

BOARD CHARTER

BOARD FUNCTIONS

The functions of the Board include:

- Charting the direction, strategies and financial objectives for Antaria and its subsidiaries;
- Overseeing and monitoring organisational performance against these goals and objectives;
- Approving and monitoring the Company's performance against its strategic plans and annual budgets;
- Ensuring the significant risks facing the Company and its investments have been identified, and appropriate control, monitoring and reporting mechanisms are in place;
- Monitoring financial performance, including approval of the annual and half-year financial reports and liaising with the Company's auditors;
- Communicating with and protecting the rights and interests of all shareholders and other stakeholders;
- Appointing and assessing the performance of the Company's senior executives;
- Ensuring that appropriate and effective remuneration packages and policies are implemented by the Company;
- Approving and monitoring major capital expenditure, capital management and significant business transactions;
- Formalisation and monitoring of corporate governance policies and codes of conduct;
- Enhancing and protecting the reputation of the Company; and
- Ensuring that the Board is comprised of individuals who are best able to discharge the responsibilities of directors having regard to the law and the best standards of governance.

The Board has delegated responsibility for day-to-day management of the Company to the Executive Chairman, including (but not limited to):

- The implementation of corporate strategies and performance objectives as established by the Board;
- Approval of capital and other expenditure within authority limits as determined by the Board from time to time;
- Appointment of senior management and employees other than those appointments specifically reserved to the Board; and
- Developing systems of risk management and internal control compliance records.

BOARD COMPOSITION

The Antaria Board is comprised of a minimum of three directors and a maximum of ten. A majority of directors should be independent.

The composition of the Board is subject to shareholder approval. All nominations for appointment to the Board are reviewed by the current Board. At each annual general meeting, one third of the board will retire and, if those directors so choose, will offer themselves for re-election.

The Board currently comprises two non-executive directors: Robert Mangioni and John Young; and two executive directors: Bruce Cameron (Executive Chairman) and Paul McCormick.

The Board recognises that the role of Chairman is recommended to be fulfilled by an independent, non-executive director. The Board believes, notwithstanding Mr. Cameron's appointment to an executive position from 8 April 2008, the Company is best served with Mr. Cameron's appointment as Executive Chairman due to the strength of his skills, experience and commitment to that role.

MEETINGS AND ATTENDANCE

In accordance with the Company's Constitution, the Board may conduct meetings without all the directors being involved in the meeting in the physical presence of one another provided that all directors involved in the meeting are able to participate in discussion.

The quorum for a meeting is two members. The Antaria Board generally meets on a bi-monthly basis, and may also meet at such other times as may be necessary to address any specific significant matters that may arise. The meeting agenda and submissions are circulated in advance, with standing agenda items including strategic items, operations review, financial reports, compliance, disclosure and governance matters.

Board meetings are attended by the Chief Financial Officer (who is also Secretary of the Company) and other senior managers, employees, and/or external parties are invited to attend any meeting of the Board (or part thereof) as appropriate.

The Company Secretary of the Company acts as Secretary of the Board. Proceedings of all meetings are minuted (by the Secretary) and signed by the Executive Chairman.

REMUNERATION OF DIRECTORS

The Company's policies regarding the terms and conditions for remuneration relating to the appointment and retirement of Board members are approved by the Board following receipt and consideration of professional advice. The total remuneration payable is set in accordance with the aggregate limits approved by shareholders.

The Company's current remuneration for the Board is as follows:

- Non-executive directors - fee of \$40,000 per annum;
- Any Eastern States based director - supplementary fee of \$10,000 per annum;
- Any non-executive director appointed to a Committee of the Board (for example, the Audit Committee) - supplementary fee of \$1,000 per meeting of that Committee;
- Non-executive directors - 250,000 Options each. These Options are issued (subject to shareholder approval) upon the latter of (i) official quotation of the shares on the ASX (February 2005) or (ii) appointment of the non-executive director. Each Option has an exercise price of 30.8 cents and expires on 21 February 2010; and
- All directors' fees are inclusive of the applicable superannuation guarantee levy.

Salary Sacrifice Share Plan

Non-executive directors, executives and employees are encouraged by the Board to hold shares in the Company. It is considered good governance for directors to have a stake in the Company on whose board he or she sits.

In November 2006 (and as amended in November 2007), the Company established a Salary Sacrifice Share Plan (the Plan) so that non-executive directors and employees can elect to receive all or part of their remuneration by way of fully paid shares rather than cash. The number of shares to be issued to each participant will be the proportion of remuneration so elected divided by the issue price.

The issue price per share will be the weighted average sale price of Antaria shares on the Australian Securities Exchange over the five trading days immediately preceding (but excluding) the date of issue of the shares. During the 2009 financial year, 96% of non-executive directors' fees were elected to be received by way of an issue of Shares under the Plan (2008: 80%).

Further details regarding the Plan are set out in the Company's 2007 Notice of Annual General Meeting of Shareholders and 2009 Annual Report.

RESOURCES AVAILABLE TO DIRECTORS

Non-executive directors have the right to seek independent professional advice in the furtherance of their duties as directors of the Company at the Company's expense. The Chairman's prior approval of such expenditure is required.

COMMITTEES

The Board will establish certain Committees from time to time to assist in the execution of its duties and to allow detailed consideration of complex issues. However, the Board does not delegate major decisions to Committees. All matters determined by Committees are submitted to the Board as recommendations for Board decision.

To date, the Board has established one standing committee only, being the Audit Committee. Please refer to Antaria's Audit Committee Charter for details of the structure and functions of this Committee.
