3 The Chairman of each Committee shall be an Independent Director and the Board shall select members of each Committee based on which Directors are appropriate for the role.

5.4 The Board shall adopt a charter for each Committee outlining the constitutional base for each Committee.

5.5 The charter for each Committee shall document the role and responsibilities of each Committee.

6. INFORMATION

6.1 The Chief Executive is responsible for supplying the board with information in a forum and time frame and of a quality that enables the Board to discharge its duties effectively.

6.2 Directors are entitled to request additional information where they consider such information necessary to make informed decisions.

7. EVALUATION

The Board will regularly review the skills and expertise of the Directors of the Company to ensure that the composition of Directors is sufficient to ensure that the objectives of the Company are attained.

8. CONFLICT OF INTEREST

Directors must ensure at all times that the interests of the Company are put first and that nothing is embarked upon that has the effect or may be perceived to have the potential to put the Director's interests before the Company's best interests.

9. OTHER DIRECTORSHIPS

9.1 Independent Directors should undertake continuing evaluations of their ability to act in the best interests of the Company in accordance with the Company's Policy on the Independence of Directors.

9.2 Independent and Non-Executive Directors must inform the chair and the chair of their nomination committee before accepting any new appointments as directors.

9.3 Executive Directors shall not accept any appointment as an officer of any other company without the prior written approval of the Board.

10. INDEPENDENT ADVICE

Subject to the Deed of Indemnity executed by each Director, a Director may seek independent professional advice in relation to any matter concerning their obligations or responsibilities at the cost of the Company.

11. CODE OF CONDUCT

11.1 The Board shall adopt a Code of Conduct documenting the ethical standards to be maintained by the Board and the Company.

11.2 All Directors must comply with the Code of Conduct adopted by the Board.

12. SECURITIES DEALING

Directors must at all times comply with the Company's Insider Trading Policy.

13. INDUCTION AND EDUCATION OF BOARD MEMBERS

Induction procedures are to be developed to allow new directors to participate fully and actively in board decision making at the earliest opportunity.

All Directors shall participate in any induction and continuing education programs or policies developed by the Board from time to time. Directors will have access to continuing education to update and enhance their skills and knowledge (including in areas concerning key developments in the Company, the industry and the environment within which it operates).

14. CONFIDENTIALITY

14.1 Directors acknowledge that they will be exposed to confidential information of the Company.

14.2 Directors agree to keep all proceedings of the Board and Committees strictly confidential at all times, including following cessation of office.

14.3 Directors who breach the confidentiality requirements of this Charter are not acting in the best interests of the Company and will be required to resign from office.