

## **BOARD CHARTER**

### **1. Purpose Charter**

- 1.1 The Board charter sets out the role, composition and responsibilities of the Board of PGC within the governance structure of PGC and its subsidiaries.
- 1.2 The purpose of this Board charter is to provide high standards of corporate governance and to clarify the role and responsibility of the Board.
- 1.3 The conduct of the Board is also governed by the Articles of Incorporation.

### **2. Membership and Term**

- 2.1 The Articles provide for a minimum of three directors and a maximum of 10.
- 2.2 The Board should comprise:
  - (a) Directors with an appropriate range of skills and experience;
  - (b) Directors who have a proper understanding of, and competence to deal with current and emerging issues of the business; and
  - (c) Directors who can efficiently review and challenge the performance of management and exercise independent judgement.
- 2.3 The Board shall consist of a minimum of two independent non-executive directors or one-third of the total number whichever is the greater. A non-executive director is considered to be "independent" providing he or she:
  - (a) Does not hold more than five percent of the Company's class of listed voting shares;
  - (b) Has not been employed in an executive capacity by the Company within the last three years, or has been a director after ceasing to hold any such employment; and
  - (c) Is not a principal or employee of a professional advisor to the Company and/or its entities whose billing exceeds ten percent of the advisor's total revenues;
  - (d) Is not a significant service provider to or customer of the Company. (A significant service provider is defined as one whose revenues from the Company exceed two percent of the provider's total revenue; a significant customer is defined as one whose transactions from the Company exceed ten percent of the customer's total transaction);
  - (e) Has no material contractual relationship with the Company;
  - (f) Has no other interest or relationship that could interfere with his or her ability to act in the best interests of the Company and independently of management;
  - (g) Is not a member of management of PGC or its subsidiaries; and

- (h) The Board determine the director is independent in character and judgment.
- 2.4 The Board's Remuneration and Appointments Committee is responsible for the identification and recommendation of candidates for appointment to the Board.
- 2.5 Directors will be appointed pursuant to formal letters of appointment setting out the key terms and conditions of the appointment to ensure that directors clearly understand the expectations of PGC and the Board.
- 2.6 Membership of the Board shall be disclosed in the annual report including whether a director is independent. The loss or gaining or independence will be disclosed to the market immediately.
- 2.7 The Board has not adopted a tenure policy.

### 3. **Board Responsibilities**

- 3.1 The Board has delegated authority for the operations and administration of PGC to the Managing Director.
- 3.2 The Board is responsible for promoting the success of PGC in a manner designed to create and build sustainable value for shareholders and in accordance with the duties and obligations imposed upon them by the Articles of the Company and law, while taking due regard to other stakeholder interest.
- 3.3 Specifically, the Board is responsible for:
  - (a) Setting strategic direction and appropriate operating frameworks of PGC;
  - (b) Monitoring management's performance within those frameworks;
  - (c) Ensuring there are adequate resources available to meet PGC objectives;
  - (d) Appointing and removing the Managing Director and overseeing succession plans for the senior executive team;
  - (e) Approving and monitoring financial reporting and capital management;
  - (f) Approving timely and balanced communication to shareholders
  - (g) Monitoring the financial solvency of the Company;
  - (h) Ensuring that effective risk management procedures are in place and are being used;
  - (i) Promoting and authorising ethical and responsible decision-making by the Company;
  - (j) Ensuring PGC has appropriate corporate governance structures in place including standards of ethical behaviour;
  - (k) Ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company.

#### **4. Board Committees**

4.1 The Board may discharge any of its responsibilities through committees of the Board in accordance with the PGC Articles of Incorporation. The Board has established the following Committees to consider certain issues and function in more details:

- (a) Audit Committee;
- (b) Remuneration and Appointment Committee;
- (c) Risk Committee.

Each Committee shall adopt its own Charter to be approved by the Board, setting out matters relevant to its composition and responsibilities.

#### **5. The Board and Management**

5.1 Responsibility for the day to day management and administration of PGC is delegated by the Board to the Managing Director, assisted by the executive team (“management”).

5.2 While the day to day responsibility for the operation of the business is delegated to management, there are a number of matters which are required to be, or that in the interests of the Company should be, decided upon only by the Board of directors as a whole.

5.3 The Chief Executive Officer manages PGC in accordance with the strategy, plans and delegations by the Board.

5.4 The Board has implemented appropriate procedures to assess management’s performance.

#### **6. Role of the Chairman**

6.1 The Chairman of the Board is appointed by the directors.

6.2 The chairman must not also be the Managing Director of PGC.

6.3 The role and responsibilities of the Chairman include:

- (a) Providing leadership to the Board and PGC;
- (b) Ensuring the efficient organisation and conduct of the Board;
- (c) Monitoring Board performance annually;
- (d) Facilitating Board discussions to ensure core issues facing PGC are addressed;
- (e) Briefing all directors in relation to issues arising at Board meetings;
- (f) Facilitating the effective contribution and ongoing development of all directors;
- (g) Promoting consultative and respectful relations between Board members and between the Board and management; and

(h) Chairing Board and shareholder meetings.

6.4 Should the Chairman be absent from a meeting, the members of the Board present at the meeting have authority to choose one of their members to chair that particular meeting.

## **7. Responsibility of Individual Directors**

7.1 Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibility as directors. Broadly these include:

- (a) Acting in good faith and in the best interests of PGC as a whole;
- (b) Acting with care and diligence and in the best interests of PGC as a whole;
- (c) Avoiding conflicts of interest wherever possible; and
- (d) Refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director.

7.2 Directors are expected to support the letter and spirit of Board decisions.

7.3 Directors will keep Board information, discussion, deliberations and decisions which are not publicly known confidential.

## **8. Conflicts of Interest**

8.1 Directors must:

- (a) Disclose to the Board any actual or potential conflicts of interest which may exist or be thought to exist as soon as they become aware of the issue;
- (b) Take any necessary and reasonable measures to try to resolve the conflict; and
- (c) Comply with the Companies Act on disclosing interests and restrictions on voting.

8.2 If a conflict or potential situation exists, it is expected that the conflicted director shall be absent from the meeting whilst the Board discusses and not vote on the matter, unless the other directors who do not have a material personal interest in the matter have passed a resolution that states that those directors are satisfied that the interest should not disqualify the director from voting or being present.

8.3 Directors are expected to advise the Chairman of any proposed Board or executive appointment to other companies as soon as practical.

## **9. Access to Information and Independent Advice**

9.1 Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgment in decision making. Independent professional advice includes legal advice and the advice to accountants and other professional financial advisors on the matter of law, accounting and other regulatory matters,

but excludes advice concerning the personal interests of the director concerned (such as service contracts with the Company or dealing in the the Company's securities or disputes with the Company). Any advice obtained under this procedure will be made available to the other members of the Board.

9.2 Directors will be entitled to:

- (a) Have access to members of management via the Managing Director at any time to request relevant and additional information or seek explanations.
- (b) Have access to internal and external auditors, without management present to seek explanations of additional information; and
- (c) Seek independent professional advice with the Chairman's consent, which will not be unreasonably withheld or delayed, and which will be at PGC's expense.

## 10. **Procedures**

10.1As provided by the Articles of the Company, the directors may meet together to attend to business and adjourn and otherwise regulate their meetings as they decide.

10.2A quorum for Board meetings is a simple majority of the directors, unless determined otherwise by directors.

10.3Directors' meetings may be held by directors communicating with each other through any technological means by which they can participate in the same place.

10.4Directors may pass or approve resolutions of the Board by written resolution by adopting the procedures set out in clause 31.12 of the Articles.

10.5The Board of directors will normally meet at least 11 times a year.

## 11. **Reporting**

11.1Proceedings of all meetings are minuted and signed by the Chairman or the chairman of the meeting.

11.2Minutes of all Board meetings are circulated to directors and approved by the Board at the subsequent meeting.

## 12. **Accountability**

12.1The Board will review this charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

## 13. **Other Matters**

13.1A number of operation matters relating to the Board such as meetings of directors, fees, "fit and proper" requirements, powers and duties of directors, share qualification, notification of interests, appointment and retirement, alternative directors, delegation and appointment of committees and election of directors are governed by the Articles of the Company and are not reproduced here.