

## BOARD CHARTER

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# JINDALEE RESOURCES LIMITED

## BOARD CHARTER

### **INTRODUCTION**

The Board of Directors of Jindalee Resources Limited (Company) recognises its overriding responsibility to act honestly, diligently, in good faith and in accordance with the law in guiding and monitoring the Company on behalf of Shareholders by whom they are elected and to whom they are accountable.

### **Responsibilities of the Board**

The monitoring and ultimate control of the business of the Company is vested in the Board. 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:

- (a) demonstrating leadership;
- (b) defining the Company's purpose and setting its strategic objectives;
- (c) approving the Company's statement of values and code of conduct which underpin the desired corporate culture;
- (d) appointing the Chair and, if applicable, the Deputy Chair;
- (e) appointment, evaluation, rewarding and if necessary the removal of the Managing Director, and Chief Financial Officer (or equivalent) and the Company Secretary;
- (f) satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- (g) nomination and appointment of Directors, assessment of Board performance, executive and Director succession planning, Director remuneration;
- (h) approving and appropriately monitoring operating budgets, new investments, major capital and operating expenditures, capital management, including share issues and declaration of dividends, acquisitions, divestments and major funding activities;
- (i) adopting a Delegation of Authority Policy to allow the Managing Director to manage the business efficiently and satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- (j) Whenever required, challenging management and holding management to account;

- (k) monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company;
- (l) monitoring the performance of senior management including the implementation of strategy, and ensuring appropriate resources are available;
- (m) setting the risk appetite within which management is expected to operate and satisfying itself that an appropriate risk management framework is in place (for both financial and non-financial risk), and ensuring that the Company is appropriately positioned to manage those risks;
- (n) overseeing the management of safety, occupational health and environmental matters;
- (o) 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 under review;
- (p) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;
- (q) to ensure that appropriate internal and external audit arrangements are in place and operating effectively;
- (r) having a framework in place to help ensure that the Company acts legally, ethically and responsibly on all matters consistent with the code of conduct and Company policy;
- (s) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (t) monitoring the effectiveness of the Company's governance practices; and
- (u) reporting to shareholders.

In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors.

### **Board Composition**

Board composition is to be reviewed regularly to ensure an appropriate and diverse mix of skills and expertise across its membership to ensure the Board fulfils its responsibilities as well as assisting the Company in achieving its objectives and delivering value to Shareholders.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. In accordance with the Constitution of the Company, Directors (other than the Managing Director) must offer themselves for re-election by shareholders at least every 3 years.

When a new member is to be appointed to the Board, consideration is given to seeking a candidate that has relevant experience, time availability to devote to the position of Director and appropriate skills and expertise that will increase or enhance board diversity and effectiveness. Following such an appointment that Director will stand for re-election by Shareholders at the next annual general meeting.

### **Board Committees**

Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it may consider the use of committees. To this end the Board may establish the following committees:

- (a) Audit Committee;
- (b) Nomination Committee; and
- (c) Remuneration Committee.

Due to the size of the Company and the current scale of its activities, the Board has not established any committees at this time. Until such time as the Board determines that it is appropriate to establish such committees the functions of these committees will be performed by the full Board operating in accordance with the Company's mechanisms designed to ensure independent judgement in decision making and management of potential conflicts of interest.

### **External Advice**

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.

### **Directors' Interests**

Directors must disclose any interests which may conflict with the interests of, or otherwise be relevant to, the Company. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.

Directors are expected to bring their independent views and judgement to the Board and must immediately declare to the Board any potential or active conflict of interest.

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.

## **Chairman**

The Chairman is responsible for leadership of the Board, facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between the Board and management. The Chairman also sets the agenda, ensures adequate time is set aside for discussion of all agenda items and strategic issues as well as conducting Board and Shareholder meetings.

## **Responsibilities of Management**

The responsibility for the day-to-day operation and administration of the Company is delegated by the Board to the Managing Director (or equivalent), including:

- (a) Implementing the Company's strategic objectives and instilling and reinforcing its values, while operating within the values, codes of conduct, budget and risk appetite set by the Board;
- (b) Developing business plans, budgets and strategies for the Board's consideration and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- (c) Ensuring appropriate funding arrangements are in place for Company activities;
- (d) Operating the Company's operations within the parameters set by the Board from time to time and keeping the Board informed of all material developments relating to the business and operations to enable the Board to perform its duties;
- (e) Where proposed transactions, commitments or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;
- (f) Identifying and managing operational and other risks and, where those risks could have a material impact on the Company's business or operations, formulating strategies for managing these risks for consideration by the Board;
- (g) Managing the Company's current financial and other reporting mechanisms to ensure that these mechanisms are functioning effectively to capture all relevant material information on a timely basis;
- (h) Implementing the Company's internal controls, establishing procedures for monitoring these controls and ensuring that such controls and procedures are appropriate and effective;
- (i) Taking all reasonable steps to ensure that the Board is provided with accurate and sufficient information regarding the Company's operations on a timely basis and, in particular, that the Board is made aware of all relevant matters relating to the Company's performance (including future performance, financial conditions, operating results and prospects and potential material risks so that the Board is in an appropriate position to fulfil its corporate governance responsibilities; and

- (j) Implementing all policies, procedures and codes approved by the Board.

### **Company Secretary**

The decision to appoint or remove a Company Secretary is made and approved by the Board.

The Company Secretary is responsible for:

- (a) Advising the Board and its Committees on governance matters and ensuring governance standards are achieved;
- (b) Monitoring that Board and Committee policy and procedures are followed;
- (c) Coordinating timely completion and despatch of Board and Committee papers;
- (d) Ensuring the business at Board and Committee meetings is adequately captured in the minutes; and
- (e) Assisting with the organisation and facilitation of induction and professional development of Directors.

Each Director is able to communicate directly with the Company Secretary and vice versa.

### **Board and Management**

Whilst there is a clear division between the responsibilities of the Board and management, the Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved including:

- (a) approval and monitoring of a strategic plan;
- (b) approval of annual and semi-annual budgets and monitoring actual performance against budget; and
- (c) ensuring procedures are in place to incorporate presentations to each Board meeting by financial, operations, exploration and marketing management.

### **Performance Review**

The Board will arrange an annual performance review of the Board, any Board Committees (if applicable) and individual Directors in accordance with the Company's performance evaluation practices.

The Board will oversee the performance evaluation of the Managing Director on an annual basis in accordance with the Company's performance evaluation practices.

### **Policy Review**

This policy will be reviewed **annually**.