



BOARD CHARTER

Guiding principle

The Board of Pacific Star Network Limited seeks to ensure that it adds value by guiding, assisting, and supporting management, to achieve the Company's goals. This includes creating and maintaining a Company that generates sustainable growth for the benefit of all stakeholders.

The Board is committed to abiding by all relevant laws and regulations and to providing employees with a safe and rewarding working environment. It will have consideration in its deliberations for the broader community, external and internal stake-holders and the Company's responsibilities as a corporate citizen of good standing.

The Board is responsible for the overall operation and stewardship of the Pacific Star Group of companies and, in particular, is responsible for:

a) Strategy

1. Providing input to, and approval of, the Group's strategic direction and business plans as developed by management.
2. Directing, monitoring and assessing the Group's performance against strategic and business plans.
3. Approving and monitoring capital management including major capital expenditure, acquisitions and divestments.

b) Risk management

1. Ensuring a process is in place to identify the principal risks of the Group's business and approve the risk management and oversight policies.
2. Reviewing, ratifying and assessing the integrity of the Group's systems of risk management, legal compliance, and internal compliance and control.
3. Staff will be provided with and comply with the company's operating policies.
4. The CEO and CFO must ensure that the company's risk management and systems of internal compliance and controls are operating efficiently and effectively in all material respects, and provide a detailed statement to the Board about this matter with each annual financial report.



c) Reporting and Disclosure

1. Approving and monitoring financial and other reporting, including reporting to shareholders and other stakeholders.
2. Establishing procedures to ensure implementation and adherence by appropriate management levels of the Company's continuous reporting policy.

d) Management

1. Appointment and terms of engagement of the Chief Executive Officer (CEO).
2. Endorsement of the CEO's recommendations for appointments to senior management positions.
3. Ensuring that a process is in place such that the remuneration and conditions of service of senior executives are appropriate.
4. Ensuring that a process is in place for executive succession planning, and monitoring that process.
5. Delegating authority to the CEO.

e) Performance

1. Evaluating the CEO's performance.
2. Approving criteria for assessing performance of senior executives and for monitoring and evaluating the performance of senior executives.
3. Undertaking an annual performance evaluation of itself.
4. Establishing and reviewing succession plans for Board membership.

f) Corporate governance

1. Establishing appropriate standards and encouraging ethical behaviour and compliance with the Group's own governing documents, including the Group's Code of Conduct.
2. Monitoring the Company's compliance with corporate governance standards.

g) Delegation of Authority to Management

The Board through this charter, subject to certain exceptions, delegates authority to the CEO for the management of the company, and to ensure all appropriate decisions are adequately determined



In performing the responsibilities set out above, the Directors should act at all times in a manner designed to create and continue to build sustainable growth and value for shareholder's and in accordance with the duties and obligations imposed on them by the Company's Constitution and by law.

h) Board Committees

1. Establishing the following Board Committees (where appropriate):
 - I. Audit and Financial Risk Committee;
 - II. Nomination and Corporate Governance Committee;
 - III. Remuneration and Succession Planning Committee;
 - IV. Adopting Charters for each Committee.

i) Composition

1. Where circumstances permit, the Chairman should be a non-executive Director who is also an independent Director. The Chairman is responsible for leadership of the Board and for the efficient organisation and conduct of the Board.
2. The Chairman should facilitate the effective contribution by all Directors and promote constructive and respectful relations between Directors, and between the Board and the senior management team.
3. Circumstances permitting, the Board will comprise:
 - i. Members with a broad range of experience, expertise, skills and contacts relevant to the Group and its business;
 - ii. No less than four Directors, half of whom should be non-executive Directors;
 - iii. A majority of independent Directors. The Board will regularly assess whether each Director remains an independent Director in the light of all interests disclosed by them.

j) Appointment and retirement

1. The terms and conditions of the appointment of all new members of the Board must be specified in a letter of appointment.
2. Directors must be given access to all information in relation to the Group, extending to its business, the industry in which it operates and other information required by them to discharge their responsibilities.
3. Each Director may seek independent legal advice or other professional advice at the Company's cost. Prior approval from the Chairman is required but will not be unreasonably withheld or delayed.

4. Under the constitution at least one third of all Directors, being the longest serving Directors, must retire at each AGM. Directors must also retire if a third AGM falls during the period in which they held office. Retiring Directors are eligible to be re-elected.

k) Meetings

1. Board meetings are normally held monthly.
2. Papers and draft minutes for Board and Committee meetings (where applicable) will normally be circulated at least 4 business days prior to the meeting.

l) Secretary

1. The Secretary is accountable to the Board, through the Chairman, on all corporate governance matters and is responsible for:
 - i. Monitoring this policy and charter, to ensure they are followed; and
 - ii. Co-ordinating the timely completion and despatch of:
 - Board and relevant Committee agendas and briefing materials;
 - draft minutes of meetings of the Board and relevant Committees for approval at the next meeting; and
 - The terms and conditions of the appointment of all new members of the Board must be specified in a letter of appointment.

m) Dealings in Securities

1. The Constitution permits Directors to acquire securities. Company policy prohibits any dealing in or procuring the dealing in, securities except in accordance with the Company's share trading policy.
2. A public company must notify ASX of the information in section 205G of the *Corporations Act 2001* relating to director's relevant interests in its securities and interests in contracts relating to those securities such as margin loans.

The obligation to notify ASX of changes in a director's relevant interests or interest in contracts (Appendix 3Y) must be provided within 5 business days.
3. Accordingly, a listed entity must enter into arrangements with its director's that require a director to disclose to the entity all the information it requires to comply with the obligation to notify the ASX.



n) Ethical standards and values

1. All directors and officers of the Company and each other company in the Group must act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group and where possible to act in accordance with the interests of shareholders, staff, clients and all other stakeholders.

o) Recognition of interests of stakeholders

1. Directors must recognise that their primary responsibility is to shareholders as a whole, however, the company must function within, and operate with a sense of responsibility to the wider community as well as to shareholders.

p) Conflicts of interest

1. Directors must disclose and provide details of all matters that may result in a conflict of interest to the Board.
2. Where a potential conflict is disclosed, discretion will remain with the Board as to whether to exclude the Director who has the potential conflict from the discussion held by the Board.
3. Where a conflict is identified, the Board may resolve that the Director continue to be involved in Board discussions, but this Director must not vote on the relevant matter.