

# BOARD CHARTER

## Purpose

This document sets out the following matters:

- the roles and responsibilities of the Board of the Company; and
- the roles and responsibilities of the Senior Management of the Company; and
- the manner of operation of the Board.

In the compilation of this Charter, the Company has, where possible and appropriate, followed the recommendations of the ASX Corporate Governance Principles and Recommendations, 3rd edition (2014).

## Definitions

In this Charter:

*Board* means the Board of the Company;

*CEO* means the Chief Executive Officer (who may also be the Managing Director);

*CFO* means the Chief Financial Officer;

*Chair* means the chair of the Board;

*Charter* means this Board Charter;

*Constitution* means the constitution of the Company;

*Director* means a director of the Company;

*Secretary* means the secretary of the Company;

*Senior Management* means employees of the Company who manage the Company pursuant to the directions and delegations of the Board.

## Composition of the Board

It is the objective of the Company to establish and maintain a Board with a broad representation of skills, experience and expertise.

To assist in achieving the objective stated above, the Board will always consist of:

- executive and non-executive directors; and
- a minimum of three directors.
- The members of the Board will be listed in the Annual Report of the Company.

In accordance with the ASX Corporate Governance Principles and Recommendations, the Board considers a director to be independent if the director is free of any interest, relationship or association that may materially influence, or may reasonably be perceived to materially influence, the director's capacity to exercise their independent judgment on issues before the Board, and to act in the best interests of the Company and its shareholders. Therefore, the Board considers a non-executive director to be an independent director if they are a director who is not a member of Senior Management of the Company and who:

- is not a substantial security holder of the Company, or an officer of, or otherwise directly associated with a substantial security holder of the Company;
- is not or has not been employed in an executive capacity by the Company or a subsidiary of the Company within the last three years and did not become a Director within three years of being so employed;
- within the last three years, has not been a senior employee, partner or director of a provider of material professional services to the Company or a child entity of the Company;

- within the last three years, has not been in a material business relationship with the Company or any child entity of the Company or an officer of, or an associate to, someone with such a relationship;
- is not a party to a material contractual relationship with the Company or a child entity of the Company other than as a Director of the Company;
- has not served on the Board for a period which may materially interfere with that Director's motivation to act in the best interests of the Company;
- has no close family ties with any person who falls within any of the categories described above; and
- is free from any conflict of interest which may materially interfere with that Director's motivation to act in the best interest of the Company.

The Board shall review the independence of each non-executive director on an annual basis, having regard to the indicia set out above.

If a Director ceases to be independent, the Director shall advise the Chair of the Board immediately, and, if the Board finds that a Director is no longer independent, the Board shall immediately announce this to the market.

The Board shall state whether a non-executive Director is independent or not, and the reasons for such opinion, in the Company's annual report.

#### **Appointment**

Directors are appointed in accordance with the Constitution. The Board will review and assess the suitability of new Directors against fixed criteria, which include overall skills, experience and background, professional skills, potential conflicts of interest, ability to exercise independent judgement and whether such director can be independent.

The Board will set out the terms and conditions of the appointment of a Director in a formal letter of appointment or a Service Agreement (including an Executive Service Agreement where applicable).

New Directors of the Company will be provided with a copy of the Constitution and all relevant policies (including this Board Charter) of the Board.

New Directors will be fully briefed with respect to the strategic direction of the Company.

Directors will be offered regular opportunity for professional development.

The Company shall undertake appropriate checks before appointing a Director or putting forward to security holders a candidate for election as a Director of the Company;

The Company will provide security holders of the Company with all material information in the Company's possession which is relevant to a decision on whether to elect or re-elect a Director.

The Board will set out the terms and conditions of the appointment of a Senior Manager in an employment contract with the Senior Manager.

## **Responsibilities of the Board**

The Board is responsible for management and corporate governance of the Company. The Board has the authority to make decisions and give directions in relation to:

- the development, implementation and alteration of the strategic direction of the Company, including future expansion of business activities;
- risk management, assessment and monitoring;
- ensuring appropriate external reporting to shareholders, the ASX, ASIC and other stakeholders;
- encouraging ethical behavior, including compliance with the Company's governing laws and procedures and compliance with corporate governance standards; and
- establishing targets and goals for Senior Management to achieve and monitoring the performance of Senior Management.

The Board is responsible for monitoring organisational capability in the context of agreed plans and budgets, accountability and diversity.

The Board has responsibility for the following specific matters:

- the appointment and removal of the Chair of the Company;
- the appointment of new Directors to fill a vacancy or as additional Directors;
- the appointment, and where appropriate, the removal of the:
  - CEO;
  - CFO;
  - Executive Directors (to the extent of their capacity as an executive);
  - Company Secretary; and
  - Ratifying the appointment or removal of other Senior Management of the Company.
- oversight of all matters delegated to Senior Management;
- reviewing the performance of the CEO and monitoring the performance of his or her direct reports;
- managing succession planning for the position of CEO and overseeing succession planning for his or her direct reports;
- approving overall Company, Director and specific senior executive remuneration and related performance standards and their evaluation;
- ensuring the Code of Conduct, Communication and Disclosure Policy, Securities Trading Policy, Diversity Policy, Risk Management Policy and Remuneration Policy are operative and being complied with;
- regular review of and powers to amend the Code of Conduct, Communication and Disclosure Policy, Securities Trading Policy, Diversity Policy, Risk Management Policy and Remuneration Policy to ensure the policies meet the standards of corporate governance the Board is committed to;
- review and oversight of compliance with ASX Listing Rules, financial reporting obligations, including periodic and continuous disclosure, legal compliance and related corporate governance matters;
- approving and monitoring major capital expenditure, capital management, acquisitions and divestitures and material contracts;
- approving and monitoring major Company financing matters including incurring material debt obligations; and
- monitoring and reviewing the financial performance of the Company;
- monitoring and reviewing the operational performance of the Company including the viability of current and prospective operations and exploration opportunities; and

- proposing and recommending to shareholders any changes in the capital structure of the Company.

The Board may, in its absolute discretion and without abrogating its responsibilities, delegate other matters from time to time.

### **Allocation of Responsibilities**

The Chair of the Company has the following responsibilities:

- the organisation and efficient conduct of the business of the Board at Board meetings and on all other occasions;
- ensuring all Directors are adequately informed about Board matters in a timely fashion to facilitate rigorous, effective and accurate decision making in all business of the Board;
- setting the agenda for meetings of the Board, guiding the meetings to facilitate open discussion and managing the conduct of, and frequency and length of such meetings, to provide the Board with an opportunity to arrive at a detailed understanding of the Company's performance, financial position, operations and challenges;
- liaising with the Secretary concerning matters of corporate governance and conveying all information to the Board;
- encouraging engagement and compliance by Board members with their duties as Directors;
- ensuring each Director is empowered to fully participate in meetings and is properly informed of Director performance expectations; and
- engaging with major shareholders of the Company to ensure that their views are known to the Board.

The CEO/Managing Director has the following responsibilities:

- recommend to the Board for review and approval the Company strategy and strategic framework;
- recommend to the Board for review and approval a two year plan and annual budget for the first year of the plan including the setting of key objectives and deliverables consistent with the agreed strategy;
- recruit and develop appropriately skilled Senior Management to execute the plans of the Company;
- manage the Company in accordance with the directions and delegations of the Board;
- report to the Board in a timely fashion all matters concerning the operations of the Company and the Company's employees;
- coordinate the roles and responsibilities of the management and employees of the Company to achieve the goals set by the Board;
- carry out the day-to-day management of the Company;
- in consultation with the Company's management and employees, establish and implement management policies and procedures to:
  - achieve the financial and operational goals set by the Board;
  - build and maintain employee satisfaction and well-being;
  - build and maintain a staff identity and loyalty to the Company; and
  - ensure a safe workplace for all employees.

The Company Secretary has the following responsibilities:

- The adoption and implementation of corporate governance practices;
- Coordination of the Board and its Committees;
- Monitoring of the policies and procedures of the Board;

- Advising the Board, through the Chair, of the corporate governance policies of the Company;
- Ensuring each director has access to the Company Secretary;
- The accurate reporting of the Business of the Board, including the timely dispatch of Board agendas and briefing papers and the accurate recording and timely dispatch of the minutes of the Board;
- Ensuring compliance with ASX Listing Rules, the Corporations Act and Corporations Regulations where applicable to the Board and the Company;
- In conjunction with the Chair, determine whether information conveyed to the Company Secretary should be disclosed to the ASX, and
- Liaising with the ASX in respect of Company announcements.

### **Board Meetings**

Subject to the Act, a quorum for meetings of Directors may be fixed by the Directors and, unless so fixed, is two.

The Board will meet no fewer than six (6) times each financial year and may meet as often as required to fulfil their duties.

Board papers are to be provided to all proposed attendees of Board meetings no fewer than three days before the date of each Board meeting.

Minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chair and circulated to Directors after each meeting.

Minutes of meetings must be approved at the next Board meeting.

Each Director has an obligation at Board meetings and concerning the Company generally, to reach decisions which he or she believes to be in the best interests of the Company, free of any actual or possible personal or other business related conflict of interest.

At the commencement of each meeting, each Director must disclose any actual or potential conflicts of interest. Ongoing conflicts of interest need not be disclosed at each meeting once acknowledged.

Where members are deemed to have a real or perceived conflict of interest, they will be excused from discussion on the issue where a conflict may, or exists.

### **Board Committees and Corporate Governance**

To assist in execution of its duties, the Board will establish an Audit and Risk Committee and a Remuneration and Nomination Committee or, if the size and intended operations of the Company is such that establishment of one or both of these committees is not practicable, the Board shall undertake the functions of these committees.

At the date of this Charter the current Board will undertake the functions of those Committees, in accordance with the Charters of Audit and Risk Committee and Remuneration and Nomination Committee.

The Board has adopted a charter for the Audit and Risk Committee setting out matters concerning its composition and responsibilities.

The Board has adopted a charter for the Remuneration and Nomination Committee setting out matters concerning its composition and responsibilities.

Committee charters are approved by the Board and reviewed when necessary.

Members of Committees (when applicable) are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.

In addition to this Charter, the Board has also adopted the following policy documents in the interest of best practice in corporate governance and to guide and assist the Company in the pursuit of its values and the achievement of its goals:

- Audit & Risk Committee Charter
- Remuneration & Nomination Committee Charter
- Risk Management Policy
- Securities Trading Policy
- Diversity Policy
- Communication and Disclosure Policy
- Code of Conduct
- Remuneration Policy
- Whistleblowers Policy

The Board will review the policies and the Committee structure annually to ensure the Board Committees are the most cost-effective and beneficial corporate structure for the Company which reflect the values of the Company and guide the conduct of the Board consistently with those goals.

The Board may also establish ad-hoc special purpose committees from time to time, with terms of reference approved by the Board.

#### **Independent Professional Advice**

The Board, collectively and independently, are entitled to seek independent professional advice at the Company's expense to assist in their carrying out the functions and responsibilities as set out in this Charter or as regulated by applicable legislation, regulation or common law.

The Chair must approve the engagement of professional advisors acting in the best interests of the Company. If the Chair refuses approval of the engagement of professional advisors, the matter may be referred to the Board.

#### **Performance Evaluation**

The Board shall develop and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors, and disclose, in relation to each reporting period, whether a performance evaluation was undertaken during that reporting period.

The Board shall monitor and evaluate the performance of the CEO and Senior Executives in achieving the strategies and budgets set by the Board, and, where appropriate, may seek advice from the Remuneration Committee;

The Board shall approve non-executive director remuneration, Senior Executive and the CEO/Managing Director remuneration and any incentive or employee equity plans.

#### **Corporate Governance**

The Board shall encourage ethical behaviour and compliance with the Company's policies and procedures, including the Company's Securities Trading Policy, Continuous Disclosure Policy and Code of Conduct.

The Board shall periodically review the Company's compliance with corporate governance standards.

### **Diversity**

The Board shall approve the Company's Diversity Policy and annual measurable objectives to encourage diversity (including, but not limited to, gender diversity) across the Company.

The Board shall annually review the Company's progress in achieving the measurable objectives set out in the Company's Diversity Policy.

### **Directors' Conduct**

In undertaking the responsibilities described in this Charter, the Board shall endeavour to create further value for shareholders, and in accordance with the obligations imposed upon it by law and with the Constitution.

### **Director Development**

The Company is committed to continuing professional development of its Directors and Executives. In line with this commitment, there is an expectation all Directors and Senior Executives will commit to professional development each year where an appropriate time arises and on the basis the professional development is of value, both financially and in terms of the content being delivered. The Board will allocate an appropriate budget for this purpose to encourage Directors to participate in training and development programs. Any Director wishing to undertake either specific directorial training or personal development courses is expected to approach the Chair for approval of the proposed course. Development may be in both governance and governance processes or in the Company's industry.

### **Director Induction**

New Directors will undergo an induction process in which they will be given a full briefing on the Company, including meeting with key Executives, tours of the premises (where applicable), an induction package and presentations. Information conveyed to the new Director will include:

- details of the roles and responsibilities of a Director with an outline of the qualities required to be a successful Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- details of key relevant legal requirements including:
  - Corporations Act;
  - Tax Office requirements; and
  - other relevant, major statutory bodies;
- a copy of this Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board including anticipated regulatory changes;
- background information on and contact information for key people in the organisation including an outline of their roles and capabilities;
- a current industry, business, financial and risk overview of the Company;
- a synopsis of the current strategic direction of the Company including a copy of the current strategic plan and annual budget;
- a copy of the Constitution; and
- Directors' Deed of Indemnity and Right of Access to Documents.

**Independent Advice**

Any Director is entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of his or her responsibilities, provided the Director:

- first provides the Chair with details of the nature of and reasons for the professional advice sought, the likely cost of seeking such independent professional advice and the details of the independent adviser he or she proposes to instruct;
- The Chair must approve the independent adviser nominated by the Director;
- The Chair may prescribe a reasonable limit on the amount that the Company shall contribute towards the cost of obtaining the advice;
- All documentation containing or seeking independent professional advice must clearly state the advice is sought in relation to the Company and/or the Director in his or her capacity as a Director of the Company;

The Chair shall decide if any advice received by an individual Director will be circulated to the remainder of the Board.

**Charter Review**

Any changes to the Charter require approval of the Board. The Board will review the effectiveness of the Charter at least once every two years.