

## BOARD CHARTER

### 1. PURPOSE

This document summarises the role, responsibilities, policies and processes of the Board of Evolution Mining Limited ("**Evolution Mining**" or the "**Company**") and comments on the Board's approach to corporate governance. It is supplemented by the Board Code of Conduct.

### 2. ROLE

The Board is the governing body of the Company. The Board and the Company act within a statutory framework, principally the Corporations Act, and also the Constitution of the Company. Subject to this statutory framework, the Board has the authority and the responsibility to perform the functions, determine the policies and control the affairs of Evolution Mining.

The Board must ensure that Evolution Mining acts in accordance with prudent commercial principles which satisfies shareholders, consistent with maximising the Company's long term value.

### 3. COMPOSITION OF THE BOARD

#### 3.1 Composition

The composition of the Board should comprise a majority of Non-Executive Directors who should also be independent directors. The Board has accepted the following definition of an independent director:

*An independent director is a director who is not a member of management (a non-executive director) and who is free of any business or other relationship that could materially interfere with- or could reasonably be perceived to materially interfere with - the independent exercise of their judgement.*

#### 3.2 Number

Under the Constitution, the Board must comprise between three and nine Directors. For the purpose of efficient working, the preferred number of Directors in office at any time is between four and eight although a number outside this range may be acceptable from time to time for particular reasons.

#### 3.3 Quorum

Under the Constitution a quorum for Directors is two. For the purpose of effective Board decision making, input from a majority of Directors is desirable and, except in the rarest of occasions, a Board meeting will not be called unless a majority of Directors are able to attend.

#### 3.4 Term/Appointment

Directors are appointed for terms not exceeding three years but are eligible for reappointment. Directors appointed during the year are required to have their appointment confirmed by the shareholders in general meeting.

There is no maximum age for Directors.



### **3.5 Qualifications**

The Board should comprise Directors with a broad range of skills and experience.

Persons nominated as Non-Executive Directors shall be expected to have qualifications, experience and expertise of benefit to the Company and to bring an independent view of the Board's deliberations.

Persons nominated as Executive Directors shall be expected to be of sufficient stature and security of employment to express independent views on any matter.

All Directors nominated for the Board should be able to perform well in a group and have the capacity to contribute to the Board reaching decisions by integrated group thinking rather than by compromise.

### **3.6 Commitment**

The commitment required by Non-Executive Directors in order to fulfil their obligations to the Board is expected to be the equivalent of approximately 24 days per year.

### **3.7 Committees of the Board**

Three committees of the Board operate to assist the Board in fulfilling its obligations. The Committees are:

- Audit Committee;
- Nomination and Remuneration Committee; and
- Risk Management Committee.

The Charters of each committee have been approved by the full Board, and committee minutes are provided expeditiously to all Directors.

The Board may also form occasional committees such as a Mergers, Acquisitions and Capital Restructure committees. The members and terms of such occasional committees will be agreed between the full Board, at the time the occasional committee is formed.

### **3.8 Remuneration**

Non-Executive Directors will be adequately remunerated for their time and effort and the risks involved. The Non-Executive Director's remuneration is as approved by the Board within the cap set by the shareholders and will be reviewed on an annual basis. The review will be conducted by the Nomination and Remuneration Committee and will be conducted by comparison with companies of similar characteristics and, if appropriate by using an independent consultant.

### **3.9 Exertion Fee**

Any Director who, in his/her capacity as a Director, is requested by the Board to devote special attention to the business of the Company or to perform duties which are outside the scope of the ordinary duties of a Director or well beyond the expected 24 equivalent days per year, may be paid a sum in addition to his/her normal director's fee to be determined by the Board by way of recommendation from the Nomination and Remuneration Committee. Examples of circumstances when a Director may be requested to carry out additional duties may be in cases where there is a takeover bid for the Company, or in conducting due diligence on potential acquisitions.

#### **4. ROLE OF THE BOARD**

The primary role of the Board is to carry out the functions of the Board, broadly described as follows:

- Adopting a Strategic Plan for the Company, including general and specific goals and comparing actual results with the Plan and ensuring that the strategic planning process is conducted on a regular basis;
- Selecting the CEO, and if necessary replacing him/her, setting an appropriate remuneration package and ensuring adequate succession;
- Adopting clearly defined delegations of authority from the Board to the Executive Chairman or CEO;
- Agreeing performance indicators with management;
- Taking steps designed to protect the Company's financial position and its ability to meet its debts and other obligations as they fall due;
- Establishing and monitoring policies directed to ensuring that the Company complies with the law and conforms with the highest standards of financial and ethical behaviour;
- Adopting an annual budget for the financial performance of the Company and monitoring results on a regular basis;
- Determining that the Company has instituted adequate reporting systems and internal controls (both operational and financial) together with appropriate monitoring of compliance activities;
- Determining that the Company financial reports are true and fair and are in conformity with Australian Accounting Standards;
- Determining that satisfactory arrangements are in place for auditing the Company's financial affairs and that the scope of the external audit is adequate;
- Selecting and recommending Auditors to shareholders at general meetings;
- Adopting formal processes for the selection of new directors and recommending them for the consideration of shareholders at the general meetings with adequate information to allow shareholders to make informed decisions; and
- Reviewing its own processes and effectiveness, and the balance of competence on the Board.

#### **5. ROLE OF THE CHAIRMAN**

The Chairman is responsible for the integrity of the Board process and the functioning of the Board, and in the absence of a CEO, for the functioning of the organisation, whilst the Company Secretary, is responsible for the integrity of Board documents.

There are two main aspects to the Chairman's role. They are; the Chairman's role within the Boardroom, and the Chairman's role outside the Boardroom.



### **Inside the Boardroom**

The Chairman shall:

- Be clear on what the Board has to achieve, both in the long and the short term;
- Provide firm guidance to other Board members about what is expected of them;
- Ensure the Board behaves in accordance with its rules and codes of conduct;
- Make Board meetings effective by ensuring that the Board:
  - Considers the right matters (e.g. focuses on strategic issues, settles the Board agenda);
  - Considers matters properly/carefully (e.g. that papers are adequately researched, that matters in the Board decision making framework have been appropriately addressed, that adequate time is spent on the issue); and
  - Comes to clear decisions (e.g. that the resolution is clear as to the intentions of the Board).
- Ensure decisions of the Board are implemented properly; and
- Behave fairly by allowing all Board members equal opportunity and input, whilst at the same time being cognisant of the need for efficient, timely and orderly meetings.

### **Outside the Boardroom**

The Chairman should

- Seek to strengthen the composition of the Board on an ongoing basis. This requires a focus on membership of the Board, performance of the Board (both as a group and individually) and Board terms of appointment; and
- Ensure that all Board Members actively build and maintain the company's image and reputation.

In general, the Chairman is the representative on matters of governance and strategy, and in the absence of a CEO, is also the spokesperson on matters relating to the operation of the Company. When representing the Board, the Chairman should limit comments to what the Board has stated, unless the Board has specifically granted further authority (as in the case of an Executive Chairman).

## **6. CORPORATE GOVERNANCE**

Evolution Mining is a listed company and is subject to the Listing Rules of the Australian Securities Exchange. The Directors aspire to the very highest standards of corporate governance. To this end they have established a framework of corporate governance which is reviewed on a regular basis. A Corporate Governance Statement in the Annual Report covers the main practices in this regard, which may be summarised thus:

- Information is provided on the structure of the Board, procedures for appointment and remuneration of Directors, and the qualifications and experience of individual Directors;
- The responsibilities and composition of Board committees is described;
- Procedures for internal control and risk management are specified;
- The Company's approach to ethical standards and environmental policy are described.

## **7. RETIREMENT FROM THE BOARD**

All Directors are expected to voluntarily review their membership of the Board from time to time taking into account length of service, age, qualifications and expertise relevant to the Company's then current policy and programme; together with the other criteria considered desirable for composition of a balanced Board and the overall interests of the Company.

A Director shall be expected to resign if requested to do so by the Nomination and Remuneration Committee in the exercise of its duties and responsibilities to the Board.

An Executive Director shall tender a resignation from the Board immediately he/she decides to retire or resign from employment with the Company but may be invited by the Nomination and Remuneration Committee, acting with support from the other Directors, to extend his/her term for a period up to or beyond the date his/her Executive position with the Company will terminate.

## **8. NUMBER OF OUTSIDE DIRECTORSHIPS**

A Director should continually evaluate the number of Boards on which he/she serves to ensure that each can be given the time and attention to detail required to properly fulfil the Director's duties and responsibilities.

A Director shall notify the Chairman of the Nomination and Remuneration Committee in writing prior to accepting appointment to the Board of a public company or major enterprise. The Director shall give due and proper regard to the views and wishes of the Nomination and Remuneration Committee relating to the Director acting simultaneously as a Director of the Company and of any other corporation. For the purposes of maintaining the Director's Register of Interests, a Director shall notify the Company Secretary in writing once they have accepted an appointment to any Board.

An Executive Director shall not accept appointment to the Board of any corporation outside the group of companies without the prior approval of the Nomination and Remuneration Committee.

## **9. CONFIDENTIALITY**

The Directors acknowledge that all proceedings of the Board and its Committees are strictly confidential and that a Director will be expected to resign from the Board if he/she commits a breach of this confidentiality.

