

## **BOARD CHARTER**

The Board of Directors is responsible for guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable with ultimate control of the business of the Company being vested in the Board.

The Board has the following overall responsibilities:

- Establishing goals for management and in conjunction with the senior executive team establishing the direction and strategies for the Company and monitoring the implementation of those strategies; and
- monitoring compliance with legal regulatory requirements and setting standards for ethical behaviour.

The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's shareholders. The specific responsibilities of the Board include:

- appointment, evaluation, rewarding and if necessary the removal of any Managing Director;
- ratifying the appointment and where appropriate the removal of the chief financial officer and the company secretary;
- in conjunction with management, development of corporate objectives and strategy and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, capital management, acquisitions, divestitures and major funding activities;
- establishing appropriate levels of delegation to the Managing Director to allow him to manage the Company's operations efficiently;
- monitoring actual performance against planned performance expectations and reviewing operating information;
- monitoring and reviewing of areas of significant business risk and ensuring arrangements are in place to adequately manage those risks;
- overseeing the management of safety and occupational health, environmental issues and community development;
- satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period being reported;

- satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately;
- to ensure that appropriate external audit arrangements are in place and operating effectively;
- determining the remuneration of senior management and monitoring their performance against established key performance indicators;
- having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and
- reporting to shareholders.

Each director has the right to seek independent professional advice on matters relating to his position as a director of the Company at the Company's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

In the event of a conflict of interest or where a potential conflict of interest may arise, involved directors will, unless the remaining directors resolve otherwise, withdraw from deliberations concerning the matter.

In accordance with the Constitution of the Company, directors (other than any Managing Director) must offer themselves for re-election by shareholders at least every 3 years. The Board does not specify a maximum term for which a director may hold office.

The responsibility for the day-to-day operation and administration of the Company is delegated by the Board to the Managing Director and senior management. The Board will ensure that the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and any executive directors.

To assist the Managing Director in his role, the Board has established an authority's level policy for senior executives. This policy sets out the authority levels between the Board, the Managing Director and senior executives and the manner in which decision-making powers may be exercised at the various levels of management.

In addition, the Board has approved certain officers to be authorised and approved bank signatories for the Company.

To assist the Board in its role, the Managing Director is required to report regularly to the Board. This reporting includes:

- Preparation of board reports detailing, amongst other things, the Company's monthly performance and variance to approved budgets, the implementation of approved strategies and risk and compliance reporting;
- Reporting on company cashflows; and
- Confirming compliance with hedging and other financial risk management policies.

The roles of Chairman and Managing Director are not combined. The Managing Director will be accountable to the Board for all authority delegated to the position.