

**MINREX RESOURCES LIMITED**  
**ACN 151 185 867**  
**(COMPANY)**

**BOARD CHARTER**

## **1. Purpose**

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This Board Charter sets out the roles and responsibilities of the Board within the framework of the prevailing ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**), laws, regulations and the Constitution of the Company.

## **2. Role of the Board**

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The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from the Company's Constitution.

## **3. The Board's relationship with management**

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- 3.1 The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer (**CEO**)/Managing Director (**MD**) (or, in the absence of a CEO/MD, an executive Director).
- 3.2 Specific limits on the authority delegated to the CEO/MD and the executive team must be set out in the Delegated Authorities approved by the Board.
- 3.3 The role of management is to support the CEO/MD and implement the running of the general operations and financial business of the Company, including instilling and reinforcing the Company's values, in accordance with the delegated authority of the Board.
- 3.4 In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Company group to facilitate the carrying out of their duties as Directors.

## **4. Role of the CEO/MD**

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The CEO/MD is responsible for:

- (a) the executive management of the Company's operations;
- (b) the policy direction of the operations of the Company;
- (c) the efficient and effective operation of the Company; and
- (d) ensuring all material matters affecting the Company are brought to the Board's attention, such that the Board is fully informed to discharge its responsibilities effectively.

## **5. Specific responsibilities of the Board**

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In addition to matters it is expressly required by law to approve, the Board has reserved the following matters to itself:

- (a) driving the strategic direction of the Company, ensuring appropriate resources (financial and human) are available to meet objectives and monitoring management's performance (including the progress and development of the Company's strategic plan);
- (b) appointment, and where necessary, the replacement, of the CEO/MD and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (c) approving the Company's remuneration framework;
- (d) determining the size, composition and structure of the Board, and the process for evaluating its performance;
- (e) ensuring an adequate system is in place for the proper delegation of duties for the effective operation of the day-to-day running of the Company without the Board losing sight of the direction that the Company is taking;
- (f) monitoring the timeliness and effectiveness of reporting to shareholders, and ensuring that the Company's obligations to shareholders are understood and met;
- (g) reviewing and ratifying systems of audit, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters;
- (h) approving and monitoring the progress of major capital expenditure, capital management, significant acquisitions and divestitures and material contracts;
- (i) approving and monitoring the budget and the adequacy and integrity of financial and other reporting such that the financial performance of the Company has sufficient clarity to be actively monitored;
- (j) approving the annual, half-yearly and quarterly accounts;
- (k) setting the Company's values and standards, and instilling a culture of acting lawfully, ethically and responsibly;
- (l) approving significant changes to the organisational structure;
- (m) approving decisions affecting the Company's capital, including determining the Company's dividend policy and declaring dividends;
- (n) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them;
- (o) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;

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- (p) procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively;
- (q) ensuring the health, safety and well-being of employees in conjunction with the senior management team, including developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to assure the well-being of all employees; and
- (r) any other matter considered desirable and in the interests of the Company.

## 6. Composition of the Board

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- 6.1 The Board should comprise Directors with a mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.
- 6.2 The number of Directors on the Board shall be determined in accordance with the Company's Constitution and the requirements of the Corporations Act 2001 (Cth) (**Corporations Act**).
- 6.3 In appointing new members to the Board, consideration must be given to the demonstrated ability and also future potential of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.
- 6.4 The composition of the Board is to be reviewed regularly against the Company's Board skills matrix prepared and maintained by the Remuneration and Nomination Committee to ensure the appropriate mix of skills, diversity and expertise is present to facilitate successful strategic direction.
- 6.5 Where practical, the majority of the Board should be comprised of non-executive Directors. Where practical, at least 50% of the Board should be independent.
  - (a) An independent Director is a director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.
  - (b) In considering whether a Director is independent, the Board should consider the definition of what constitutes independence as detailed in Box 2.3 of the ASX Recommendations as set out in Annexure A (**Independence Tests**).
- 6.6 Prior to the Board proposing the re-election of non-executive Directors, their performance will be evaluated by the Remuneration and Nomination Committee to ensure that they continue to contribute effectively to the Board.
- 6.7 The Company must disclose the length of service of each Director in, or in conjunction with, its Annual Report.
- 6.8 The Company must disclose the relevant qualifications and experience of each Board member in, or in conjunction with, its Annual Report.

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### **7. Director responsibilities**

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- 7.1 Where a Director has an interest, position, association or relationship of the type described in the Independence Tests, but the Board is of the opinion that it does not compromise the independence of the Director, the Company must disclose the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion.
- 7.2 Directors must disclose their interests, positions, associations or relationships. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.
- 7.3 Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential, active or perceived conflicts of interest.
- 7.4 Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- 7.5 No member of the Board (other than a MD) may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.

### **8. The role of the Chair**

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- 8.1 The Chair is responsible for the leadership of the Board, providing the necessary direction to ensure the Board is effective, setting the agenda of the Board, conducting the Board meetings, ensuring then approving that an accurate record of the minutes of Board meetings is held by the Company and conducting the shareholder meetings.
- 8.2 Where practical, the Chair should be a non-executive Director. If a Chair ceases to be an independent Director then the Board will consider appointing a lead independent Director.
- 8.3 Where practical, the CEO/MD should not be the Chair of the Company during his term as CEO/MD or in the future.
- 8.4 The Chair must be able to commit the time to discharge the role effectively.
- 8.5 The Chair is responsible for ensuring that all the Directors receive timely and accurate information so that they can make informed decisions on matters of the Company.
- 8.6 The Chair should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.
- 8.7 In the event that the Chair is absent from a meeting of the Board, then the Board shall appoint a Chair for that meeting in an acting capacity

### **9. Board Committees**

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- 9.1 Once the Board is of a sufficient size and structure, reflecting that the Company's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties the Board must establish the following committees, each with written charters:

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- (a) Audit and Risk Management Committee; and
  - (b) Remuneration and Nomination Committee.
- 9.2 The charter of each Committee must be approved by the Board and reviewed following any applicable regulatory changes.
- 9.3 The Board will ensure that the Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.
- 9.4 Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.
- 9.5 The Company must disclose the members and Chair of each Committee in, or in conjunction with, its Annual Report.
- 9.6 The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.
- 9.7 The Company must disclose in, or in conjunction with, its Annual Report, in relation to each reporting period relevant to a Committee, the number of times each Committee met throughout the period and the individual attendances of the members at those Committee meetings.
- 9.8 Where the Board does not consider that the Company will benefit from a particular separate committee:
- (a) the Board must carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee; and
  - (b) the Company must disclose in, or in conjunction with, its Annual Report:
    - (i) the fact a Committee has not been established;
    - (ii) if a Remuneration Committee has not been established, the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive;
    - (iii) if a Nomination Committee has not been established, the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively; and
    - (iv) if an Audit and Risk Management Committee has not been established, the processes the Board employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner, and the process it employs for overseeing the Company's risk management framework.

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### **10. Board meetings**

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- 10.1 The Directors may determine the quorum necessary for the transaction of business at a meeting, however, until otherwise determined, there must be two Directors present at a meeting to constitute a quorum.
- 10.2 The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required to fulfil its responsibilities.
- 10.3 Non-executive Directors may confer at scheduled times without management being present.
- 10.4 Draft minutes of each Board meeting shall be prepared by the Company Secretary and sent to the Chair and other Directors within 14 days after the meeting.
- 10.5 The Company Secretary shall ensure that the business at Board and Committee meetings is accurately captured in the minutes.
- 10.6 The Company Secretary shall co-ordinate the timely completion and distribution of Board and Committee papers for each meeting of the Board and any Committee.
- 10.7 Minutes of meetings must be approved at the next Board meeting.
- 10.8 Further details regarding Board meetings are set out in the Company's Constitution.

### **11. The Company Secretary**

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- 11.1 When requested by the Board, the Company Secretary will facilitate the flow of information of the Board between the Board and its Committees and between senior executives and non-executive Directors.
- 11.2 The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- 11.3 The Company Secretary is to facilitate the induction and professional development of Directors.
- 11.4 The Company Secretary is to facilitate and monitor the implementation of Board policies and procedures.
- 11.5 The Company Secretary is to provide advice to the Board on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and applicable other laws.
- 11.6 All Directors have access to the advice and services provided by the Company Secretary.
- 11.7 The Company Secretary is to conduct and report matters of the Board, including the despatch of Board agendas, Board papers and minutes.
- 11.8 The Company Secretary is to ensure that compliance systems relating to the ASX Listing Rules and the Corporations Act are maintained and that the Company and Board adhere to such compliance systems.

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11.9 The Company Secretary is to lodge regulatory announcements with the ASX.

11.10 The Board has the responsibility for the appointment and removal, by resolution, of the Company Secretary.

## **12. Appointing directors**

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12.1 It is the policy of the Company, that when considering the appointment of new Directors, the Company should:

- (a) undertake appropriate checks before appointing a person put forward to shareholders as a candidate for election; and
- (b) provide shareholders with all material information in its possession relevant to the decision on whether or not to elect or re-elect a Director.

12.2 Appropriate checks would usually include checks as to the person's character, experience, education, criminal record and bankruptcy history.

12.3 The following information about a candidate standing for election or re-election as a director should be provided to security holders to enable them to make an informed decision on whether or not to elect or re-elect the candidate:

- (a) biographical details, including their relevant qualifications and experience and the skills they bring to the Board;
- (b) details of any other material directorships currently held by the candidate;
- (c) in the case of a candidate standing for election as a director for the first time:
  - (i) confirmation that the Company has conducted appropriate checks into the candidate's background and experience;
  - (ii) if those checks have revealed any information of concern, that information;
  - (iii) details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party; and
  - (iv) if the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect;
- (d) in the case of a candidate standing for re-election as a director:
  - (i) the term of office currently served by the director; and
  - (ii) if the Board considers the director to be an independent director, a statement to that effect; and
- (e) a statement by the Board as to whether it supports the election or re-election of the candidate and a summary of the reasons why.



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- 12.4 A candidate for appointment or election as a non-executive director should provide the Board or nomination committee (if applicable) with the information above and a consent for the Company to conduct any background or other checks the Company would ordinarily conduct.
- 12.5 Candidates for appointment, election or re-election as a director should also provide details of their other commitments and an indication of time involved, and should specifically acknowledge to the Company that they will have sufficient time to fulfil their responsibilities as a director.
- 12.6 If the Company makes a provisional appointment of a director or senior executive, or puts a resolution to members electing a director, subject to receipt of satisfactory outstanding checks, then it will require the director or senior executive to give an unequivocal undertaking to resign should the Company receive an outstanding check that it considers is not satisfactory (this is particularly so for a director, since once they are appointed or elected, they can generally only be removed from office against their will by a resolution of security holders).

### **13. Access to advice**

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- 13.1 All Directors have unrestricted access to Company records and information except where the Board determines that such access would be adverse to the Company's interests.
- 13.2 All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
- 13.3 The Board, Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chair and is reasonably entitled to rely on such advice. A copy of any such advice received is to be made available to all members of the Board.

### **14. Foreign Directors**

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- 14.1 In the event that a Director does not speak the language in which key corporate documents are written or Board or shareholder meetings are held, the Company will ensure that:
- (a) such documents are translated into the Director's native language; and
  - (b) a translator is present at all Board and shareholder meetings.
- 14.2 In this case, "key corporate documents" includes the Company's Constitution, prospectuses, product disclosure statements, corporate reports and continuous disclosure announcements.

### **15. Performance review**

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The Remuneration and Nomination Committee shall conduct an annual performance review of the Board that:

- (a) compares the performance of the Board with the requirements of its Charter;
- (b) critically reviews the mix of the Board; and





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- (c) suggests any amendments to this Board Charter as are deemed necessary or appropriate.

## **ANNEXURE A – Factors Relevant to Independence of Director**

Examples of interests, positions and relationships that might raise issues about the independence of a director of the Company include if the director:

- (a) is, or has been, employed in an executive capacity by the Company or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- (b) receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Company;
- (c) is, or has been within the last three years, in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with the Company or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
- (d) is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- (e) has close personal ties with any person who falls within any of the categories described above (these ties may be based on family, friendship or other social or business connections);  
or
- (f) has been a director of the Company for such a period that their independence from management and substantial holders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the Board to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.