

POLICY AND PROCEDURE FOR SELECTION AND (RE)APPOINTMENT OF DIRECTORS

AUSQUEST LIMITED ("COMPANY")

New Directors

It is the Policy of the Board that in determining candidates for the Board, the following process shall occur.

1. The Nomination Committee (or equivalent) evaluates the range of skills, experience and expertise of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors on the Board.
2. A potential candidate is considered with reference to their skills and expertise in relation to other Board members.
3. The following checks are to be performed on a possible new candidate:
 - a) Police/CrimTrac criminal history check obtained for each director (that is not more than 12 months old) from the Australian Federal Police, a State or Territory police service or a broker accredited by CrimTrac*;
 - b) an Insolvency and Trustee Service Australia (ITSA) bankruptcy check that is not more than 12 months old*; and
 - c) a statutory declaration from each director or proposed director confirming (amongst other things) that:
 - i) he or she has not been the subject of any criminal or civil proceedings (or other enforcement action) in which he or she was found to have engaged in behaviour involving fraud, dishonesty, misrepresentation, concealment of material facts or breach of duty;
 - ii) he or she has not been the subject of any disciplinary action by a securities exchange or market regulator; and
 - iii) no listed entity of which he or she was a director has been the subject of any disciplinary action by a securities exchange or market regulator for failure to comply with the listing rules applicable to that market.

*If a director or proposed director is not an Australian resident, the ASX requires equivalent criminal history and bankruptcy checks to be supplied for each country in which the director has resided over the past 10 years.

4. If relevant, the Nomination Committee recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

Board Renewal

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Re-appointment of directors is not automatic.

Size and Composition of the Board

The Board should be structured in such a way that it has a proper understanding of, and competence to deal with, the current and emerging issues of the business and encourages enhanced performance of the Company.

Reference is made to the Company's size and operations as they evolve from time to time.

Commitment to the Board

Non-executive Directors shall provide to the Nomination Committee (or equivalent), prior to their appointment or re-election, details of other commitments and an indication of the time involved in carrying out those other commitments.

All directors should consider the number and nature of their directorships and calls on their time from other commitments.

Informing Shareholders

Shareholders shall be informed of the names of candidates submitted for election (or re-election) as directors. In order to enable shareholders to make an informed decision regarding the election, the following information shall be supplied to shareholders:

1. biographical details (including their relevant qualifications and experience and the skills they bring to the board);
2. details of relationships between the candidate and the Company; and the candidate and directors of the Company;
3. directorships held;
4. particulars of other positions which involve significant time commitments;
5. the term of office currently served by any directors subject to re-election; and
6. any other particulars required by law.



7. If the board considers that, if elected or re-elected, the candidate will qualify as an independent director, a statement to that effect.

In addition to the above, the Board will state whether the Board supports the election or re-election of the candidate.