

# AIC RESOURCES LIMITED

ACN 619 035 737

## BOARD CHARTER

### Role of the Board

The Board guides and monitors the business and management of the Company on behalf of shareholders by whom the Board members are elected and to whom they are accountable.

In order to fulfil this role, the Board is responsible for the overall corporate governance of the Company including formulating its strategic direction, setting remuneration and monitoring the performance of Directors and executives. The Board relies on senior executives to assist it in approving and monitoring expenditure, ensuring the integrity of internal controls and management information systems and monitoring financial and other reporting.

### Responsibility of the Board

The Board is collectively responsible for the success of the Company and its responsibility includes (but is not limited to) the following:

- supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed;
- ensuring the Company is properly managed by:
  - (i) appointing and, where appropriate, removing Executive Directors;
  - (ii) appointing and, where appropriate, removing key executives, including the Chief Financial Officer and Company Secretary;
  - (iii) providing input on and giving final approval of the corporate strategy and performance objectives developed by management;
  - (iv) reviewing and ratifying systems of risk management, internal compliance and controls, codes of conduct and legal compliance;
  - (v) monitoring the performance of senior executives and their implementation of strategy; and
  - (vi) ensuring appropriate resources are available for management;
- approving and monitoring the progress of major expenditure programmes, capital management, and acquisitions and divestitures;
- approving of the annual budget;
- monitoring the financial performance of the Company;
- approving and monitoring statutory reporting, including the annual and half-year financial reports;
- reviewing policies and procedures employed in relation to health, safety and the environment and assessing their adequacy;
- monitoring continuous disclosure policy and procedures;
- approving any market release (to the extent practicable in the circumstances) and any public statement or release which contains or relates to financial or forecast information, or which is significant as regards the Company's policies or strategy;
- convening and attending general meetings of the Company's shareholders;

- assessing and approving the Company's response to proposed transactions which would affect shareholders' positions and rights as shareholders, and where relevant to make recommendations thereon to shareholders;
- Controlling the overall corporate governance of the Company, including:
  - (i) developing and implementing appropriate policies and procedures;
  - (ii) conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company; and
- liaising with the Company's auditors.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities.

At the discretion of the Chair, having regard to the nature of the agenda, relevant members of management may be invited to attend meetings or parts of meetings.

The Board may, from time to time, delegate certain of the responsibilities listed above to its senior executive team.

### **Composition of the Board and Board Skills Matrix**

The Board of Directors is comprised of at least three Directors.

Skills sets represented at Board level typically include managerial, technical, financial, corporate and commercial. The Board should comprise members that have a broad range of qualifications, experience and expertise in the exploration and mining, or compatible, industry.

#### *Skills Matrix – Board and Senior Management*

The Company's Board periodically reviews the composition of the Board and the management team to satisfy itself that the pool of skills provided by its current composition is appropriate.

With the Company's activities currently in the form of mineral exploration and feasibility studies, the Board considers that the key desired skillsets are geological and scientific technical expertise and sound corporate management.

The Board is of the opinion that the current skills, qualifications and experience of its members and of its senior management team members, are appropriate and sufficient for those individuals to discharge their responsibilities.

### **Pre-Appointment Procedures**

Prior to the appointment of a new member to the Board (or senior executive), the Company will undertake appropriate checks, which may include, but not be limited to:

- Character;
- Experience;
- Education;
- Criminal record; and
- Bankruptcy history.

Meeting documentation, for meetings at which Shareholder approval of the initial appointment or re-election of a director is to be sought, will contain sufficient information as to the above factors, to enable Shareholders to make an informed decision as to the suitability of the candidate.

### **Director Appointment – Written Agreements**

All appointments to the Board or to a senior executive position are subject to written agreements setting out the terms of the respective appointment.

Executive Directors are appointed pursuant to formal executive services agreements which contain the information recommended as per the 3<sup>rd</sup> Edition of the *Corporate Governance Council Principles and Recommendations*. A summary of the material terms of executive service agreements are disclosed in the Company's annual Remuneration Report.

Non-executive Directors are appointed pursuant to letter agreements which contain the information recommended as per the 3<sup>rd</sup> Edition of the *Corporate Governance Council Principles and Recommendations*.

### **Director Appointment – Induction Procedures and Professional Development**

Upon appointment to the Board new directors will be subject to relevant induction procedures to provide the incoming individual with sufficient knowledge of the entity and its operating environment to enable them to fulfil their role effectively.

Skill gaps identified in new, or existing, director's knowledge bases are addressed by implementing appropriate training and development procedures.

### **Director Independence**

Directors are expected to bring independent view and judgement to the Board's deliberations. The Board considers the criteria set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations when assessing the independence of Directors.

The Board assesses the independence of new Directors prior to appointment and reviews the independence of all Directors as appropriate.

### **Chairman**

The Chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for briefing of all Directors in relation to issues arising at Board meetings.

The Chairman is also responsible for shareholder communication, for formulating a strategy for effective investor communication together with the Chief Executive Officer and for arranging an evaluation of the performance of the Board on an annual basis.

### **Non-Executive Directors**

The Non-Executive Directors (independent or not) are responsible for the reviewing and challenging of Executive performance. They are also required to contribute to the development of the Company's strategy. In addition, from time to time, the Chairman may ask a particular Non-Executive Director to provide expert assistance to the Company or to the Board.

### **Executive Directors**

The Executive Directors and Chief Executive Officer are responsible for managing the affairs of the Company under delegated authority from the Board and to implement the policies and strategy agreed and set by the Board. In carrying out their responsibilities the Executive Directors and Chief Executive Officer must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and results of operations.

### **Company Secretary**

The Company Secretary is directly accountable to the Board on all matters to do with the proper functioning of the Board, including:

- Advising on governance matters;
- Monitoring that policies and procedures are followed; Co-ordinating the despatch of board and committee papers and ensuring that meeting business is accurately documented; and
- Assisting in the induction and professional development of directors.

### **Chief Executive Officer and Chief Financial Officer Declarations**

Before the Board approves the Company's financial statements for a reporting period (including annual financial statements, interim half-yearly statements and quarterly cash flow reports), the CEO and CFO are required to provide a declaration that, in their opinion:

- That the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company; and
- That the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

### **Role and Responsibility of Management**

The role of management is to support the Executive Directors and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.