

## **BOARD CHARTER**

## JINDALEE RESOURCES LIMITED

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) nomination and appointment of directors, assessment of board performance, executive and director succession planning and director remuneration;
- (b) appointment, evaluation, rewarding and if necessary the removal of the Managing Director, and Chief Financial Officer (or equivalent) and the Company Secretary;
- (c) corporate governance matters including establishing the frequency and agendas of board meetings;
- (d) in conjunction with management, development of corporate objectives, strategy and operations plans and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, capital management, acquisitions, divestitures and major funding activities;
- (e) management of capital, including share issues and declaration of dividends;
- (f) establishing appropriate levels of delegation to the Managing Director to allow him/her to manage the business efficiently;
- (g) 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;
- (h) monitoring the performance of senior management including the implementation of strategy, and ensuring appropriate resources are available;
- (i) via management, an appreciation of areas of significant business risk and ensuring that the Company is appropriately positioned to manage those risks;
- (j) overseeing the management of safety, occupational health and environmental matters;

- (k) 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;
- (l) 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;
- (m) to ensure that appropriate internal and external audit arrangements are in place and operating effectively;
- (n) having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct and company policy; and
- (o) reporting to shareholders.

***Materiality Threshold***

The Board has agreed on the following guidelines for assessing the materiality of matters:

(a) Materiality – Quantitative

*Balance sheet items*

Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.

*Profit and loss items*

Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.

(b) Materiality – Qualitative

Items are also material if:

- (i) they impact on the reputation of the Company;
- (ii) they involve a breach of legislation or may potentially breach legislation;
- (iii) they are outside the ordinary course of business;
- (iv) they could affect the Company's rights to its assets;
- (v) if accumulated they would trigger the quantitative tests;
- (vi) they involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items; or
- (vii) they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

(c) Material Contracts

Contracts will be considered material if:

- (i) they are outside the ordinary course of business;
- (ii) they contain exceptionally onerous provisions in the opinion of the Board;
- (iii) they impact on income or distribution in excess of the quantitative tests;
- (iv) any default, should it occur may trigger any of the quantitative or qualitative tests;
- (v) they are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests;
- (vi) they contain or trigger change of control provisions;
- (vii) they are between or for the benefit of related parties; or
- (viii) they otherwise trigger the quantitative tests.

Any matter which falls within the above guidelines is a matter which triggers the materiality threshold (“Materiality Threshold”)

***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 committee’s at this time. Until such time as the Board determines that

it is appropriate to establish such committee's 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 their interests. 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***

It is recommended the roles of Chairman and Managing Director not be combined and where practical the position of Chairman should be held by an independent Non-executive Director.

The Chairman is responsible for leadership of the Board, ensuring its effective operation including the facilitation of effective contribution of all Directors, setting the agenda and conducting the Board and Shareholder meetings.

#### ***Managing Director***

The responsibility for the day-to-day operation and administration of the Company is delegated by the Board to the Managing Director. The Board ensures that the Managing Director and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and executive directors.

The Managing Director is accountable to the Board for all authority delegated to the position.

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

This policy is reviewed **annually**.