

board **charter**

Updated 5 June 2009

.the way we work .the way we relate .the way we serve .the way we learn .the way we play .the way we grow
.the way we inspire .the way we succeed .the way we lead .the way we work .the way we relate .the way we serve
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.the way we learn .the way we play .the way we grow .the way of life



Vita Group Limited

ABN 62 113 178 519

1. Introduction

- 1.1** The Board of Vita Group Limited (Company) supports the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Principles). The Board has developed policies and practices consistent with the Principles with such adjustments as the Board believes are appropriate for the size and nature of the Company.
- 1.2** The Board has the responsibilities set out in this Charter and will carry out those responsibilities in accordance with the law, the Principles, and the Company's Code of Conduct.

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 officers, and determining the terms and conditions of appointment, including the remuneration package, and whether the chief executive officers should be members of the Board;
 - (c)** agreeing performance targets with, and monitoring the performance of, the chief executive officers;
 - (d)** ratifying the appointment, and where appropriate, the removal of the chief financial officer;
 - (e)** ratifying other defined senior executive appointments, organisational changes and senior management remuneration policies and practices;
 - (f)** approving succession plans for the management team;
 - (g)** approving management's strategy and performance objectives;
 - (h)** approving management's corporate policies and codes of conduct;
 - (i)** approving the annual budget including targets for revenue, profit, capital expenditure, and cash flows, as proposed by management;
 - (j)** monitoring senior management's performance, implementation of strategy, and allocation of resources to achieve the business policies, strategies, objectives, and budgets;
 - (k)** approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestments;
 - (l)** determining and approving the levels of authority to be given to the chief executive officers in relation to operational expenditures, capital expenditures, contracts and the operation of banking and credit facilities, and authorising any further delegations of those authorities by the chief executive officer to other employees of the company;

- (m) providing strategic advice to management;
- (n) reporting to shareholders;
- (o) approving the issue of any shares, options, equity instruments, or other securities of the company;
- (p) determining and declaring dividend payments and financing dividend payments;
- (q) approving and monitoring financial and other reporting;
- (r) monitoring the identification of business risks, and 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;
- (s) monitoring compliance with legal and regulatory requirements and the Company's own ethical standards and policies;
- (t) approving terms of reference of Board committees and receiving performance reviews from those Committees;
- (u) Evaluating the performance of the Board, the Chairman, and individual Directors;
- (v) monitoring compliance with corporate governance requirements;
- (w) appointing and removing the company secretary; and
- (x) approving (subject to shareholder endorsement) the appointment of the external auditor.

2.2 The following responsibilities are delegated to management:

- (a) day-to-day management of the Company in accordance with the strategy set by the Board, including the following areas:
 - (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 further 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, taking into account the recommendations of the Remuneration and Nomination Committee, is responsible for the following:

- (a)** determining the number of directors (subject to the Constitution);
- (b)** composition of the Board;
- (c)** nomination of directors;
- (d)** terms and conditions of directors' appointments;
- (e)** appointment of a Chairman; and
- (f)** filling casual vacancies on the Board and managing the succession of Board Members.

3.2 The Company's Constitution provides for:

- (a)** the number of directors to be between three and twelve;
- (b)** directors (except the Managing Director) 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)** 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 regularly assess and disclose the independent status of each non-executive director.

4.2 The Board will establish a policy on director independence. The Board will assess regularly whether each director can continue to be regarded as independent under that policy. Until the Board otherwise resolves, the policy is that a director will be independent if they are independent of management and free of any business or other relationship that could materially interfere with - or could reasonably be perceived to interfere with - the independent exercise of their judgment.

4.3 The Chairman will be an independent non-executive director within the meaning of the Board policy on independence.

4.4 Each director has the right, at the Company's expense, to seek independent professional advice in connection with their duties. Before seeking professional advice, a director must notify the board of the intention to seek advice, and the matters on which advice is intended to be sought, and give the board the opportunity to debate the need for such advice. Any advice so obtained must be made available to the company and to the other directors, on a timely basis.

5. Board Meetings

- 5.1 The Board will meet as often as the directors consider necessary to fulfil their duties and responsibilities and to meet the demands of the business. In normal circumstances the Board is expected to meet at least 8 times in a year.
- 5.2 From time to time the non-executive directors will meet without executive directors, to consider the performance of management.
- 5.3 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. A meeting can be convened by the chairman, the chief executive officers, or a majority of board members.
- 5.4 A quorum for a meeting of directors is 3, unless otherwise decided by the directors.

6. Board Committees

- 6.1 The Board has established the following committees:
 - (a) Audit, Compliance and Risk Committee; and
 - (b) Remuneration and Nomination Committee.
- 6.2 A separate Charter has been prepared for each 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.