

# Australian Mines Limited ABN 68 073 914 191

## Board Charter

### 1 Purpose

This charter sets out the functions and responsibilities of the Board of Australian Mines Limited (**Company**) within the governance structure of the Company and its subsidiary entities (**Group**).

### 2 Role and Responsibilities of the Board

2.1 The Board is accountable to shareholders for the performance of the Company.

2.2 The Board:

- (1) provides leadership for the Company;
- (2) sets and approves the strategic objectives of the Company and establishes goals to promote the achievement of those strategic objectives and ensures appropriate resources are available to the Company to meet those strategic objectives;
- (3) oversees and monitors management's implementation of the Company's strategic operations and its performance;
- (4) approves and monitors annual budgets and financial plans;
- (5) oversees the integrity of the Company's accounting and corporate reporting systems, including its external audit;
- (6) oversees the Company's processes for making timely and balanced disclosures 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 shares;
- (7) ensures that the Company has in place an appropriate risk management framework and sets the ambit of risk within which the Board expects management to operate, by implementing appropriate reporting controls by management in relation to risk, finance, and operational matters;
- (8) monitors the effectiveness of the Company's governance practices, with the Board retaining the ultimate oversight and decision-making power in respect of any matters delegated to any Board committees;
- (9) ensures the Company complies with its responsibilities under the *Corporations Act 2001* (Cth), the Company's Constitution, the ASX Listing Rules and other relevant laws to ensure the Company remains an ASX listed company and complies with the applicable legal requirements;
- (10) considers the social, ethical and environmental impact of the Company's activities, setting standards and monitoring compliance with the Company's sustainability policies and practices; and
- (11) reports to, and communicates with, shareholders.

### **3 Composition of the Board**

- 3.1 The Company's Constitution provides for a minimum number of 3 directors and maximum number of 10 directors and sets out the manner in which the number of Directors of the Board is determined.
- 3.2 The Board will determine the composition of the Board taking into account Company's size, complexity, geographical locations in which it operates, ownership structure and the skills required, from time to time.
- 3.3 The Board considers that an Independent Director is a director who is free of any interest, position, association or relationship that might influence or be reasonably perceived to influence, in a material respect, their capacity to bring an independent judgement to the issues before the Board and act in the best interests of the Company.
- 3.4 The Board has adopted a materiality threshold relating to a director's current or former association with a supplier, professional adviser or consultant to the Company. From the Company's viewpoint, material is more than 5% of the Company's total consolidated expenses for the relevant financial year. From the director's viewpoint when assessing an association, material is more than 5% of the total revenue of the supplier, adviser or consultant as the case may be.
- 3.5 The Board will:
- (1) endeavour to appoint a majority of non-executive Directors, a majority of whom will ideally be ordinarily resident in Australia; and
  - (2) regularly assess, at least annually, the independence of each Director and include this information in the Company's Annual Report.
- 3.6 If a Director's independent status changes, this will be disclosed and explained in a timely manner.
- 3.7 The Board will review the skills represented by directors on the Board and determine whether the composition and mix of those skills remain appropriate for the Company's strategy.
- 3.8 The Board and directors undergo regular performance reviews at least every three years.

### **4 Allocation of responsibilities**

#### **4.1 Chair**

- (1) The Board will elect the chairperson (**Chair**) in accordance with the Constitution. A deputy chair (**Deputy Chair**) will also be elected if the Chair is not an independent director.
- (2) The Chair will be a person selected based on the person's capability for the role and their achievements and record either as a leader or in a similar previous capacity.
- (3) The roles of the Chair and the Managing Director may not be exercised by the same individual.
- (4) The position of Chair will be reviewed regularly and at least every three year by the Board.

- (5) The Chair is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function, and for the briefing of all the Directors in relation to issues arising at Board meetings.
- (6) The Chair's specific responsibilities are to:
  - (a) lead the Board in its duties to the [Company/Group];
  - (b) chair Board meetings;
  - (c) facilitate effective discussions at Board meetings;
  - (d) be the spokesperson for the Company at the annual general meeting and in the reporting of performance and profit figures;
  - (e) maintain a regular dialogue and mentoring relationship with the Managing Director and other Senior Executives to serve as a primary link between the Board and management and provide continuity with management between Board meetings; and
  - (f) oversee the processes and procedures in place to evaluate the performance of the Board, its committees and individual directors.

#### 4.2 **Managing Director**

- (1) The Managing Director is appointed by the Board.
- (2) The Managing Director is responsible for the ongoing management of the Company in accordance with the strategy, policies and programs approved by the Board from time to time.
- (3) The Managing Director's responsibilities include:
  - (a) the day-to-day running of the Company;
  - (b) developing with the Board, a consensus for the Company's vision, direction and strategic objectives;
  - (c) constructing, with the Company's Senior Executives, programs to implement the vision and strategic objectives within the risk framework determined by the Board;
  - (d) negotiating the terms and conditions of appointment of Senior Executives for Board approval;
  - (e) appointing the Senior Executive team;
  - (f) endorsing the terms and conditions of appointment of all other personnel;
  - (g) providing strong leadership to, and effective management of the Company to:
    - (i) encourage co-operation and teamwork within each of the teams operating in remote geographical locations, and within the Company;
    - (ii) build and maintain the morale of the personnel at a high level; and

- (iii) build and maintain a strong sense of personnel identity with and a sense of allegiance to the Company;
  - (h) ensuring a safe workplace for all personnel;
  - (i) ensuring a culture of compliance generally, specifically concerning social and environmental matters;
  - (j) forming other committees and working parties from time to time to assist in the orderly conduct and operation of the Company;
  - (k) keeping the Board informed, at an appropriate level, of all the Company's activities; and
  - (l) ensuring that all personnel act with the highest degree of ethics and probity.
- (4) The Board formally delegates the power to the Managing Director to authorise all expenditures as approved in the budget, subject to:
- (a) all Managing Director remuneration, outside of normal monthly remuneration, which must be authorised by the Remuneration Committee;
  - (b) all business-related expenses paid to the Managing Director which must be authorised or ratified by the Remuneration Committee; and
  - (c) the appointment of individuals to specific Senior Executive roles, however, provided that the terms and conditions under which appointed individuals report to the Managing Director must be approved by the Remuneration Committee.

#### 4.3 **Company Secretary**

- (1) The Company Secretary reports directly to the Board through the Chair and all Directors will have access to the Company Secretary.
- (2) The Company Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board. The Company Secretary holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively.
- (3) The specific tasks of the Company Secretary include:
  - (a) overseeing the Company's compliance program and ensuring all Company legislative obligations are met;
  - (b) coordinating all Board business including meetings, agendas, board papers and minutes, and monitoring the completion of actions arising from Board meetings in a timely manner;
  - (c) meeting statutory reporting requirements in accordance with relevant legislation; and
  - (d) any other services the Managing Director or Chair may reasonably require from time to time.

## **5 Committees**

- 5.1 The Board has the authority to establish committees to assist the Board, and delegate powers and functions to the committees, with the Board retaining the ultimate oversight and decision-making power in respect of the delegated matters. Each Board committee is to document a charter, approved by the Board, setting out its responsibilities.
- 5.2 The Board has established 2 standing committees:
- (1) Remuneration Committee; and
  - (2) Audit and Risk Committee.

## **6 Meetings**

The Board has established procedures for conducting Board meetings and meetings of the various Board Committees.

## **7 Induction and continuing education**

- 7.1 The Board must implement an appropriate induction and education process for new Board appointees and Senior Executives.
- 7.2 The Board must ensure that Director education occurs regularly and that the Directors are given the opportunity to undertake professional development education to adequately discharge their duties to the Company.

## **8 Independent professional advice**

To facilitate independent decision-making, each Director has the right to seek independent professional advice at the Company's expense. Prior approval from the Chair is required, which may not be unreasonably withheld.

## **9 Availability**

The Company will make this Board Charter publicly available on its website in a clearly marked corporate governance section.

## **10 Review of Charters and Policies**

- 10.1 Board and Committee Charters and policies will be reviewed at least annually. The Company reserves the right, at its absolute discretion, to change any Board and Committee Charters and policies from time to time as it considers necessary.
- 10.2 Any changes to the Board and Committee Charters and policies will be communicated via the Company's website.

**Adopted by the Board on 25 July 2018**