

# **CARAWINE RESOURCES LIMITED**

## **BOARD CHARTER**

## **PURPOSE OF THE CHARTER**

This charter sets out the role, composition and responsibilities of the board of directors ("Board") of Carawine Resources Limited ("Carawine" or "the Company") within the governance structure of Carawine and its wholly owned subsidiaries.

The Board guides and monitors the business and affairs of Carawine on behalf of the shareholders by whom they are elected and to whom they are accountable. In carrying out the responsibilities and powers set out in this Charter, the Board:

- (a) recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
- (b) recognises its duties and responsibilities to its employees, customers and the community.

The conduct of the Board is also governed by the constitution of the Company ("Constitution").

## **MATTERS RESERVED FOR OF THE BOARD**

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

- (a) appointment of the Managing Director/Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (b) approving the Company's statement of values to ensure the desired culture within the Company is maintained and monitoring the implementation of such values and culture at all times;
- (c) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (d) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (e) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (f) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (g) approving the annual, half yearly and quarterly accounts;
- (h) approving significant changes to the organisational structure;
- (i) approving the issue of any shares, options, equity instruments or other securities in the Company;
- (j) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (k) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them.

- (l) meeting with the external auditor, at their request, without management being present.
- (m) procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively;
- (n) Ensuring the Company enters into a written agreement setting out the appointment terms with the individual personally (except where a bona fide professional services firm is being engaged on an outsourced basis, in which case, the agreement may be with that entity);
- (o) Undertaking appropriate checks (including as to a person's character, experience, education, criminal record and bankruptcy history) before appointing a director or senior executive.

### **BOARD COMPOSITION**

- (a) The Constitution provides for a minimum of three Directors and a maximum of nine Directors.
- (b) The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.
- (c) In appointing new members to the Board, consideration is given to the ability 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.
- (d) Where practical, the majority of the Board is to be comprised of non-executive Directors and at least 50% of the Board will be independent. An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere with, the exercise of independent judgement. Independent Directors should meet the definition of what constitutes independence as set out in the *ASX Corporate Governance Council Principles and Recommendations 4<sup>th</sup> Edition* and the Directors Test of Independence Policy.
- (e) 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.
- (f) Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.
- (g) Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- (h) No member of the Board 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.
- (i) Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Nomination Committee to ensure that they continue to contribute effectively to the Board.

- (j) 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.

### **FOREIGN DIRECTORS**

If a Director does not speak the language in which corporate documents are written or where Board or Shareholder meetings are held, the Company will ensure that:

- (a) such documents are provided to a translator nominated by the Director to be translated into the Director's native language; and
- (b) the Director may nominate a translator to be present at all Board and Shareholder meetings attended by the Director.

### **THE ROLE OF THE CHAIRPERSON**

- (a) The Chairperson should be a non-executive Director. If a Chairperson ceases to be an independent Director then the Board will consider appointing a lead independent Director.
- (b) The Managing Director/Chief Executive Officer should not be the Chairperson of the Company during his term as Managing Director/Chief Executive Officer or in the future.
- (c) The balance of responsibilities between the Chairperson and the Chief Executive Officer will be regularly reviewed to ensure the division of functions remains appropriate to the needs of the Company.
- (d) The Chairperson must be able to commit the time to discharge the role effectively.
- (e) The Chairperson is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings.
- (f) The Chairperson should ensure that directors receive accurate, timely and clear information in a form and of a quality appropriate to enable it to discharge their duties. All directors are entitled to request additional information where they consider such information necessary to make informed decisions.
- (g) The Chairperson should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.
- (h) In the event that the Chairperson is absent from a meeting of the Board then the Board shall appoint a Chairperson for that meeting.

### **THE ROLE OF THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER**

Responsibility for implementing the strategic direction and management of the Company's day-to-day operations is delegated to the Managing Director, who is accountable to the Board.

The Managing Director is the Chief Executive Officer and is responsible for:

- (a) the development (in conjunction with the Board) and implementation of short, medium and long-term corporate strategies for Carawine, preparing business plans and reports with senior management and reporting/presenting to the Board on current and future initiatives;
- (b) managing a team of executives responsible for all functions contributing to the success of Carawine;
- (c) ensuring that Carawine has the appropriate risk management practices and policies in place;
- (d) the assessment of business opportunities which are of potential benefit to the Company;
- (e) bringing material and other relevant matters to the attention of the Board in an accurate and timely manner; and
- (f) overseeing shareholder communications.

#### **BOARD COMMITTEES**

- (a) To assist the Board in fulfilling its duties, the Board may, at a future point in time, establish the following committees, each with written terms of reference:
  - (i) Audit and Risk Committee;
  - (ii) Remuneration Committee; and
  - (iii) Nomination Committee.
- (b) The charter of the Committees is to be approved by the Board and reviewed following any applicable regulatory changes.
- (c) The Board will ensure that the Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.
- (d) 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.
- (e) 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.

#### **BOARD MEETINGS**

- (a) There must be two Directors present at a meeting to constitute a quorum.
- (b) The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.
- (c) Non-executive Directors may confer at scheduled times without management being present.

- (d) The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairperson and circulated to Directors after each meeting.
- (e) The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable.
- (f) Minutes of meetings must be approved at the next Board meeting.

#### **THE COMPANY SECRETARY**

- (a) When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committee and between senior executives and non-executive Directors.
- (b) The Company Secretary is to facilitate the induction of new Directors.
- (c) The Company Secretary is to facilitate the implementation of Board policies and procedures.
- (d) The Company Secretary is to provide advice to the Board, on corporate governance matters and law.
- (e) All Directors have access to the advice and services provided by the Company Secretary.
- (f) The Board has the responsibility for the appointment and removal of the Company Secretary.

#### **ACCESS TO ADVICE**

- (a) 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.
- (b) All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
- (c) The Board, 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 Chairperson. A copy of any such advice received is made available to all members of the Board.

#### **THE BOARD'S RELATIONSHIP WITH MANAGEMENT**

- (a) The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director/Chief Executive Officer.
- (b) In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors.

## **PERFORMANCE REVIEW**

Facilitated by the Chairperson, the Board shall conduct an annual performance review of its function in order to:

- (a) compares the performance of the Board with the requirements of its Charter;
- (b) critically reviews the mix of the Board; and
- (c) suggests any amendments to the Charter as are deemed necessary or appropriate.

## **CONTINUOUS DISCLOSURE**

The Board should ensure that the Company has in place effective disclosure policies and procedures so that shareholders and the financial market are fully informed to the extent required by the applicable disclosure rules and legislation on matters that may influence the share price of the Company or its listed debt securities.

A copy of this charter should be made available on the Company's website and is to be made available to shareholders of Carawine upon request.

## **AMENDMENT OF THIS CHARTER**

This charter has been adopted by the Board. Any amendment to this charter can only be approved by the Board.

## **REVIEW OF THIS CHARTER**

The Company Secretary will conduct a review of this charter and the effectiveness of the Company's standards of conduct with respect to the objects of this charter at least once annually, to ensure compliance with the law and determine the extent to which the ASX Corporate Governance Council's Principles and Recommendations have been met. The Company Secretary will report to the Board with his or her recommendations for consideration by the Board.