

BOARD CHARTER

1 Role of the Board

Collectively, the Board is responsible and accountable to the shareholders for the overall performance of the business and for determining the strategic direction of the Company.

2 Key functions of the Board

Subject to the terms of the Constitution, all decisions relating to the operation of the Company are made under the authority of the Board. The Board has delegated to the Chief Executive Officer relevant authority to manage the day to day operations of the Company.

Specific responsibilities of the Board include:

- Review and approve the strategic direction of the Company with management and monitor management's implementation of that strategy;
- Monitor financial outcomes and the integrity of reporting and, in particular, approve annual budgets and longer term strategic and business plans;
- Set specific limits of authority for management to commit to new expenditure, enter contracts or acquire businesses;
- Monitor compliance with regulatory requirements (including continuous disclosure) and ethical standards, including reviewing and ratifying codes of conduct and compliance systems;
- Monitor the effectiveness of the audit, risk management and compliance systems that are in place to protect the Company's assets and to minimise the possibility of the Company operating beyond legal requirements or beyond acceptable risk parameters;
- Provide effective and timely reporting to shareholders.

3 Access to information and independent advice

The Board and Committees must be provided with the information they need to efficiently discharge their responsibilities.

Management must supply the Board and Committees with information in a form, timeframe and quality that enables them to effectively discharge their duties. All Directors are to receive copies of Committee Papers.

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. Any Director has the authority to seek any information he/she requires from any employee of the Company with prior notice to the Chief Executive Officer and all employees must comply with such requests. It is expected that any significant issues are communicated to the Chairman, and such of the Chief Executive Officer, Chief Financial Officer or Company Secretary as are appropriate.

Any Director may take such independent legal, financial or other advice as they consider necessary at the Company's cost. Any Director seeking independent advice must first discuss the request with the Chairman who will facilitate obtaining such advice.

BOARD CHARTER

4 Conflicts of interest

The Board has an approved policy for dealing with conflicts of interest. Directors are required to:

- advise the Board of an actual or potential conflicts of interest which may exist as soon as they arise;
- advise the Chairman of any related party transactions other than personal and domestic dealings with the Company that are undertaken on a normal commercial basis.

Unless otherwise determined, a Director should absent himself from the Board meeting when the Board considers or votes on matters to which the conflict relates.

5 Board size and composition

The size and composition of the Board will be in accordance with the Constitution of the Company. Subject to the Constitution the Board is responsible for evaluating the size, composition and performance of the Board.

6 Meetings of the Board

The Board meets formally at least 11 times in a year. In addition to scheduled meetings, the Board meets whenever necessary to consider matters requiring separate consideration. The Board meets at least annually with management to review strategic directions and consider key elements of the budget and business plan.

The Chief Executive Officer and Company Secretary in consultation with the Chairman develop meeting agendas. Any director can request the Chairman to include an item on the Board agenda. Copies of Board papers are circulated in advance of the meetings.

7 Board independence and performance

A majority of non-executive Directors are to be independent. In determining independence, the Board will have regard to the guidelines on director independence in the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations or any other relevant best practice.

The Board shall undertake a performance review of itself periodically. In reviewing its performance it shall:

- assess its performance against the requirements of its Charter; and
- effect any improvements to the Board Charter deemed necessary.

The Board shall review the performance of Board Committees periodically and review the charters of Board Committees every 2 years.

8 Directors indemnity and insurance

The Company maintains a Directors and Officers Insurance policy that subject to some exemptions provides cover for acts committed by them in their capacity as Directors.

The Company indemnifies Directors for any personal liability a Director incurs to another person in his or her capacity as a Director. The indemnity does not extend to:

BigAir Group Limited

BOARD CHARTER

- a liability to the Company itself or a subsidiary; or
- where the liability has arisen as a result of conduct by a director involving a lack of good faith.

The Company also indemnifies Directors against costs and expenses incurred by a Director in defending either civil or criminal proceedings where the director is successful in the proceedings.

The Company will enter into Deeds of Indemnity and Access with each Director to formalise these indemnities and to formalise the directors' rights of access to board papers.

9 Board subcommittees

Sub-Committees of the Board have been established to assist in the monitoring of specific areas. The Sub-Committees provide information and advice to the full Board regarding issues that have been considered. The members of the Sub-Committee are accountable to the Board.

Each Sub-Committee has a Charter that has been approved by the Board. The current Sub-Committee's are:

- Audit;
- Remuneration Committee.

The Board may establish other Sub-Committees in future as circumstances require.

10 Position and responsibilities of the Chief Executive Officer

The CEO is responsible for the day-to-day management of the Company with all powers, discretions and delegations authorised, from time to time, by the Board.

The CEO is to have a formal Employment Agreement describing his/her term of office, duties, rights and responsibilities and entitlements on termination.

At each Meeting where the Board approves the Half-Year and Full-Year Financial Statements, the CEO must provide the Board with a written declaration which includes a declaration whether, in the CEO's opinion:

- (a) the financial records of the Company for the reporting period have been properly maintained in accordance with section 286 of the Corporations Act;
- (b) the financial statements and the notes referred to in paragraph 295(3)(b) of the Corporations Act, for the reporting period comply with the accounting standards;
- (c) the financial statements and notes for the reporting period give a true and fair view;
- (d) the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- (e) declaration (d) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- (f) the Company's risk management and internal compliance and control system is operating effectively in all material respects.

BOARD CHARTER

11 Delegation

The Board will determine the scope of authority (and any limits on that authority) which is delegated to the Chief Executive Officer or any other officer.

- Responsibility for implementing the strategic direction and for managing the day to day operations of the Company is delegated to the Chief Executive Officer. The Chief Executive Officer must consult with the Chairman, in the first place, on matters which are sensitive, extraordinary or of a strategic nature.
- Clear lines of communication are to be established between the Chairman and the Chief Executive Officer to ensure that the responsibilities and accountabilities of each are understood.

12 Review

At least once a year the Board will review:

- (a) this Charter;
- (b) the Charter of all Sub-Committees;
- (c) the performance of the Board during the previous 12 months;
- (d) the performance of the Chief Executive Officer in the previous 12 months.