



CORPORATE EXPRESS AUSTRALIA LIMITED BOARD CHARTER

1. PURPOSE

This Board Charter (“Charter”) sets out the role, responsibilities, structure and processes of the Board of Corporate Express Australia Limited (“Company”).

2. BOARD ROLE AND RESPONSIBILITIES

The role of the Board is to provide strategic guidance for the Company and its subsidiaries and effective oversight of management. The Board is accountable to shareholders for the performance of the Company’s businesses. In performing its role, the Board aspires to excellence in governance standards.

This requires the Board to work as a team and meet on a regular basis. The key responsibilities of the Board are as follows:

- (a) reviewing and approving the strategic direction of the Company, management’s implementation of strategy and ensuring appropriate resources are available to achieve strategic objectives;**
- (b) selection, appointment, remuneration, evaluation and, if necessary, termination of the chief executive officer (“CEO”), overseeing and monitoring the appointment, performance, remuneration and termination of other senior management and officers;**
- (c) selecting future directors and assessing the board and individual director performance;**
- (d) monitoring the Company’s financial and business performance and financial reporting;**
- (e) overseeing risk management policies, practice and performance;**
- (f) implementing a high level policy framework and ratifying specific policies within that framework;**
- (g) overseeing compliance and governance policies and practices and ensuring the Company’s business is conducted legally, ethically and responsibly;**
- (h) reporting to shareholders;**
- (i) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;**
- (j) setting standards and monitoring compliance with the Company’s sustainability policies and practices; and**

(k) reviewing and approving Non-executive Directors' Board and Committee fees.

3. ROLE OF CEO AND DELEGATION TO MANAGEMENT

The CEO is responsible for the development of strategic objectives for the business and the achievement of the planned results for the Company. Management of the Company's day to day operations is undertaken by the CEO, subject to specified delegations of authority approved by the Board. Any matters or transactions outside the delegations of authority must be referred to the Board or the appropriate Board Committee for approval.

4. BOARD SIZE AND COMPOSITION

The Board is responsible for:

- (a) identifying and evaluating possible future Directors to the Board;
- (b) appointing Directors to fill casual vacancies on the Board;
- (c) making recommendations to shareholders for the appointment or removal of Directors

The Board will comprise a majority of Non-executive Directors, a majority of whom are ordinarily resident in Australia. The size of the Board will be determined in accordance with the Constitution.

Collectively, the Board members should have a broad range of financial and other skills, experience and knowledge necessary to guide the business of the Company.

The Board will determine and regularly review the composition of the Board having regard to the optimum number and skill mix of Directors, subject to the limits imposed by the Constitution, a general policy of a maximum tenure of 10 years and the terms served by existing Non-executive Directors.

Non-executive Directors will be engaged through a letter of appointment.

5. CHAIRMAN

The Board will appoint one of its members to be the Chairman in accordance with the Constitution. The Chairman represents the Board to the shareholders and communicates the Board's position. The Chairman must be an independent Non-executive Director.

6. SECRETARY

The Secretary is responsible for the co-ordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, the ASX and all statutory and other filings.

The Board will appoint at least one Secretary. Appointment and removal of a Secretary will be subject to Board approval.

All Directors shall have direct access to the Company Secretary.

7. BOARD COMMITTEES

The Board will establish Committees to assist the Board in exercising its authority.

The standing Board Committees are:

- (a) Audit Committee (which oversees the Risk Management Committee);
- (b) Nomination Committee,
- (b) Remuneration and Human Resources Committee; and
- (c) Business Information Systems Committee.

The Board may establish ad hoc Board Committees from time to time to consider matters of special importance or to exercise the delegated authority of the Board.

The Board will determine the charters of standing and ad hoc Board Committees, which will set out the roles and responsibilities of each Committee.

The Board will determine the membership and composition of Board Committees, having regard to workload, skills and experience.

8. BOARD PERFORMANCE

The Board will undertake ongoing self-assessment and review of performance of the Board, Committees and individual Directors annually.

9. ETHICAL STANDARDS

Board members are expected to observe the highest standards of ethical behaviour and comply with the Company's Code of Conduct. The Board supports and encourages policies within the Company which require

Directors and employees to observe high standards of personal integrity and display honesty in their dealings. The Board is committed to complying with applicable legislation including the Corporations Act and the ASX Corporate Governance Principles as noted in its Corporate Governance Statement in the annual report.

11. DIRECTOR INDEPENDENCE

Directors will be considered to be independent if they are independent of management and free from any business or other relationship that could materially interfere with, or reasonably be seen to interfere with, the exercise of their unfettered and independent judgment, and their ability to act in the best interests of the Company as a whole. Materiality is to be assessed on a case by case basis as well as by reference to certain indicative materiality thresholds.

Generally the board regards the following relationships as potential indicators a director is not independent:

- a substantial shareholder or a director who is associated with a substantial shareholder (5 per cent or more);
- an employee or executive, or a director who has been an employee or executive within the last 3 years;
- a professional adviser or consultant or an employee materially associated with the services provided by a professional adviser or consultant;
- a material supplier or a director who is associated with a material supplier (a material supplier relationship of this type is one where the annual net revenues involved are more than \$50,000);
- a material customer or a director who is associated with a material customer (a material customer relationship of this type is one where the loss or gain of the customer's business would have a material effect on the business requiring disclosure under the continuous disclosure laws);
- a material contractual relationship with the Company (a material contractual relationship is one where the consideration involved is more than \$20,000);
- a director who has served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Directors and board committee members are to have the right to seek independent professional advice in connection with their duties and responsibilities, at the Company's expense. Prior notification to the Chairman is required. Directors also have access to any employees, Company advisers, records and information they may require to carry out their duties.

Each officer may enter into a Deed of Access and Indemnity with the Company to ensure 7 year access after their retirement to board documents produced during their tenure, and which provides them with an indemnity

in terms of the Company's Constitution.

10. CONFLICTS OF INTEREST

Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company, or gives the appearance of a conflict, and has formalised this in a Conflicts in Interest Protocol.

A Director that has a material personal interest in a matter that relates to the affairs of the Company must give the other Directors notice of such interest, and otherwise comply with the law.

11. DIRECTOR INDUCTION

New directors are to be provided with an orientation and education program to help familiarise them with the business, its strategy, and current issues facing the board and the business, including a meeting with and presentation by the chairman, the CEO, and each functional head.

Directors may undertake continuing education courses at the Company's expense, with the prior approval of the chairman.

11. REVIEW OF CHARTERS

Board and Committee Charters will be reviewed at least annually.

Approved by the Board on 1 March 2010