



## Board Charter

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## 1 Introduction

It is the aim of the Company to meet best practice in corporate governance, with a Company framework designed to:

- enable the Board to provide strategic guidance for the Company and effective oversight of management;
- clarify the respective roles and responsibilities of Board members and senior executives in order to facilitate Board and management accountability to both the Company and its shareholders;
- ensure a balance of authority so that no single individual has unfettered powers.

## 2 Role of the Board and its Members

The Board is responsible for the corporate governance structure of the Company which is aimed at creating and protecting shareholder value. It oversees the business and affairs of the Company, establishes the strategies and financial objectives to be implemented by management and monitors standards of performance. Those responsibilities and the powers reserved to it are set out below in detail.

The membership of the Board will be directed by the following requirements:

- The constitution of the Company specifies that there must be at least three directors and no more than seven. The Board may determine the size of the Board within those limits.
- The Board must consist of a majority of non-executive directors who satisfy the criteria for independence adopted by the Board.
- The Board should, collectively, have the appropriate level of personal qualities, skills, experience and time commitment to properly fulfil its responsibilities or have ready access to such skills where they are not available.

The Board may establish committees to assist it in carrying out its responsibilities. The Board will adopt charters setting out the membership, administration, purpose, responsibilities and functions appropriate to that committee.

## 3 Independence of Directors

Independent Directors are those who have the ability to exercise their duties unfettered by any business or other relationship and are willing to express their opinions at the board table free of concern about their position or position of any third party. In determining the independent status of a Director, the Board will take into account all relevant factors, which may include whether the Director:

- Is employed by the company, or has been employed by the Company within the previous three years in an executive capacity;
- Is a substantial shareholder of the Company, or otherwise associated with a substantial shareholder of the Company;
- Has within the last three years been a principal or employee of a material professional adviser or a material consultant to the Company or another group member;
- Is a material supplier or customer of the Company or another group member, or directly or indirectly associated with a material supplier or customer;
- Has a material contractual relationship with the Company or another group member other than as a Director of the Company;

- Has an interest or any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

For the purposes of determining what is "material" in the above context, the Board considers, any Director-related business relationship to be material if it represents, or is likely in future to represent at least 10% of the relevant segments of the Director-related business's revenue.

Directors must inform the Chairman prior to accepting any new appointment to any entity's board.

Directors must also refer to the Company's Conflict of Interest Policy.

Where the independent status of a Director is lost, this is to be disclosed to the market via the ASX in a timely manner.

#### **4 Role of the Chairman**

In addition to his or her role as a director, the role of the Chairman includes:

- ensuring the Board provides leadership and vision to the Company;
- in conjunction with the Company Secretary, preparing the Board agenda;
- leading the Board, including presiding over Board meetings and Company meetings and directing Board discussions to effectively use the time available to address the critical issues facing the Company;
- ensuring Board minutes properly reflect Board decisions;
- developing an ongoing relationship with the Managing Director or Chief Executive Officer, such that the Chairman is kept fully informed of the day-to-day matters of interest to the Board;
- acting as a mentor for the Managing Director or Chief Executive Officer;
- facilitating the effective contribution of directors including the commencement of the annual process of Board and director performance evaluation;
- promoting constructive and respectful relations between Board members and between Board and management;
- together with one other non-executive director facilitating the assessment of the Managing Director's or Chief Executive Officer's performance; and
- guiding the ongoing effectiveness and development of the Board and individual directors.

#### **5 Role of the Managing Director or Chief Executive Officer**

The Managing Director or Chief Executive Officer is responsible to the Board for the overall performance and day to day management of the Company. The Managing Director or Chief Executive Officer is to have a formal Employment Agreement describing his/her term of office, duties, rights and responsibilities and entitlements on termination.

The Managing Director or Chief Executive Officer should manage the Company in accordance with the strategy, plans, practices and policies approved by the Board to achieve the agreed objectives. In particular the Managing Director's or Chief Executive Officer's responsibilities include:

- being the conduit through which the Board is provided sufficient and relevant information to act effectively;

- providing leadership to the Company and acting as the Company's interface with its operating environment and the general business and investment community;
- taking action to implement the Company's corporate strategy, including being active in identifying new initiatives for consideration;
- ensuring the Company's policies are complied with;
- referring all matters outside of the Managing Director's/Chief Executive Officer's delegation to the Board for approval;
- other responsibilities as delegated by the Board from time to time.

All directors will have access to the Managing Director or Chief Executive Officer.

## 6 Role of Individual Directors

In discharging his/her duties, each Director must:

- contribute to Board activities to the best of their abilities and with the level of skill and care expected;
- discharge their duties in good faith and honestly in the best interests of the Company;
- use the power of office for proper purpose, in the best interests of the Company as a whole;
- act with the required care and diligence, demonstrating commercial reasonableness in their decisions;
- avoid conflicts of interest, not allowing personal interests, or the interests of any associated person, to conflict with the interests of the Company;
- not make improper use of information gained through their position of director;
- make reasonable enquires to ensure that the Company is operating effectively, efficiently and legally toward achieving its objectives;
- undertake diligent analysis of all proposals placed before the Board;
- serve on Board committees as required;
- participate in the appointment of new directors and directors performance evaluation; and
- act in accordance with the duties and obligations imposed on them and the Board by the constitution and the law.

## 7 Role of the Company Secretary

The Company Secretary is generally responsible for carrying out the administrative and statutory requirements of the Board by;

- coordinating the development of the agenda in a timely and effective manner for approval by the Chairman;
- ensuring, in conjunction with the Managing Director/Chief Executive Officer, that the board papers are developed and dispatched in a timely and effective manner;
- coordinating, organising and attending meetings of the Board and shareholders, and ensuring the correct procedures are followed;
- drafting and maintaining minutes of Board and Company meetings;
- in conjunction with the Managing Director/Chief Executive Officer and senior management, carrying out the instructions of the Board and giving practical effect to the Board's decisions;

- working with the Chairman and Managing Director/Chief Executive Officer to establish and deliver best practice governance.

All directors will have access to the Company Secretary.

## 8 Responsibilities of the Board

The full range of the Board's responsibilities is extensive and in addition to the matters required by law, includes the following:

### 8.1 Performance

- ensuring the Company's long term viability and enhancing the financial position;
- provide input into, final approval of and overseeing implementation of the Company's corporate strategy;
- approving and monitoring the business plan, budget and corporate policies;
- monitoring and assessing performance of the Company and the Board itself;
- overseeing the risk management framework and monitoring of Company business risks;
- approving risk management policies and monitoring compliance with those policies; and
- monitoring developments in the mining and exploration industry and the operating environment.

### 8.2 Compliance / Legal Conformance

- understanding and protecting the Company's financial position;
- requiring and monitoring legal and regulatory compliance including compliance with accounting standards, Trade Practices Act, OH&S and environmental standards;
- reviewing and approving the annual report and other public documents and sensitive reports;
- approval of and monitoring of financial and other reporting; and
- ensuring an effective system of internal controls exists and is operating as expected.

### 8.3 Overall Operations

- establishing the Company's vision, mission, values and ethical standards to be reflected in a Code of Conduct;
- monitoring compliance with ethical standards;
- delegating an appropriate level of authority to management and any changes to the delegations of the Board;
- demonstrating corporate leadership;
- assuming responsibility for the relationship with the Managing Director/Chief Executive Officer including his/her appointment, succession, performance assessment, remuneration and dismissal;
- ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer, Chief Operating Officer and the Company Secretary;
- overseeing aspects of the employment of the management team including remuneration, performance and succession planning;
- appointment, reappointment or replacement of external auditors, subject to shareholder ratification if required;
- recommending the appointment, and reviewing the performance, of directors;
- appointing the members of Board committees;

- ensuring effective communication to shareholders, staff and other stakeholders;
- ensuring crisis management procedures are in place; and
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures.

#### 8.4 Matters Reserved for the Board or its Committees

Matters which are specifically reserved for the Board or its Committees include the following:

- the issue of securities, subject to the requirements of the law (Article 2);
- appointment of a Chairman (Article 15.8);
- appointment and removal of the Managing Director/Chief Executive Officer (Article 17.1) and Company Secretary (Article 18);
- appointment of directors to fill a casual vacancy or as additional directors (Article 13.6);
- establishment of Board committees, their membership and authority (Article 15.9);
- approval of dividends (Article 22);
- corporate governance principles and policies;
- approval of major capital expenditure, capital management, and acquisitions and divestitures (Article 14.1);
- calling of meetings (Article 11.1);
- any other specific matter nominated by the Board from time to time.

### 9 The Role of Management

Management's role and responsibility is to:

- recommend the strategic direction and translate the strategic plan into the operations of the business;
- assume day to day responsibility for the Company's conformance with relevant laws and regulations and its compliance framework;
- achieve the performance targets set by the Board;
- develop, implement and manage the Company's risk management and internal control frameworks;
- develop, implement and update the Company's policies and procedures;
- be alert to relevant trends in the minerals industry and the Company's operating environment;
- provide sufficient and relevant information to the Board to enable the Board to effectively discharge its responsibilities;
- act as a conduit between the Board and the Company; and
- manage the Company's human, physical and financial resources to achieve the Company's objectives – essentially "RUN THE BUSINESS".

### 10 Assistance to Board to fulfil Roles and Responsibilities

Board members will be assisted by the Company to fulfil their roles and responsibilities in ways which include:

- the provision of induction materials for new directors in order to gain an understanding of the Company's financial, strategic, operational and risk position, their rights, duties and obligations and the role of Board committees;

- the offer by the Company of an indemnity under the terms of the Company's constitution;
- professional development opportunities to update and enhance their skills and knowledge. This includes education concerning key developments in the Company and in the industry and environment within which the Company operates.

Each Director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified adviser at the Group's expense. The Director must consult with an advisor suitably qualified in the relevant field, and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director is made available to all other members of the Board.

## 11 Conduct of Board Meetings

- Board meetings will be conducted in accordance with the constitution.
- A Chairman will be appointed in accordance with the constitution.
- The constitution provides that the quorum for a meeting is three directors.
- Board meetings will be held at least eleven times a year at venues, dates and times agreed, where practical, in advance.
- In the ordinary course, Board and committee papers will be provided to directors at least four clear business days before the meeting, unless the meeting has been called urgently.
- The agenda for each Board meeting will be approved by the Chairman of the meeting and where relevant, developed in consultation with the Managing Director/Chief Executive Officer, through the Company Secretary.
- Board and committee papers will contain sufficient and relevant information to enable directors to efficiently discharge their responsibilities and to make informed decisions on each of the agenda items for consideration.
- The draft minutes of Board meetings will be circulated to the Chairman within one week of the Board Meeting to which it relates. Once reviewed by the Chairman, the minutes will be circulated to the Board and will be deemed to be accepted unless a board member requests changes within 48 hours of the minutes being circulated. If the amendments are material, the amended minutes will be re-circulated to the Board for approval and will be deemed to be approved unless further material comments are received from a board member.

Once approved, the Company Secretary must have the minutes signed by the Chairman and file them in the minute book within the time allowed by the Corporations Act 2001.

## 12 Board Review

The Board shall review and reassess the adequacy of this charter on a bi-annual basis.