



## Board Charter

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## **1.0 Composition of the Board**

- 1.1 The minimum number of directors is set out section 201A(2) of the *Corporations Act (Commonwealth) 2001* (which the Constitution of AKORA Resources Limited (hereafter referred to as “the Company”) incorporates under Rule 6.1(a). The objective of the Board is to maintain a Board of no less than four directors and no more than six directors.
- 1.2 With the Chairman having a casting vote under the Constitution 6.12(c), the Board is controlled by a majority of non-executive directors as opposed to executive directors and therefore, the Board is independent in the manner described in this Charter.

## **2.0 Functions and responsibilities of the Board**

- 2.1 The Board is responsible for setting the strategic goals, the oversight of the management of and direction of the business strategy of the Company with the ultimate aim being an increase in shareholder value.
- 2.2 In carrying out its principal function, the specific responsibilities of the Board include:
  - (a) providing strategic direction for, and approving, business strategies and objectives of the Company;
  - (b) monitoring the operational and financial position and performance of the Company;
  - (c) identifying the principal risks faced by the Company and taking reasonable steps designed to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent possible, reduce the impact of these risks;
  - (d) requiring that financial and other reporting mechanisms are put in place by the Managing Director which result in adequate, accurate and timely information being provided to the Board and shareholders of the Company and the financial markets as a whole being fully informed of all material developments relating to the Company;
  - (e) appointing and, where appropriate, removing the Managing Director, approving other key senior executive appointments and planning for senior executive succession;
  - (f) overseeing and evaluating the performance of the Managing Director and other senior executives, having regard to the business strategies and objectives of the Company;
  - (g) reviewing and approving remuneration for the Managing Directors and all other executive officers of the Company;

- (h) approving action plans and budgets of the Company, monitoring the management of capital expenditure and acquisitions or divestments of exploration properties;
- (i) establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements;
- (j) adopting appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards;
- (k) approving, and reviewing from time to time, the internal compliance procedures of the Company, including any codes of conduct and taking all reasonable steps to ensure that the business of the Company is conducted in an open and ethical manner; and
- (l) reviewing and, to the extent necessary, amending the Board and any Committee charters every three years.

### **3.0 Authority delegated to senior management**

The Board may delegate specific authority over the day to day management of company and its operations. This delegation of authority includes responsibilities for:

- (a) developing business plans, budgets and company strategies for the consideration of the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- (b) operating the business activities of the Company within the parameters set by the Board from time to time and keeping the Board informed of all material developments relating to the business;
- (c) where any proposed transactions exceed parameters set by the Board, referring the transaction to the Board for its consideration and approval;
- (d) identifying and managing business risks, and if those risks could materially affect the business activities of the Company, formulating, and having approved by the Board, strategies to manage those risks;
- (e) managing the current financial and other reporting mechanisms of the Company to ensure that these mechanisms are functioning effectively to capture all relevant material information on a timely basis;
- (f) implementing the internal controls and procedures for monitoring the internal controls of the Company and ensuring that these controls and procedures are appropriate and effective;

- (g) taking all reasonable steps to ensure that the Board is provided with accurate and sufficient information regarding the operations of the Company on a timely basis and that the Board is made aware of all relevant matters relating to the performance, financial condition, operating results and prospects and potential risks of the Company so that the Board is in an appropriate position to fulfill its corporate governance responsibilities; and
- (h) implementing all policies, procedures and codes of conduct approved by the Board.

#### **4.0 The role of Chairman**

- 4.1 The Chairman of the Board should be an independent director and should not be the Managing Director of the Company simultaneously in accordance with ASX Corporate Governance Recommendations 2.2 and 2.3, respectively.
- 4.2 The Board of the day appoints the Chairman on the basis of the principle the “most appropriate person” gets the job.
- 4.3 The Board of the day similarly decides whether or not there will be a Deputy Chairman. In the absence of a Deputy Chairman, the Board will nominate a non-executive director (who is independent) to act in the absence of the Chairman.
- 4.4 The Chairman is responsible for the leadership of the Board, including taking all reasonable steps to ensure that the Board functions effectively, and for communicating the views of the Board to the public.

Specifically, the Chairman is required to:

- (a) set the agenda for the matters to be considered at meetings of the Board;
- (b) manage the conduct at, and the frequency and length of, Board meetings so as to provide the Board with the opportunity to have a detailed understanding of issues affecting the business activities of the Company, the current financial position and performance of the Company and any opportunities or challenges facing the Company; and
- (c) facilitate open and constructive communications between members of the Board and encourage their contribution to Board deliberations.

#### **5.0 Membership and attendance**

- 5.1 Any person invited to join the Board should be chosen having regard primarily to that person’s personal attributes and the skill set they would bring to the Board.
- 5.2 In deciding upon persons who should be invited to join the Board, consideration should be given to the ages of invitees to avoid, where possible, a number of directors reaching their retirement dates at or around the same time.

- 5.3 It is the policy of the Board to enable executive officers or consultants to attend Board meetings to provide specific input to deliberations of the Board in their field of expertise and the Managing Director has informed the Chairman that he requests the attendance of an executive officer or a consultant.

## **6.0 Board independence**

- 6.1 The Board considers a director to be independent if the director is a non-executive director and:
- (a) is not a substantial shareholder of the Company or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
  - (b) has not been employed in an senior executive capacity by the Company or one of its controlled entities with the last three years, and did not become a director within the three years of being so employed;
  - (c) within the last three years, has not been a professional advisor to the Company or any entity controlled by the Company either as:
    - (i) a principal; or
    - (ii) a material consultant.
  - (d) is not a partner in or controlling shareholder, or senior executive officer, of a material supplier or customer of the Company or an entity controlled by the Company (being a supplier or customer that receives greater than \$150,000 from the Company for the purchase of goods and services) and is not otherwise associated, directly or indirectly, with such a supplier or customer;
  - (e) has no material contractual relationship with the Company or any entity controlled by the Company other than as a director of the Company;
  - (f) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the ability of the director to act in the best interests of the Company;
  - (g) is free from any interest and any business or other relationship which, could, or could reasonably be perceived to, materially interfere with the ability of the director to act in the best interests of the Company; and
  - (h) neither the director nor any family member of the director has received compensation in excess of \$50,000 from the the Company Group during the past year other than in direct connection with:
    - (i) the director fulfilling his role as a director;
    - (ii) previous employment with the Company or one of its controlled entities; or

(iii) owning or disposing of securities in the Company.

- 6.2 The Board will undertake an annual review of the extent to which each non-executive director is independent, having regard to the criteria set out in Cl 6. and any other relevant relationship that the non-executive director may have.
- 6.3 Whether the Board considers a non-executive director to be independent or not, and the reasons why the Board has concluded that a non-executive director is independent or not will be described in the corporate governance statement set out in the annual report of the Company.

## **7.0 Committees**

- 7.1 The Board may, from time to time, delegate some of its powers and functions to committees.
- 7.2 Any committee established by the Board will be governed by a Charter setting out the powers and responsibilities of the committee and which has been approved by the Board. The Board is responsible for the exercise of the powers it has delegated to any committee.
- 7.3 Any committee established by the Board must exercise its power in accordance with the duties imposed by the Board.

## **8.0 Sale and purchase of the Company securities**

- 8.1 Securities Dealing Policy sets out the Policy for the sale and purchase of the Company's Securities by directors and senior executives.
- 8.2 All directors and senior executives must comply with the terms of this policy.

## **9.0 Review**

- 9.1 No changes to this Charter will be made without the approval of a majority of the Board.
- 9.2 If changes to this Charter are duly approved then, if appropriate, a transition period should be agreed covering the position of the current Board members.
- 9.3 The Charter and the Charter of each Committee established by the Board is to be reviewed by the Board at three-year intervals.