



BOARD CHARTER

Role of the Board and Management

The Board of the Company (**Board**) has the ultimate responsibility to its shareholders for the strategy and performance of the Company in general. The Board is dedicated to fulfilling these duties in a lawful and professional manner, and with the utmost integrity and objectivity. As such, the Board actively pursues best practice governance processes.

Good governance policies and processes are critical for ensuring that the Company is governed in the best interests of the Company as a whole. With this point in mind, the Board has decided to articulate and formalise the corporate governance framework within which the Company operates.

The Board represents shareholders' interests in continuing a successful business, which seeks to optimise medium to long-term financial gains for shareholders. By focusing on long-term gains for shareholders, the Board believes that this will ultimately result in the interests of all stakeholders being appropriately addressed when making business decisions.

The Board is responsible for ensuring that the Group is managed in such a way to best achieve this desired result. Given the current size and operations of the business, the Board currently undertakes an active, not passive, role.

The Board is responsible for evaluating and setting the strategic directions for the Group, establishing goals for management and monitoring the achievement of these goals. The Managing Director is responsible to the Board for the day-to-day management of the Group.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- (a) providing leadership to the Company by:
 - (i) guiding the development of an appropriate culture and values for the Company through the establishment and review of Codes of Conduct, rules and procedures to enforce ethical behaviour and provide guidance on appropriate work methods; and
 - (ii) always acting in a manner consistent with the Company's culture and Code of Conduct;
- (b) overseeing the development and implementation of an appropriate strategy by:
 - (i) working with the Senior Management team to ensure that an appropriate strategic direction and array of goals are in place;
 - (ii) regularly reviewing and amending or updating the Company's strategic direction and goals;
 - (iii) ensuring that an appropriate set of internal controls are implemented and reviewed regularly;



- (iv) when required, overseeing planning activities including the development and approval of strategic plans, annual plans; annual corporate budgets and long-term budgets including operating budgets, capital expenditure budgets and cash flow budgets;
 - (v) reviewing the progress and performance of the Company in meeting these plans and corporate objectives, including reporting the outcome of such reviews on at least an annual basis;
- (c) overseeing the control and accountability systems that ensure the Company is progressing towards the goals set by the Board and in line with the Company's purpose, the agreed corporate strategy, legislative requirements and community expectations;
- (d) ensuring corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy, encouraging effective participation at general meetings and, through the Chair, being the key interface between the Company and its shareholders;
- (e) ensuring robust and effective risk management, compliance and control systems (including legal compliance) are in place and operating effectively;
- (f) appointing, and where necessary removing and/or replacing, the Chair;
- (g) being responsible for the Company's senior management and personnel including:
- (i) directly managing the performance of the Chief Executive Officer (**CEO**), and/or Managing Director (**MD**) as the case maybe, including:
 - (A) appointing and remunerating the CEO and/or MD;
 - (B) providing advice and counsel to the CEO and/or MD including formal reviews and feedback on his or her performance; and
 - (C) overseeing the development or removal of the CEO and/or MD, where necessary;
 - (ii) ratifying the appointment, the terms and conditions of the appointment and, where appropriate, removal of the Chief Financial Officer (**CFO**) and/or Company Secretary and other senior executives;
 - (iii) ensuring that an appropriate succession plan for the CEO/MD, CFO and Company Secretary is in place; and
 - (iv) when required, ensuring appropriate human resource systems (including OH&S systems) are in place to ensure the well-being and effective contribution of all employees;
- (h) delegating appropriate powers to the CEO/MD, management and committees to ensure the effective day-to-day management of the business and monitoring the exercise of these powers; and



- (i) making all decisions outside the scope of these delegated powers.

The detail of some Board functions will be handled through Board Committees as and when the size and scale of operations requires such committees. However, the Board as a whole is responsible for determining the extent of powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.

The Board's role and the Group's corporate governance practices are being continually reviewed and improved as required.

This Policy was updated by Hexagon Resources Limited on 03 August 2018.