

PIPE NETWORKS LIMITED

BOARD CHARTER

1. Introduction

- 1.1 The Board of Pipe Networks Limited (**Company**) supports the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations (**Principles**). The Board has developed policies and practices consistent with the Principles with such adjustments as the Board believes are appropriate for a company of the nature of the Company.
- 1.2 The Board Charter sets out the division of responsibility between the Board and management to assist those affected by decisions to better understand the respective accountabilities and contributions of the Board and management.

2. Board Responsibilities

- 2.1 The Board oversees the management of the Company. The Board is responsible for:
- (a) overseeing the Company, including its control and accountability systems;
 - (b) appointing and removing the chief executive officer;
 - (c) monitoring the performance of the chief executive officer and Executive Directors;
 - (d) ratifying the appointment, and where appropriate, the removal of the chief financial officer and company secretary;
 - (e) ratifying other senior executive appointments, organisational changes and senior management remuneration policies and practices;
 - (f) approving succession plans for the management team;
 - (g) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
 - (h) reporting to shareholders;
 - (i) providing strategic advice to management;
 - (j) approving management's corporate strategy and performance objectives;
 - (k) approving the annual budget;
 - (l) determining dividend payments and financing dividend payments;
 - (m) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
 - (n) approving and monitoring financial and other reporting;
 - (o) reviewing and ratifying systems of risk management and internal compliance and control, and legal compliance to ensure appropriate compliance frameworks and controls are in place;

- (p) approving terms of reference of Board committees;
- (q) monitoring and ensuring compliance with legal and regulatory requirements and the Company's own ethical standards and policies;
- (r) monitoring and ensuring compliance with best practice corporate governance requirements; and

2.2 The following responsibilities may be delegated to management:

- (a) day-to-day management of the Company in accordance with the strategy set by the Board, including:
 - (i) financial and capital management and reporting;
 - (ii) operations;
 - (iii) information technology;
 - (iv) marketing;
 - (v) customer service;
 - (vi) developing relationships with investors, media, analysts and other industry participants; and
 - (vii) human resources;
- (b) reporting to the Board on the performance of the Company;
- (c) such duties as are from time-to-time delegated by the Board.

2.3 The Board will, from time-to-time, undertake a review of the responsibilities of management to ensure that they remain appropriate for the business conducted by the Company.

3. Composition of the Board

3.1 The Board is responsible for the following:

- (a) determining the number of directors (subject to the Constitution);
- (b) composition of the Board;
- (c) nomination of all directors; and
- (d) terms and conditions of directors' appointments.

3.2 The Company's Constitution provides:

- (a) for the number of directors to be between three and twelve;
- (b) directors (except the Managing Director) are required to retire from office at the conclusion of the third annual general meeting after the director was last elected, with each director being eligible for re-election;

- (c) for the appointment and removal of the Company's Managing Director and its non-executive directors.

4. Independence

- 4.1 The Principles require the Company to assess and disclose the 'independence' of each director.
- 4.2 The Board will establish a policy on director independence. The Board will regularly assess whether each director can continue to be regarded as independent under that policy.
- 4.3 Each director has the right, at the Company's expense, to seek independent professional advice in connection with their duties. The prior written approval of the Chairman is required.

5. Directors and Board Meetings

- 5.1 The Company's non-executive directors meet at least eight times per year.
- 5.2 Each director is entitled to receive notice of a meeting of directors not less than 48 hours prior to the meeting, unless the directors unanimously agree otherwise.

6. Committees

- 6.1 The Board has established an Audit, Compliance and Risk Committee
- 6.2 A separate Charter has been prepared for this Committee.

7. Review of Board effectiveness

- 7.1 The Board members will participate in an annual review of the Board's effectiveness in carrying out its responsibilities. The Chairman will implement a review system which, subject to consultation with the Board, may include:
 - (a) a collective review of effectiveness undertaken by the Board;
 - (b) individual performance reviews for directors;
 - (c) opportunities for directors to give private feedback to the Chairman on Board effectiveness; or
 - (d) such other review mechanisms as the Board decides.
- 7.2 The Chairman, in consultation with the Board, will consider whether or not to engage an external facilitator to assist with the above.

8. Charter Review

- 8.1 The Board will review this Charter annually.