

Board Charter

Role of the Board

The role of the Board is to effectively represent and promote the interests of the Shareholder with a view to adding long-term value to the Company's value. Having regard to its role the Board will direct and supervise the management of the Business and affairs of the Company including, in particular:

- ensuring that the Company goals are clearly established and that strategies are in place for achieving them;
- establishing policies for strengthening the performance of the Company, including ensuring that Management is proactively seeking to build the Business;
- monitoring the performance of Management;
- appointing the CE, setting the terms of the CE's employment contract;
- deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- ensuring that the Company's financial statements are true and fair and otherwise conform with law;
- ensuring that the Company adheres to high standards of ethics and corporate behaviour;
- ensuring that the Company retains the confidence and support of the community and continues to maintain its social licence to operate;
- ensuring the Company's Directors receive appropriate training and development opportunities;
- ensuring that the Company adheres to the compliance and legal obligations, especially in respect of health and safety; and
- ensuring that the Company has appropriate risk management/regulatory compliance policies in place.

In the normal course of events, day-to-day management of the Company will be in the hands of Management.

The Board's Relationship with the Shareholder (CCHL)

The Board maintains a positive and proactive relationship with CCHL. The Board endeavours to ensure CCHL is informed of all major developments affecting the Company's state of affairs, while at the same time recognising commercial sensitivity may preclude certain information from being made public. Information is communicated to CCHL through a "no surprises" policy on issues of importance as they may arise, as well as through formal communications.

The Board's Relationship with other Stakeholders

The Board will use its best endeavours to familiarise itself with issues of concern to all relevant stakeholders. The Board recognises that the Company's long-term survival and prosperity are closely intertwined with the environments and markets within which it operates and the extent to which the Company is seen as a responsible corporate citizen.

Board Procedures

The conduct of Directors will be consistent with their duties and responsibilities to the Company and, indirectly, to the Shareholder. The Board will carry out its role with the emphasis on strategic issues and policy.

Directors will use their best endeavours to attend Board meetings and to prepare thoroughly. Directors are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board.

Board discussions will be open and constructive, recognising that genuinely held differences of opinion can, in such circumstances, bring greater clarity and lead to better decisions. The Chair will, nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote. All discussions and their record will remain confidential unless there is a specific direction from the Board.

The Board agenda is set by the CE in consultation with the Chair. Any Director may, through the Chair, request the addition of an item to the agenda.

At each normal meeting the Company's interest register will be updated as necessary and the Board will consider, amongst other matters:

- An operational report from the CE;
- A report from the Chief Financial Officer;
- Reports on their activities from the Company's individual areas of activity;
- Specific proposals for capital expenditure and acquisitions; and
- Major issues and opportunities for the Company.

Directors are entitled to have access, at all reasonable times, to all relevant Company information and with approval from the Chair, to Management.

Directors are expected to strictly observe the provisions of the Companies Act applicable to the use and confidentiality of Company information.

The Chair

The Chair is responsible for representing the Board to the Shareholder. The Chair is responsible for ensuring the integrity and effectiveness of the governance process of the Board. The Chair is responsible for maintaining regular dialogue with the CE over all operational matters and will consult with the remainder of the Board promptly over any matter that gives her cause for major concern.

The Chair will act as facilitator at meetings of the Board to ensure that no Director dominates discussion, that appropriate discussion takes place and that relevant opinion among Directors is forthcoming. The Chair will ensure that discussions result in logical and understandable outcomes.

Board Committees

Board Committees will be formed only when it is efficient or necessary to facilitate efficient decision-making. Board Committees will observe the same rules of conduct and procedure as the Board unless the Board determines otherwise. Board Committees will only speak or act for the Board when so authorised. The authority conferred on a Board Committee will not derogate from the authority delegated to the CE.

The Board has two standing Committees, namely the Audit and Risk Committee and the People and Performance Committee. Both Committees operate under their own terms of reference.

Board Composition and Mix

The composition of the Board will reflect the duties and responsibilities it is to discharge and perform as representative of the interests of the Shareholder, and in setting the Company's strategy and seeing that it is implemented.

Generally, the qualifications for Directors at LPC are the ability and intelligence to make sensible business decisions and recommendations, an entrepreneurial talent for contributing to the creation of shareholder value, the ability to see the wider picture, the ability to ask the hard questions, preferably some experience in the industry sector, high ethical standards, sound practical sense, and a total commitment to furthering the interests of the Shareholder and the achievement of the Company goals.

Induction of New Directors

On their first appointment, Directors will have the benefit of an induction programme aimed at deepening their understanding of the Company and the business and the environment and markets in which the Company operates.

As part of the programme, Directors will receive essential Board and Company information and will meet key management.

Directors are expected to keep themselves abreast of changes and trends in the business and in the Company's environment and markets and to keep abreast of changes and trends in the economic, political, social and legal climate generally.

Remuneration

The Directors' fee pool is set by the Shareholder. The Board decide how those funds are allocated to each Director. This will include a base Director fee and additional fees for Directorship of Board Committees, as well as separate fees for the Board and Committee Chairs.

Provision of Business or Professional Services by Directors

Because a conflict of interest (actual or perceived) may be created, Directors should not, generally, provide business or professional services of an ongoing nature to the Company.

Notwithstanding the general rule, the Company is at liberty to for the purpose of a special assignment, engage the services of any Director having special expertise in the particular field or engage the services of another Director of a Director's organisation, so long as the terms of engagement are competitive, clearly recorded and all legal requirements for disclosure of the engagement are properly observed.

Other Board Appointments

Any Director is, while holding office, at liberty to accept other Board or Management appointments so long as the appointment is not in conflict with the business and does not detrimentally affect the Director's performance as a Director. All other appointments must first be discussed with the Chair before being accepted.

Independent Professional Advice

Any Director is entitled to obtain independent professional advice relating to the affairs of the Company or to his or her other responsibilities as a Director. If a Director considers such advice is necessary the Director shall first discuss it with the Chairman and, having done so, shall be free to proceed. Subject to the prior approval of the Chairman, the cost of the advice will be reimbursed by the Company but the Director will ensure, so far as is practicable, that the cost is reasonable.

Board and Director Evaluations

The Board will, each year, critically evaluate its own performance, and its own processes and procedures to ensure that they are not unduly complex and are designed to assist the Board in effectively fulfilling its role.

Indemnities and Insurance

The Company will provide Directors with an indemnity, and will pay the premiums for insurance cover whilst acting in their capacities as Directors to the level agreed by the Board.

The Company Secretary

The Chief Financial Officer performs the role of Company Secretary. The Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation. All Directors, particularly the Chair, have access to the advice and services of the Secretary for the purposes of the Board's affairs and the business.

Position of CE

The Board will link the Company's governance and management functions through the CE. All Board authority conferred on Management is delegated through the CE so that the authority and accountability of Management is considered to be the authority and accountability of the CE, so far as the Board is concerned.

Between Board meetings the Chairman maintains an informal link between the Board and the CE, expects to be kept informed by the CE on all important matters, and is available to the CE to provide counsel and advice where appropriate.

Only decisions of the Board acting as a body are binding on the CE. Decisions or instructions of individual Directors, Officers or Committees are not binding, except in those instances where specific authorisation is given by the Board.

Management Limitations

The CE is expected to act within all specific authorities delegated to him or her by the Board.

The CE is expected to act in line with commonly accepted good business practice and professional ethics.

The CE is expected to take into account the health, safety, environmental and political consequences and their effect on long-term shareholder value.

In managing the Company, the CE is expected to ensure the Company does not become financially embarrassed.

The CE is expected to ensure employees and other parties working for the Company are subjected to treatment or conditions that are dignified, equitable, fair and safe.