

Sultan Corporation Limited
(ACN 061 219 985)

CORPORATE GOVERNANCE MANUAL

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1. Introduction

In carrying out the functions and exercising the powers set out in this Charter, the Board will at all times act to protect and enhance shareholder value, to conduct the Company's business ethically and in accordance with the law. It will practise the highest standards of corporate governance in the interests of shareholders, employees, customers and the communities in which it operates.

In March 2003 the ASX Corporate Governance Council established a number of principles and recommendations for Best Practice Corporate Governance. It is a requirement of ASX listed companies to analyse and report their compliance with such in their Annual Report. Should there be instances of non compliance then reasons for such must be reported. The 10 Best Practice Corporate Governance Principles are:

1. Lay solid foundations for management and oversight
2. Structure the Board to add value
3. Promote ethical and responsible decision making
4. Safeguard integrity of financial reporting
5. Make timely and balanced disclosure
6. Respect the rights of shareholders
7. Recognise and manage risk
8. Encourage enhanced performance
9. Remunerate fairly and responsibly
10. Recognise the legitimate interests of stakeholders

SULTAN Corporation Limited ("SULTAN") was re-instated to the official lists of the ASX in February 2007 following emergence from Administration. Although the SULTAN Board is committed to the above recommendations, the corporate governance policies and principles are to be established, implemented and monitored in such a way as to not compromise or distract the Board and management from its key goals and in a way that ensures the organisation carries on its business in an efficient and effective manner.

The Board has developed policies, procedures and guidelines to ensure that an appropriate and optimal level of corporate governance is put in place, and these are disclosed in this document. The changing nature of the organisation as it evolves into a producing company will necessitate ongoing

review of corporate governance requirements and associated changes where deemed required.

2. Board Charter

2.1 Functions and Responsibilities of the Board

The Board is ultimately responsible for the overall management of SULTAN and for directing its strategic goals, with the aim of creating and delivering shareholder value through maximising the performance of SULTAN's businesses.

In performing its role, the Board's specific responsibilities include:

- 2.1.1** endorsement of the strategic direction for SULTAN's business strategies and objectives;
- 2.1.2** approving policies covering the management of business risks, safety and occupational health, community and environmental issues;
- 2.1.3** monitoring SULTAN's operational and financial position and performance;
- 2.1.4** identifying the principal risks faced by SULTAN and ensuring that appropriate control and monitoring systems are in place to manage the impact of these risks;
- 2.1.5** ensuring that SULTAN's financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Board;
- 2.1.6** approving processes, procedures and systems to ensure that financial results are appropriately and accurately reported on a timely basis;
- 2.1.7** ensuring that shareholders and the financial market as a whole are fully informed of all material developments in relation to SULTAN and its businesses;
- 2.1.8** appointing and, where appropriate, removing the CEO, approving other key executive appointments including the Chief Financial Officer and Company Secretary, and planning for executive succession;

- 2.1.9** overseeing and evaluating the performance of the CEO and other senior executives in the context of SULTAN's strategies and objectives;
- 2.1.10** ensuring processes and procedures are in place for evaluating the performance of the Board and each Director;
- 2.1.11** reviewing and approving executive remuneration and general salary and bonus policy;
- 2.1.12** approving SULTAN's budgets and business plans and monitoring the progress of major capital expenditures, capital management and acquisitions and divestitures;
- 2.1.13** reviewing and approving SULTAN's internal compliance and control systems and codes of conduct;
- 2.1.14** approving processes, procedures and systems to ensure SULTAN's compliance with all laws, governmental regulations and accounting standards; and
- 2.1.15** approving processes, procedures and systems to ensure that SULTAN conducts its business openly and ethically in accordance with the Company's code of conduct.

2.2 Authority Delegated to Senior Management

The company currently does not have a significant business that warrants delegation of powers to a CEO of the day-to day management of SULTAN and its operations. Therefore, the Board shares responsibility for:

- 2.2.1** developing business plans, budgets and strategies for SULTAN for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- 2.2.2** operating SULTAN's businesses within the parameters set by the Board from time to time, and keeping the Board informed of material developments in SULTAN's businesses;
- 2.2.3** where proposed transactions, commitments or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;

- fulfil its
- 2.2.4** identifying and managing operational and other risks and, where those risks could have a material impact on SULTAN's businesses, formulating strategies for managing these risks for consideration by the Board;
 - 2.2.5** managing SULTAN's current financial and other reporting mechanisms and control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;
 - 2.2.6** ensuring that the Board is provided with sufficient information on a timely basis in regard to SULTAN's businesses, and in particular with respect to SULTAN's performance, financial condition, operating results and prospects, to position the Board to governance responsibilities;
 - 2.2.7** implementing the policies, processes and codes of conduct approved by the Board; and
 - 2.2.8** implementing policies, processes and procedures for the management and development of the Company's employees.

2.3 The Balance of Responsibility between the Chief Executive Officer and the Chairman

- 2.3.1** The Chief Executive Officer, if so appointed, has responsibility for the following functions:
 - (a) managing the Company;
 - (b) recommending policy and strategic direction for Board approval,
 - (c) conducting the day-to-day operation of the Company
- 2.3.2** The Chairman will be responsible for the following functions:
 - (a) The Chairman is responsible for leadership of the Board, for ensuring that the Board functions effectively, and for communicating the views of the Board to the public. In performing this role the Chairman's responsibilities include:

- (i) chairing the meetings of the Board;
- (ii) ensuring that Board members receive accurate timely and clear information;
- (iii) ensuring constructive relations between executive and non-executive Directors;
- (iv) ensuring Directors continually update their skills and experience and knowledge of the company necessary to fulfil their role on the Board and any Board Committees;
- (v) having an understanding of Board meeting rules and procedures;
- (vi) ensuring that Board meetings are conducted in accordance with Board meeting rules and procedure and the rules and procedures of any relevant regulatory authority and in a proper manner:
- (vii) preserving the order of Board meetings including regulating discussion within the scope of the meetings;
- (viii) deciding whether proposed motions and amendments and points of order are in order;
- (ix) formulating for discussion and decision, questions which have been moved for the consideration of the Board; and
- (x) handling all matters in an impartial manner and ensuring the effective contribution of non-executive Directors.

2.4 Board Structure

2.4.1 Criteria for appointment

- (a) Directors are appointed under the terms of, and in accordance with the company's constitution.
- (b) Appointments to the Board are to be based upon merit and against criteria that serves to maintain an appropriate balance of skills, expertise and experience on the Board.
- (c) The categories considered necessary for this purpose are a blend of accounting and finance, business, technical and administrative skills.

2.4.2 Formality of appointment

- (a) Directors should be appointed pursuant to formal agreements.
- (b) The expectations for time to be committed, and involvement in Committees and other activities of the company should be set out in writing.
- (c) An induction pack should be provided to new Directors including information in relation to the company's businesses, structure, constituent documents, financial position and strategic and business plans.

2.5 Independent Directors

The need for access to supporting equity and skills as required, and a flexible cost structure are greater imperatives for SULTAN as a small-cap company, than the largely mutually exclusive concept of independence, which is much more relevant to larger corporations – with substantial workforces.

However, as SULTAN moves to become a larger concern, the concept of independence will become more relevant. Whilst the company will progressively increase the independence of its Directors over time, compliance with the best practice in this area is not considered a current imperative, due to the additional direct cost of employing such Directors, the view that there would not be an increase in Board skills (only

independence), and the risk that inefficiency will occur in the Board decision making process whilst the independent Directors become familiar with the company's business.

All assessments as to whether a Director is independent are to be made by the Board in such manner as it determines from time to time. The company has adapted the definition of independence developed by Investment and Financial Services Association Limited ("IFSA") in its Corporate Governance, A Guide for Fund Managers and Corporations - Blue Book.

In brief, the Board considers that an independent Director is a non-executive director who also:

- 2.5.1** Is not a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company.
- 2.5.2** Within the last 3 years has not been employed in an executive capacity by the company or another group member, or been a director after ceasing to hold any such employment.
- 2.5.3** Within the last 3 years has not been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provider.
- 2.5.4** Is not a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- 2.5.5** Has no material contractual relationship with the company or another group member other than as a director of the company.
- 2.5.6** Has not served on the Board for a period that could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.
- 2.5.7** Is free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the director's ability to act in

the best interests of the company.

2.6 Role of non-executive directors:

2.6.1 Non-executive Directors collectively should:

- (a) Challenge executive management and contribute to the development of strategy;
- (b) Scrutinise the performance of executive management against agreed objectives and strategies;
- (c) Monitor the quality, quantity and efficiency of internal and external reporting of company performance;
- (d) Review independently and challenge the proposals presented by executive management, requesting additional information where they consider the information provided is not sufficiently detailed to support informed decision-making; and
- (e) Take reasonable and proper steps to satisfy themselves that financial information released to the markets and shareholders is accurate, and that there are adequate and proper financial controls and systems of risk management and that the controls are maintained and the systems robust.

2.6.2 Non-executive Directors individually should:

- (a) Take the time to ensure they are properly informed about the subject matter of all decisions they are called upon to make as Directors of the Company;
- (b) Monitor their own performance, taking into account their other time commitments, state of health, potential conflicts of interest, and personal circumstances, to determine whether they can properly discharge their duties and responsibilities as a Director of the Company, and provide quality assistance to enable the company to achieve its objectives;

- (c) Undertake ongoing education to maintain appropriate skill levels, and attend site visits to the company to assist with the need to remain familiar with the company's business activities.

2.6.3 Annual review of non-executive directors

Board composition should be reviewed annually to ensure that the non-executive Directors between them bring the range of skills, knowledge and experience necessary to direct the company in the future, taking into account its current operations and expectations for changes in the nature and scope of its activities.

2.7 Disclosure of interests

A Director must disclose to the Board or to the Chairman:

- 2.7.1** any material personal interest that they or any associate may have in a matter that relates to the affairs of SULTAN; and
- 2.7.2** any other interest or relationship that may affect the Director's independence.

Unless the Board decides otherwise, the Director should be absent from any discussion and decision on that transaction or matter.

2.8 Compliance with legislation and Board policy

Directors must comply with the relevant legislation impacting on their activities as Directors, and with all policies established by the Board.

2.9 Board committees

The Board may establish as required, standing and temporary committees to which it may delegate some of its powers. In order to define the role, responsibility, powers, structure, composition, operation and administration of each committee, the Board and committee should adopt a charter.

The Board has not established separate committees for Audit and Risk Management, Remuneration and Nomination. The Company is not of a sufficient size is not of a size, nor is the affairs of a complexity sufficient

to warrant the existence of separate committees. All matters which could be delegated to such committees are dealt with by the full Board.

2.10 Board performance

The Board has a process for reviewing its performance and that of its individual Directors, committees and senior management. The Board meets annually to review the outcome of this process. The annual procedure for Board performance evaluation will be to:

2.10.1 review its performance against the terms of the company's charter,

2.10.2 review the performance of any committees against the terms of their charters,

2.10.3 review the contribution of each Director;

2.10.4 review the changes that may be required to the charter of the Board or its committees, taking into account the developments in the company and its businesses over the preceding year, and in corporate governance practices.

2.11 Indemnity and insurance

Each Director has entered into an agreement with the Company in which the Company has agreed to:

2.11.1 indemnify the Director against the liability arising out of the discharge of the Director's duties;

2.11.2 provided cover can be obtained at reasonable rates and on reasonable terms, to maintain an insurance policy for the Director against liability incurred in their capacity as a Director;

2.11.3 provide access to company material as required for proper purposes.

Unless the Board otherwise determines, it is intended that each new Director will enter into a similar deed with the Company.

2.12 Independent professional advice

If a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a director then, provided the Director first obtains approval for incurring such expense from the Chairman, the company will pay the reasonable expenses associated with obtaining such advice.

3. Corporate Code of Conduct

3.1 Purpose

The Corporate Code of Conduct has been prepared to help stakeholders understand SULTAN's standards of ethical business practice. This code applies to all employees, officers, Directors, consultants, agents, and other representatives retained by SULTAN.

The principles set out in this code describe how SULTAN staff should behave. In every business decision SULTAN makes, we must follow the ethics and compliance principles set forth in this policy. SULTAN, its Directors, and its employees are required to not only meet these expectations, but also demonstrate them as necessary to ensure their clients, business associates, shareholders and fellow employees are adhering to this Code. It is also our responsibility to report anything we observe or know about that might violate these principles.

Breach of this code is a serious matter. It is important that you read this code carefully and ask questions about anything you do not understand. Each of us must understand and accept our responsibility in preserving and enhancing SULTAN's reputation for integrity. I know that you and your colleagues will take pride in always doing the right thing.

3.2 Guiding Principles

The guiding principles to which employees should strive to comply are:

3.2.1 Performance - 'strive to excel'

(a) Have passion and belief;

- (b) Work as a team;
- (c) Take accountability; and
- (d) Celebrate success.

3.2.2 Simplicity - 'keep it simple'

- (a) Focus on priorities;
- (b) Be non-bureaucratic;
- (c) Communicate clearly; and
- (d) Make it easy.

3.2.3 Leadership - 'show the way'

- (a) Provide direction;
- (b) Think strategically;
- (c) Be innovative; and
- (d) Inspire and enrich.

3.2.4 Commercial Focus - 'treat it as your own'

- (a) Be financially responsible;
- (b) Make astute decisions;
- (c) Understand the market; and
- (d) Create long term value.

3.2.5 Integrity - 'do the right thing'

- (a) Be open and honest;
- (b) Show respect for the individual;
- (c) Value differences; and
- (d) Be a good corporate citizen.

3.3 Fair Dealings with Stakeholders

All SULTAN Directors and employees should strive to be honest and fair in all dealings with customers, business partners, investors, suppliers and communities ("business associates").

3.3.1 Business associates

Our relationship with our business associates is central to our success. All employees must ensure they treat the business associates of the company fairly. Employees must not discriminate against nor harass work colleagues or businesses on the basis of attributes such as gender, colour, nationality, disability, age, pregnancy, or marital status. Anti-discrimination laws protect SULTAN business associates as well as our employees.

3.3.2 Business guidelines

SULTAN Directors and employees are expected to conduct daily activities for the company in compliance with all company policies, legal obligations and contractual obligations. This includes complying with:

- (a) Company policies, procedures, rules, regulations and its contracts with its business associates;
- (b) Applicable legislation;
- (c) Contracts of employment;
- (d) All reasonable and legal instructions of managers;
- (e) Occupational Health and Safety requirements;
- (f) The company's prohibition on sexual or other unlawful harassment or discrimination in the workplace.

3.3.3 Acceptance of gifts

SULTAN is a company with integrity. Accordingly employees must not solicit business associates for personal gifts of any kind, even if these gifts are sometimes offered as advertising novelties of a nominal value. Gifts could include offers of free travel, merchandise or entertainment. Although not encouraged, gifts such as advertising novelties of a nominal value may be accepted, if it is clear that nothing is expected in return.

Other gifts and gratuities of more than a nominal value, or excessive entertainment, may not be accepted unless you are completely without responsibility for making any related decisions. The departmental manager must first approve acceptance of such gifts, gratuities or entertainment or their appointed authorised representative. All gifts, gratuities and entertainment received or offered, of any value, should be reported to your immediate manager.

3.3.4 Offering payments

Do not make an illegal or improper payment on behalf of SULTAN to any government agency, person or entity. Do not at any time offer, promise, authorise, approve or condone the use of corporate funds or property for any of the following activities:

- (a) The payment of money or the giving of any thing of value to any:
 - (i) Government official(s) in order to influence them to act or fail to act in any official capacity;
 - (ii) Political party, any official of a political party, or any candidate for political office in order to influence them to act or fail to act in any official capacity; or
 - (iii) Person who will apply the payment or gift (in whole or in part) directly or indirectly to these activities.
- (b) The payment of a kickback to obtain business for SULTAN.

These activities set out in this section are prohibited by SULTAN even if permitted by the laws, standards, or customs of any country in which SULTAN is doing business, and regardless of any requests or pressures received from any government or the competitive consequences of refusing to comply with such requests or pressures.

3.3.5 Conflict of Interest

A conflict of interest arises when you are in a position or situation, which could:

- (a) Benefit you, or someone with whom you are associated, and that benefit is at the expense of SULTAN, or results in lost opportunity for SULTAN; or
- (b) Interfere with your objectivity in performing your company duties and responsibilities

When conducting any business on behalf of SULTAN, you must always act in the best interest of SULTAN and must avoid situations which could reasonably give the appearance of being under obligation to, or being improperly influenced by any, business associate (actual or potential) or any advisers, such as banks, contractors, law firms, consultants and governmental agencies.

Directors and members of the executive must not take advantage of company property or information, their position or opportunities arising from their position for personal gain.

SULTAN requires that all employees disclose to their manager any financial interest that might influence an employee's decisions or actions on the job, including interests in any of our business associates and competitors.

To reduce the possibility of conflicts of interest arising, Directors and employees are not permitted, while working for SULTAN, to accept additional outside employment with another organisation that is a business associate or competitor to SULTAN, or any other employment that is in conflict with the employee's position at SULTAN.

SULTAN employees must not use information or authority derived from employment with the company for personal gain. For example you:

- (c) Are not permitted to buy or sell goods or services in your own name or associate (where associate is defined as any person or organisation with which the employee has a business relationship), when the service or equipment concerned would normally be supplied by SULTAN;
 - (d) Are not permitted to hold money or goods entrusted to you by a customer except for the purpose of conveying the money and goods to us without delay;
 - (e) May not engage in any transaction with a customer other than at 'arms length'.
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4. Occupational Health and Safety Policy

that SULTAN is a safety conscious company committed to operating in a manner that will ensure that the highest, practical standards of occupational health and safety are maintained at all of its operations. SULTAN personnel will ensure that all of their activities are carried out in the manner required by the appropriate legislation and standards, and that a healthy and safe workplace is maintained. This will be achieved by all personnel, to the extent that their responsibilities require, participating in:

- (a) Ongoing training and supervision
- (b) Ongoing accident prevention awareness and hazard control
- (c) Safe operating procedures
- (d) Wearing protective clothing and equipment
- (e) Maintaining facilities for immediate care of employees

All SULTAN personnel share the responsibility of ensuring the safe wellbeing of all persons in the workplace. This will be achieved by:

- (a) Adhering to safe work practices, instructions, rules and statutory regulations
- (b) Performing all tasks in a safe manner
- (c) Ensuring that no-one is allowed to work in an unsafe/unhealthy situation or in an unsafe manner

- (d) Isolating all dangerous situations and promptly reporting all accidents or incidents, unsafe practices and conditions
- (e) Co-operating with fellow workers to ensure that everyone's responsibilities are fulfilled

Acceptance of these responsibilities by all parties, and the development of a team attitude to safety and training, is essential for the development and maintenance of a safe-and healthy working environment.

5. Environmental Policy

To achieve the standards of environmental performance to which it is committed, SULTAN:

- (a) Conducts operations, as a minimum, in compliance with all relevant environmental regulations, licences and legislation.
- (b) Identifies, monitors and manages environmental risks arising from its operations.
- (c) Seeks continuous performance improvement in environmental management, production processes, waste management and the use of resources.
- (d) Sets and periodically reviews objectives and targets which relate to environmental management.
- (e) Provides appropriate training and awareness for all employees on environmental issues.
- (f) Communicates regularly with employees about its aims and about the responsibilities of individuals.
- (g) Communicates with shareholders and the community about its environmental performance and contributes to the development of laws and regulations which may affect our business.

SULTAN is committed to the principles of sustainable development. We see the environment as an opportunity for economic growth and business success while acknowledging that all of our activities must be balanced with protection of the environment.

The development of an environmentally responsible culture is to be promoted at all locations and environmental awareness is to be included as a major component in the induction of personnel at all sites. An integral process through all phases of SULTAN's activities is the assessment and control of environmental impacts.

6. Risk Management Policy

In all its activities SULTAN will adopt a structured and consistent approach to risk management.

Risks will be assessed and managed through an overriding policy of identification, assessment, mitigation, monitoring and communication of risks associated with its activities. The overriding policy will be based on the Australian Standard for risk management (AS4360) and will be reviewed regularly against best practice standards and the changing activities of the Company.

The level of risk management will be consistent with SULTAN's overall business objectives and risk appetite and tolerance.

Risk management and control will be incorporated into property protection, health, safety and environmental audits using either self assessment or outside auditors as the Company deems appropriate.

The board also monitors risks and controls through its financial reporting and audit process and regular operating reports from management which include safety, health and environmental aspects.

7. Code of Conduct for Company Directors and Senior Executives

7.1 Introduction

This code is established by the company to ensure that Directors and senior executives are provided with clear principals setting out the expectations of their conduct.

7.2 Policy

As a general proposition, it is expected that Directors and senior executives will actively promote the highest standards of ethics, honesty and integrity in carrying out their roles and responsibilities for the Company.

In addition, in dealing with the company's suppliers, competitors, customers, and other organisations with which they have contact, they will exercise fairness and integrity, and will observe the form and substance of the regulatory environment in which the company operates.

At all times, Directors and senior executives must act in the interests of the company. They are therefore required to disclose any actual or perceived conflicts of interest, and to conduct themselves professionally and honestly in the resolution of such conflicts.

Directors will comply with the provisions of the Corporations Act in relation to the disclosure of Directors' benefits. Directors and senior executives acquire information in the course of conducting their duties which is confidential to the company. This information is the property of the company, and it is improper and potentially damaging to the company to disclose it to any other person without proper authorisation by the company.

Information relating to the activities of the company, which is not publicly known, and which may have a material impact on the price of the company's securities, must not be used for personal gain.

Directors and senior executives should ensure that the company is properly managed so as to enhance the interests of shareholders, protect the company's assets, ensure the assets are applied for legitimate business purposes, and ensure all corporate opportunities are to the benefit of the company and are not compromised by considerations such as personal gain.

Directors and senior executives have a role in ensuring compliance with this code of conduct, and therefore should be vigilant and report any breach of this code of conduct to the Board.

8. Board Performance Evaluation

8.1 Board of Directors

This policy is to ensure individual Directors and the Board as a whole work efficiently and effectively in achieving their functions.

Each year the Board undertakes the following activities:

8.1.1 The Chairman meets with each non-executive director separately to discuss individual performance and ideas for improvement; and

8.1.2 The Board as a whole discusses and analyses its own performance during the year including suggestions for change or improvement.

8.2 Board Committees

This policy is to ensure committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in their charter. Each year the Board undertakes the following activities:

8.2.1 The Board reviews the Committees achievements during the year based on their duties; and

8.2.2 The Board reviews the charters of the Committees once per year to ensure that they are up to date.

8.3 Managing Director and Key Executives

This policy is to ensure the Managing Director and key executives execute the company's strategy through the efficient and effective implementation of the business objectives. In order to accomplish this:

8.3.1 Each year the Board reviews the company's strategy.

8.3.2 Following such a review the Board sets the organisation performance objectives based on qualitative and quantitative measures.

8.3.3 These objectives are reviewed periodically to ensure they remain consistent with the company's priorities and the changing nature of the company's business.

8.3.4 These objectives are the performance targets for the Managing Director.

8.3.5 Performance against these objectives is reviewed annually by the Board and is reflected in the Managing Directors remuneration review.

8.4 Remuneration

The Board, within the pre-approved shareholder limits, determines fees payable to individual non-executive directors.

The remuneration levels of executive director's executives are determined by the Chairman after taking into consideration those that apply to similar positions in comparable companies in Australia and Directors' possible participation in any equity based remuneration scheme. The Chairman uses industry-wide data gathered by independent remuneration experts annually as his point of reference.

Options or shares issued to Directors pursuant to any equity-based remuneration scheme require approval by shareholders prior to their issue.

The remuneration levels of senior executives and other employees are determined by the Managing Director after taking into consideration those levels that apply to similar positions in comparable companies in Australia and employees' possible participation in any equity based remuneration scheme. The Managing Director will consult recruitment and remuneration experts and will, where such expenditure is not already in an approved Budget seek Board approval prior to finalising the appointment.

Options or shares issued to senior executives and other employees who are not directors would be proposed by the Managing Director and issued only after approval by the Board.

The policy will be implemented by reviewing, not less than annually, all aspects of the remuneration paid to all employees and executives to ensure that it motivates the pursuit of long-term success, a safe working environment and a culture consistent with the Company's Corporate Governance Policy and is clearly linked to individual and group performance.

9. Continuous Disclosure Policy

9.1 Introduction

The ASX Listing Rules contain general and continuous disclosure requirements based on principles that include the interests of listed entities, maintenance of investor protection and the need to protect the reputation of the market. SULTAN is committed to meeting its disclosure obligations in accordance with these principles and to the promotion of investor confidence in its securities.

SULTAN has a comprehensive disclosure policy to comply with the ASX Listing Rules regarding the public disclosure of material information. The aim of this policy is to ensure that SULTAN release price-sensitive information in a timely manner.

9.2 Disclosure Principle

SULTAN will immediately notify the market by announcement to the ASX of any information concerning the business of SULTAN that a reasonable person would expect to have a material effect on the price or value of SULTAN's securities.

Information about SULTAN is regarded as material if it would, or would likely to, influence persons who commonly invest in securities in deciding whether or not to buy or sell the Company's securities.

Officers and employees are encouraged not to rely on their judgement and to consult the Company Secretary on whether particular information is considered to be material.

The only exceptions to this disclosure principle are those permitted under Listing Rule 3.1A where a Company may withhold disclosure if all three of the following criteria are satisfied: -

9.2.1 A reasonable person would not expect the information to be disclosed

9.2.2 The information is confidential and the ASX has not formed the view that the information has ceased to be confidential

9.2.3 One or more of the following applies: -

- (a) It would be a breach of the law to disclose the information
- (b) The information concerns an incomplete proposal or negotiation
- (c) The information comprises matters of supposition or is insufficiently definite to warrant disclosure
- (d) The information is generated for the internal management purposes of SULTAN
- (e) The information is a trade secret.

9.3 Managing Market Disclosure

The Board of SULTAN is responsible for overseeing SULTAN's disclosure practices and procedures.

Specific responsibilities of the Board in this area are: -

- 9.3.1** The Company's continuous disclosure obligations;
- 9.3.2** Communications with the ASX;
- 9.3.3** Making decisions on what should be disclosed publicly under this policy.
- 9.3.4** Promoting awareness of this policy within SULTAN;
- 9.3.5** Overseeing, reviewing and updating this policy, as required, to ensure continuing compliance with changing legal and regulatory compliance; and
- 9.3.6** Implementing reporting processes and controls.

The Board has the power to delegate aspects of the administration of this policy to senior management. To this end the practical application of this policy within SULTAN is the responsibility of the Company Secretary.

The Board will make decisions on the disclosure of material information pursuant to legal and regulatory requirements, and will advise the Audit Committee with respect to disclosure issues relating to financial information.

It is the responsibility of all SULTAN senior executives to keep the Board, or the nominated delegate, fully apprised of all potential material developments. The Company Secretary will make a preliminary assessment of whether the information is material. The Board shall then evaluate and discuss those developments and determine the materiality of those developments and the appropriateness and timing of any public release of information relating to those developments.

The Company Secretary is the convener of this policy responsible for its administration and the monitoring of compliance.

9.4 Market Disclosure Principles

Once the Board has determined that a development constitutes Material Information,

SULTAN will comply with the following principles of disclosure: -

- 9.4.1** Material Information will be publicly disclosed promptly to the ASX in accordance with the ASX Listing Rules to prevent selective, unauthorised disclosures.
- 9.4.2** Disclosure must be complete, without any omissions that might make the rest of the disclosure misleading, and unfavourable Material Information will be disclosed as promptly and completely as favourable Material Information.
- 9.4.3** SULTAN will not make selective disclosures of Material Information. Previously undisclosed Material Information will not be disclosed to selected individuals (for example, as a result of telephone calls or inquiries from an analyst or a shareholder).
- 9.4.4** Disclosure should be corrected as soon as reasonably practicable if SULTAN subsequently learns that an earlier disclosure by SULTAN contained a material error at the time it was given.
- 9.4.5** The Managing Director and Company Secretary will monitor the media following the release of Material Information and, in - the event of perceived inaccuracies in reporting, will consult with the Board to determine if and what corrective steps need to be taken.

9.5 Significant Announcements

The Board will approve the content of any announcement that contains or relates to financial forecasts or material that is significant with respect to SULTAN policy or strategy.

Where issues arise which may fall within this category the matter is referred urgently to the Chairman by the Managing Director, CEO or Company Secretary.

Where the urgency of the subject matter precludes reference to the full Board the Directors who are available may approve an announcement within this category.

Significant announcements of a recurring nature, such as the Company's half-year and end-of-year results, are, as a matter of course, presented for consideration by the full Board prior to their release to the market.

9.6 Managing Expectations

in line SULTAN will try to ensure, through its regular public dissemination of quantitative and qualitative information that analysts' estimates are with SULTAN's expectations.

However, SULTAN will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with analysts' models and earning estimates.

9.7 Rumours

SULTAN will not normally comment, affirmatively or negatively, on rumours. This policy also applies to rumours on the Internet. SULTAN's spokespersons will respond consistently to rumours, by stating, "It is our policy not to comment on market rumours or speculation."

will Should the ASX request that SULTAN make a definitive statement in response to a market rumour relating to SULTAN, the Company respond to the ASX as required by the ASX Listing Rules.

9.8 Trading Halts

SULTAN's request a release of SULTAN may, in exceptional circumstances, request a trading halt to prevent the emergence of a false or uninformed market for securities and to manage disclosure issues. Any decision to trading halt will be made under the procedure set out for the significant announcements.

9.9 Breaches of Policy

instances. Breaches by employees of SULTAN's Continuous Disclosure Policy may lead to disciplinary action including dismissal in serious

10. Shareholder Communications Policy

10.1 Introduction

SULTAN's Board of Directors is responsible for ensuring shareholder communications are adequate and appropriate and based on transparency and sound corporate governance principles.

These principles form the basis of the Company's Shareholder Communications Policy with the objective of providing shareholders with important information in a timely manner through written and electronic communication.

The Company promotes direct communications with shareholders and encourages them to direct questions or requests for information to its Directors or management through its Investor Relations Representative.

10.2 Written Information

SULTAN's annual report is the main communication document provided to shareholders following the end of each financial year. In addition to meeting all statutory requirements set by the Corporations Act and the Australian Stock Exchange (ASX) Listing Rules, the annual report contains information that assists shareholders to understand how the Company's operational and financial results were achieved, the nature of the industry in which it operates, and the Company's outlook in relation to its product offering and market trends.

The annual report will be made easily available to shareholders and other stakeholders in a timely manner in both print and on-line versions.

An interim report will be provided to shareholders following the end of the financial half-year. In accordance with ASX Listing Rules, SULTAN adheres to the continuous disclosure requirements as specified -in its Continuous Disclosure Policy, and 'will promptly release to the ASX all communications of material information, including but not limited to financial results announcements, media releases, presentations, speeches and statements of importance.

10.3 Electronic Communications

SULTAN is aware of the efficiencies and effectiveness of communicating to shareholders electronically. With this in mind, the Company is in the process of updating its website, from which its financial reports and

presentations can be freely downloaded and which reflects information released to the Australian Stock Exchange.

10.4 Access to Directors, Management and Auditors

Shareholders may at any time direct questions or requests for information to Directors or management through the Company's website or by contacting the Company's Investor Relations Representative. At each Annual General Meeting, shareholders will be given the opportunity to ask the Company's Directors and external auditor's questions relating to the business and the conduct of the audit respectively.

11. Share Trading Policy

11.1 Introduction

This Share Trading Policy has been written in an effort to prevent the incidence of insider trading in the Company's securities by Directors, senior managers and other employees and persons associated with any of them on the basis that the Company's shares are listed on the Australian Stock Exchange. It is the responsibility of each individual to comply with this policy.

This policy sets out:

11.1.1 When trading in the Company's securities by Directors, senior managers and other employees is permitted; and

11.1.2 Procedures to reduce the risk of insider trading.

11.2 Trading in Company Shares

Directors, senior managers, employees and related parties (being persons connected with them who are likely to be influenced by the Directors/employees in their decision making) shall not trade in the Company's securities nor place themselves under suspicion of trading in the Company's securities while in possession of unpublished price sensitive information.

All Directors and employees should ensure that all transactions in the Company's securities comply with:

11.2.1 Australian Corporations Law and Regulations (particularly the insider trading provisions in Section 1002G)

- 11.2.2** The Australian Stock Exchange Ltd Listing Rules (particularly the continuous disclosure requirements in rule 3.1)
- 11.2.3** Any similar legislation in other countries in which the Company conducts transactions. The Company's securities include ordinary shares, options and any other instrument issued or granted by the Company from time to time.

11.3 General Restrictions on Trading

Directors and any employee:

- 11.3.1** Must not engage in short term trading of the Company's securities; and
- 11.3.2** Must not trade in any of the Company's securities while that person is in possession of unpublished price sensitive information (i.e. insider information).

11.4 Restrictions on Trading by Directors and Senior Management

In addition to the above restrictions, Directors and senior management must not trade in the Company's securities without first obtaining clearance before commencing the transaction from:

- 11.4.1** In the case of a senior manager, or their associates, the Managing Director or the Company Secretary; or,
- 11.4.2** In the case of a Director, or their associates, the Chairman or, in his/her absence, the Managing Director; or
- 11.4.3** In the case of the Managing Director, the Chairman or, in his/her absence, the Company Secretary;
- 11.4.4** In the case of the Chairman, the Managing Director or in his/her absence, the Company Secretary.

11.5 Exemption

In exceptional circumstances clearance may be given for the Director or relevant employee to sell, but not to purchase, securities when he would otherwise be prohibited from doing so but not while there exists any matter, which constitutes unpublished price sensitive information in relation to the Company's securities.

11.6 Responsibilities

Each Director and employee is responsible for adhering to the Company's ethical standards for trading in the Company's securities. The Company Secretary has responsibility for maintaining these standards.