

CORPORATE GOVERNANCE STATEMENT

The board of directors of the Company (“Board”) is responsible for the overall corporate governance of the Company and has adopted as a guiding principle that it act honestly, conscientiously and fairly in accordance with the law and in the interests of the Shareholders with a view to building sustainable value for them, the Company’s employees and other stakeholders in the Company.

The Board has adopted a suite of governance materials which are available in the corporate governance section of the Company’s website (www.rubicor.com.au) (under “About Us”). The governance materials have been prepared and adopted on the basis that corporate governance procedures can add to the performance of the Company and the creation of shareholder value, and help to engender the confidence of the investment market.

This statement sets out the material governance principles and processes adopted by the Board. The Board supports the Corporate Governance Principles and Recommendations, 2nd edition as released by the ASX Corporate Governance Council in 2007. The Board considers and applies these recommendations to the extent there is sound reason to do so given the circumstances of the Company.

The Board is responsible for the management of the affairs of the Company and its subsidiaries including:

- strategic and financial performance;
- executive management;
- audit and risk management;
- strategic planning;
- corporate governance; and
- performance evaluation

The Board must comprise at least three directors, and will meet no less than six times formally per year. The Board has met 12 times during 2007/08.

Directors’ attendance at meetings this year is set out on page 5.

Senior management are invited to attend Board meetings however the initial part of each meeting is independent of management.

Board Composition

The Board comprised five directors as at 30 June 2008 including four independent, non-executive directors:

- Robert Aitken – independent non-executive Chairman;
- Wayman Chapman – Chief Executive Officer;
- Malcolm Jackman – independent non-executive director;
- John Pettigrew – independent non-executive director; and
- Russel Pillemer – independent non-executive director.

A director may not simultaneously hold the positions of Chief Executive Officer and Chairman of the Board. The Chairman is a non-executive independent director and there is a clear division of responsibility between the Chairman and the Chief Executive Officer. The Chairman’s role is clearly defined in the Board Charter.

Independent directors are those who have the ability to exercise their duties unfettered by any business or other relationship. It is the approach and attitude of each non-executive director which is critical to determining independence and this must be considered in relation to each director. Other relevant factors to be taken into account are set out in the Board Charter which is available on the Company’s corporate governance website.

With the exception of the Chief Executive Officer, no director is entitled to hold office for a period beyond three years from re-election, but directors are eligible for re-election. Of the current directors Malcolm Jackman will retire and offer himself for re-election at the Company’s Annual General Meeting to be held on 25 November 2008.

The Company has a Selection and Appointment of Directors Policy which is an attachment in the Nominations and

Corporate Governance Committee Charter on the Company's corporate governance website. The Nomination and Corporate Governance Committee is responsible for:

- periodically assessing the skills required to discharge the Board's duties, having regard to the strategic direction of the Company;
- proposing candidates for directorships for consideration by the Board having regard to the desired composition as stated in the Board Charter; and
- reviewing any retiring director's performance.

As part of the Company's Selection and Appointment Policy, the Committee will consider whether it is necessary and desirable to recruit additional directors bearing in mind:

- the mix of skills and experience of existing directors;
- business and strategic needs of the Company;
- need to replace directors before scheduled retirements; and
- the opportunity to obtain the services of particular persons with desirable skills when they are available.

New directors are provided with formal appointment letters setting out the key terms and conditions of their appointment, including remuneration. In addition all senior executives are provided with executive services contracts, which include expectations of their role, term of appointment, termination entitlements and rights and responsibilities.

Details of the directors, their qualifications, period in office, skills and experiences are detailed on pages 2 –4.

Conflicts of Interests

Directors of the Company are required to act in a manner which is consistent with the best interests of the Company as a whole, free of any actual or possible conflicts of interest.

If a director considers there may be a conflict, the director is required to:

- immediately inform the Board of the potential conflict; and
- abstain from voting on any motion relating to the matter and be absent during all Board deliberations relating to the matter.

The Board Charter, available on the Company's website, provides further detail on managing conflicts of interest.

Board Committees

In order to effectively fulfil its duties the Board has established the following committees:

- the Audit and Risk Management Committee, which is responsible for monitoring and advising the Board on the Company's audit, risk management and regulatory compliance policies and procedures;
- the Remuneration and Human Resources Committee, which is responsible for overseeing the remuneration and human resources policies and practices of the Company; and
- the Nomination and Corporate Governance Committee, which is responsible for advising the Board on the composition of the Board and its committees, reviewing the performance of the Board, its committees and the individual directors and advising the Board on its corporate governance policies.

Each committee has a formal charter approved by the Board, outlining its composition, role and responsibilities. These charters are available on the Company's corporate governance website.

Audit and Risk Management Committee

The Audit and Risk Management Committee's functions include:

- assisting the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control relating to all matters affecting the Company's financial performance, the audit process, and the Company's process for monitoring compliance with laws and regulations and the Company's Code of Conduct;
- determining the scope of the internal audit function and ensuring its resources are sufficient and used appropriately;
- review of internal audit performance and independence;
- assisting the Board with the adoption and application of appropriate ethical standards and management of the Company and the conduct of the Company's business;
- assisting the Board supervise the Company's risk management framework (such framework is described under a separate heading "Risk Management" later in this Statement); and
- reviewing the adequacy of the Company's insurance policies.

External Audit

The Audit and Risk Management Committee also monitors the independence of the Company's external auditor. The Committee must approve in advance the terms of engagement of the external auditor to perform audit and related work. Any non audit work to be performed by the external auditor must be approved by the Committee and, in doing so, the Committee ensures the external auditor's independence and integrity is maintained. The lead engagement audit partners of the Company's external auditor will be rotated from the engagement after five years.

The Audit and Risk Management Committee is responsible for reviewing the performance of the external auditors, and the selection and appointment of the external auditor. The Committee will recommend to the Board the re-appointment of the current external auditor or a tender process to select a new external auditor.

The Committee ensures that it meets with the external auditors, independent of management, and with management independent of the external auditors. The Board has requested that the external auditor attend the 2008 Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Composition

The Committee comprises a minimum of three non-executive directors who are financially literate, one of whom must have expertise in financial reporting. The Board of the Company will nominate the Chairman of the Committee, who must be an independent, non-executive director who is not the Chairman of the Board. The Committee may invite other persons to attend meetings of the Committee including the Chief Executive Officer, the Chief Financial Officer and the Company's external auditors.

The current members of the Committee are John Pettigrew (Chairman of the Committee), Russel Pillemer and Robert Aitken. Each of these members are considered to be independent non-executive directors.

The Committee will meet as often as required to undertake its role effectively. The Committee met four times during 2007/08. Directors' attendance at meetings is set out on page 5.

Remuneration and Human Resources Committee

The Remuneration and Human Resources Committee's functions are to endeavour to ensure:

- that the directors and the executive management team of the Company are remunerated fairly and appropriately;
- that the Company's remuneration policies and outcomes strike an appropriate balance between the interests of the Company's shareholders, and reward and motivate the Company's executives and employees in order to secure the long term benefits of their energy and loyalty; and
- that the human resources policies and practices are consistent with and complementary to the strategic

direction and objectives of the Company as determined by the Board.

Composition

The Committee will comprise a minimum of two non-executive directors, including if practicable, a majority of independent non-executive directors.

The Board of the Company will nominate the Chairman of the Committee, who must be an independent non-executive director.

The current members of the Committee are Malcolm Jackman (Chairman of the Committee), Russel Pillemer and Robert Aitken. All of these members are considered to be independent non-executive directors.

The Committee will meet as often as required to perform its role effectively. The Committee met four times during 2007/08. Directors' attendance at meetings is set out on page 5.

Nomination and Corporate Governance Committee

The Nomination and Corporate Governance Committee's functions are to:

- review and advise the Board on the composition of the Board and its committees (and in so doing, administering the Selection and Appointment of Directors Policy described earlier in this Statement);
- review the performance of the Board as a whole and the individual members of the Board;
- ensure that proper succession plans are in place for consideration by the Board;
- advise the Board on good governance standards and appropriate corporate governance policies for the Company; and
- critically review the Company's performance against its corporate governance policies.

Composition

The Committee comprises a minimum of two non-executive directors, including if practicable, a majority of independent non-executive directors.

The current members of the Committee are Robert Aitken (Chairman of the Committee), Wayman Chapman and John Pettigrew. Of these members both Robert Aitken and John Pettigrew are considered to be independent non-executive directors.

The Board of the Company will nominate the Chairman of the Committee, who must be an independent non-executive director. The Committee will meet as often as required to perform its role effectively. The Committee met three times during 2007/08. Directors' attendance at meetings is set out on page 5.

Performance Review/Evaluation

The Board and Nomination and Corporate Governance Committee Charters outline responsibility for the performance review of the Board, the Chairman of the Board and the individual performance of all directors and senior management.

During 2007/08, the Chairman met with each director and assessed the performance of the Board, Committees, individual directors as well as the four members of the senior management team. The Chairman of the Audit and Risk Management Committee interviewed the Chairman of the Board. The observations from these interviews were communicated to and discussed amongst, the Board.

During 2007/08, the Chief Executive Officer conducted performance reviews with the three members of the executive team. The senior executives' performance was reviewed against performance measures which align with the Company's strategy and feedback from both the Board and the Chief Executive Officer conveyed.

Education and Induction

New directors will undergo an induction process in which they will be given a full briefing on the Company. Where possible, this will include meetings with directors, key executives, tours of the premises, a Board manual and presentations from management.

In order to achieve continuing improvement in Board performance, all directors are encouraged to undergo continual professional development.

Independent Professional Advice and Access to the Company's Information

Each director has the right of access to the Company's information and to the Company's executives. Further, the Board collectively and each director, subject to informing the Chairman, has the right to seek independent professional advice from a suitably qualified advisor, at the Company's expense, with the approval of the Chairman, to assist them to carry out their responsibilities. Where appropriate, a copy of this advice is to be made available to all other members of the Board.

Each director also has access to the General Counsel and Company Secretary.

Risk Management

During the year, the Company formalised its risk management framework to allow it to achieve its business objectives whilst assisting management and ideally, providing early warnings of risks. The Risk Management Policy, covering both financial and operating risks, documents this framework.

The objective of this Risk Management Policy is to:

- encourage appropriate tolerance of risks across all Rubicor Businesses;
- establish procedures to analyse risks within agreed parameters across all Rubicor Businesses;
- establish appropriate risk delegations and corresponding frameworks across Rubicor; and
- ensure Rubicor has in place a risk framework which can measurably react should the risk profile change.

Key components of the Risk Management Policy which bring together a number of procedures and controls within the Company are as follows:

- identification and assessment of all risks;
- monitoring and wherever possible, mitigation, of identified risks;
- periodic reporting; and
- assessment of effectiveness of the risk management framework.

An executive Risk Management Committee has been established to assess identified risks as recorded on the risk register and review mitigation strategies. This Committee will meet prior to each Audit and Risk Management Committee meeting and assists in reporting to the Committee.

As suggested by Recommendation 7.2, management has reported to the Board on the effectiveness of the Company's management of its material business risks.

A copy of the Risk Management Policy is available under the Company's corporate governance website.

Remuneration

In relation to remuneration issues the Board (with the assistance of the Remuneration and Human Resources Committee) has established a policy to ensure that it remunerates fairly and responsibly.

The remuneration philosophy is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and maintain talented and motivated directors and employees.

Any equity based executive remuneration will be made in accordance with thresholds set in plans approved by shareholders at the general meeting. As prescribed in the Company's share trading policy, executives are not permitted to enter into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

The structure of executive remuneration is distinctly different to that of non-executive directors as detailed in the Remuneration Report.

The Remuneration Report and details about the Remuneration Philosophy of the Company are set out from pages 9–16.

Attestations by Chief Executive Officer and Chief Financial Officer

The Chief Executive Officer and Chief Financial Officer made the declarations required by section 295A of the *Corporations Act* and recommended under Recommendation 7.3 of the *ASX Principles*. In order for the Chief Executive Officer and Chief Financial Officer to make the declarations, appropriate attestations were made by management to the CEO and CFO.

Continuous Disclosure

The Company takes its disclosure obligations seriously and seeks to comply with the spirit as well as the content of the ASX requirements. The Company has adopted a Continuous Disclosure Policy in relation to information disclosures and relevant procedures. The Policy sets out principles that the Company will apply in relation to the disclosure of material information, including that the Company:

- will not give analysts or other select groups of market participants any material price sensitive non-public information at any time;
- will not generally respond to market rumours and speculation except where:
 - the speculation or rumours indicate that the subject matter is no longer confidential and therefore the exception to disclosure set out in the Listing Rules no longer applies;
 - the ASX formally requests disclosure by the Company on the matter; or
 - the Board considers that it is appropriate to make a disclosure in the circumstances; and
- will only allow authorised company spokespersons to make any public statement on behalf of the Company.

A copy of the Continuous Disclosure Policy is available under the Company's corporate governance website.

Share Trading Policy

The Company has adopted a Share Trading Policy to regulate dealings by the Company's executives and non-executive directors, officers, employees, contractors and consultants (employees) in the Company's securities. All employees are required to conduct their personal investment activity in a manner that is lawful and avoids conflicts of interest between the employee's personal interests and those of the Company and its clients.

The Company is keen to promote shareholder and general market confidence in the integrity of the Company's internal controls and procedures, and to provide guidance on avoiding any breach of the insider trading laws.

A copy of the Share Trading Policy is available under the Company's corporate governance website.

Code of Conduct

The Company has adopted a written Code of Conduct, which applies to all of the Company's executives and non-executive directors, officers, employees, contractors and consultants.

The purpose of the Code of Conduct is to ensure that:

- high standards of corporate and individual behaviour are observed by all employees in the context of their employment with the Company;
- employees are aware of their responsibilities to the Company under their contract of employment and always act in an ethical and professional manner; and
- all persons dealing with the Company, whether it be employees, shareholders, suppliers, clients or competitors, can be guided by the stated values and practices of the Company.

Employees are encouraged to report any potential breaches of the Code and the Company ensures employees are not disadvantaged for any reports made in good faith. The Company will deal with any reports promptly and fairly.

A copy of the Code of Conduct is available under the Company's corporate governance website.

Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights, the Company has established a Shareholder Communications Policy to:

- promote effective communications with shareholders of the Company;
- ensure all information relevant to their shareholding is disseminated to shareholders; and
- encourage effective participation by shareholders at the Company General Meetings.

The Policy is available under the Company's corporate governance website.