



BT Investment Management Limited

(ABN 28 126 385 822)

Board Charter

This board charter applies to the board of BT Investment Management Limited (referred to as the Board and the company referred to as the Company).

To the extent that the Company is required by law to have regard to the interests of stakeholders other than the Company's shareholders, then this charter will be read subject to those requirements.

This board charter will apply subject to applicable legal and regulatory requirements and BT Investment Management Group policies, including, without limitation, duties and obligations imposed on the directors by statute and general law.

The roles and responsibilities of the Board are set out below.

A. Board Structure

1. Board Size and Composition

- 1.1 determine the number and composition of the Board, subject to the limits imposed by the Company's constitution.
- 1.2 identify and evaluate possible future directors for the Company and its Subsidiaries.
- 1.3 Satisfy itself that directors have an appropriate range of skills, knowledge and experience needed for the effective and prudent operation of the Company.
- 1.4 ensure that the Board comprises of a majority of non-executive directors.
- 1.5 appoint the Chief Executive Officer.
- 1.6 ensure that the role of the Chairman and the Chief Executive Officer should not be exercised by the same individual.

2. Chairman

- 2.1 appoint the Chairman of the Board who shall be an independent director.

3. Board Committees

- 3.1 determine the terms of reference of standing Board Committees, namely:
 - Audit and Risk Review Committee
 - Remuneration and Nomination Committee
- 3.2 determine the terms of reference of ad hoc Board Committees.
- 3.3 determine the membership and composition of Board Committees.
- 3.4 ensure that regular reports are received from each Committee.

4. Proceedings of the Board and Board Committees

- 4.1 determine the frequency, duration and agendas of Board and Committee meetings.
- 4.2 ensure that the Board will meet at least four times a year.
- 4.3 a director may convene a Board meeting at any time, provided that reasonable notice is given to all Board members.
- 4.4 a quorum is 2 directors.
- 4.5 where the Chairperson is not present at a Board meeting, the directors together shall elect a director to act as the Chairperson for that meeting.

5. Board independence and performance

- 5.1 ensure that a majority of the Board consists of non-executive directors, with a sufficient number of independent directors.
- 5.2 determine a course of action where a director is no longer independent.
- 5.3 monitor dealings and declarations of interest by directors.
- 5.4 evaluate the performance of the Board relative to its predetermined objectives, the Board Committees and individual directors at least annually.
- 5.5 undertake a formal annual review of its overall effectiveness, including its committees. If necessary, the Board will implement changes to improve the effectiveness of the Board and the corporate governance structures.
- 5.6 renew itself from time to time in accordance with the Company policy on Board renewal.
- 5.7 the Board shall consider the independence of each director, taking into consideration all the circumstances relevant to each director and all the factors set out in the ASX Corporate Governance Council's Principles of Good Corporate Governance.
- 5.8 the Board will review the independence of each director annually and whenever a change occurs which may affect a director's independence.

6. Tenure

- 6.1 satisfy itself that the Board and Board Committees operate within the Board approved policies on Director tenure:
 - the maximum tenure of Directors (other than the Chairman and Chief Executive Officer) of three terms of 3 years, or 9 years, whichever is the longer, from date of first election by shareholders; and
 - the maximum tenure of Chairman to be no more than four terms of 3 years, or 12 years (inclusive of any term as a Director prior to being elected as Chairman), whichever is the longer, from date of first election by shareholders.

B. Board Business

7. Strategy

7.1 review and approve business and investment strategies and significant Company policies.

8. Finance

8.1 approve budget

8.2 monitor financial performance against the approved budget.

8.3 determine the amount, nature and timing of dividends to be paid.

8.4 ensure that the financial records of the Company are audited by the external auditor.

8.5 consider the annual certificate prepared by the external auditor in respect of the Company's yearly statutory accounts.

8.6 consider and approve financial statements and other financial and regulatory reporting requirements.

8.7 consider whether the Company has a proper system of management and financial controls at all times.

9. Risk Management

9.1 monitor the effectiveness of risk management by the Company.

9.2 satisfy itself that appropriate internal control mechanisms are in place.

9.3 maintain a direct and ongoing dialogue with the Company's auditors and, where appropriate, principal regulators, to satisfy itself that all regulatory requirements are complied with.

9.4 satisfy itself that senior management have an appropriate range of skills, knowledge and experience needed for the effective and prudent operation of the Company.

10. External Auditor

10.1 appoint the external auditor with consultation with Westpac Banking Corporation.

10.2 evaluate the performance of the external auditor.

10.3 satisfy itself that the external auditor is independent of the Company and that there is no conflict of interest situation that could compromise, or be seen to compromise, the independence of the external auditor.

10.4 provide the external auditor with the opportunity to raise matters directly with the Board.

11. Internal Governance

- 11.1 determine and document the scope of authority (and any limits on that authority) which is delegated to an officer of the Company.
- 11.2 monitor the exercise of delegated authority.
- 11.3 satisfy itself that group policies and functions utilised by the Company give appropriate regard to the Company's business and its specific requirements.
- 11.4 satisfy itself that those persons who hold responsible officer positions are fit and proper.
- 11.5 review and amend this board charter at least annually.

Approved by the Board on 16 October 2007.