



Copper Strike Limited

ACN 108 398 983

Board charter

1. Introduction

- 1.1 This is the charter of the board of directors (**Board**) of Copper Strike Limited ACN 108 398 983 (**Company** and, together with its controlled entities, the **Group**).
- 1.2 The board of the Company (**Board**) is responsible for the corporate governance of the Group.
- 1.3 The purpose of this charter is to:
 - (a) promote high standards of corporate governance;
 - (b) clarify the role and responsibilities of the Board; and
 - (c) provide a general framework for the Board to provide strategic guidance for the Group and effective oversight of the management of the Group (**Management**).
- 1.4 This charter is supported by the Group's code of conduct, and the Group's policies in respect of securities trading, continuous disclosure and diversity, among other things.
- 1.5 To the extent that there is any inconsistency between this charter and the Company's constitution, the constitution will prevail to the extent of that inconsistency.

2. Board size, composition and independence

- 2.1 There must be a minimum of three directors and the current maximum of directors is eight.
- 2.2 An independent non-executive director is one who:
 - (a) is independent of Management; and
 - (b) 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 unfettered and independent judgment.
- 2.3 The Board should ideally comprise:
 - (a) a majority of independent non-executive directors;
 - (b) directors with an appropriate range of skills, experience and expertise;
 - (c) directors who can understand and competently deal with current and emerging business issues; and
 - (d) directors who can effectively review and challenge the performance of Management and exercise independent judgment.
- 2.4 The Board will regularly assess whether each non-executive director is independent having regard to the *Corporate Governance Principles and Recommendations* published by the ASX Corporate Governance Council. Each non-executive director must provide to the Board all information relevant to his or her assessment in this regard. If a director's independent status changes, it will be immediately disclosed and explained to the market.
- 2.5 Each director is appointed by way of a formal letter of appointment.

3. Board composition and skills matrix

Skills such as leadership and previous experience as a chief executive, chair or board member of a large organisation have traditionally been prerequisites to appointment as a director. In addition to the desirable qualities of a director set out in **clause 2.3**, the Board recognises that other skills gained from experience in the following areas are key skills and experience that the Board as a whole should comprise:

- (a) Exploration and geology industry experience;
- (b) business acquisition and integration skills;
- (c) financial literacy and legal and regulatory knowledge;
- (d) diversity;
- (e) policy and regulatory development and reform;
- (f) health, safety and environment and social responsibility; and
- (g) organisational development and human resources.

4. The Board's role and responsibilities

- 4.1 The Board must act in the best interests of the Company as a whole and is accountable to the shareholders for the overall direction, management and corporate governance of the Group.
- 4.2 The Board must monitor the operational and financial position and performance of the Company and oversees its business strategy. In conducting business with these objectives in mind, it is the role of the Board to seek to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, and its directors, officers and personnel, operate in an appropriate environment of corporate governance.
- 4.3 The Board must adopt relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.
- 4.4 The Board's responsibilities include:
 - (a) general responsibilities, as set out in **Schedule 1 (General Responsibilities)**;
 - (b) nomination and remuneration responsibilities, as set out in **Schedule 2 (Nomination and Remuneration Responsibilities)**; and
 - (c) audit and risk responsibilities, as set out in **Schedule 3 (Audit and Risk Responsibilities)**.
- 4.5 In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a director or other person, subject to ultimate responsibility residing with the directors. Notwithstanding section 7 below, the Board may at any time remove or modify any powers delegated to the CEO.

5. Board committees

- 5.1 The Board may elect to establish committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail.
- 5.2 If the Board establishes a committee, it will also establish a charter for the committee setting out matters relevant to its composition, responsibilities and administration.

6. Chairperson

- 6.1 The Board will appoint one of its members to be chairperson.
- 6.2 The chairperson represents the Board and is responsible for leading the Board, facilitating the effective contribution of all directors, promoting constructive and respectful relations between directors and between the Board and Management, and communicating the Board's position to shareholders and the public.

7. Chief Executive Officer (CEO) and executive team

- 7.1 Subject to clause 4.5, responsibility for day-to-day management and administration of the Group is delegated by the Board to the CEO.
- 7.2 The CEO manages the Group in accordance with the strategy, plans and policies approved by the Board.
- 7.3 The CEO is appointed by the Board.
- 7.4 The responsibilities of the CEO include, among other things:
 - (a) developing and recommending to the Board strategies, business plans and annual budgets for the Group;
 - (b) implementing the strategies, business plans and budgets adopted by the Board;
 - (c) providing effective leadership, direction and supervision of the executive team to achieve the strategies, business plans and budgets adopted by the Board;
 - (d) ensuring compliance with all applicable laws and regulations;
 - (e) ensuring that the Board is given sufficient information in a form, timeframe and quality that will allow it to be effective in performing its functions, setting strategies, monitoring performance and discharging its duties; and
 - (f) acting within authority delegated by the Board.
- 7.5 The Board regularly assesses the performance of the CEO and executive team.

8. Non-executive directors

The independent non-executive directors (unless conflicted in regards to the matter) should consider the benefits of conferring regularly without Management present, including at scheduled sessions or as otherwise required by the circumstances.

9. Company secretary

The company secretary of the Company is directly accountable to the Board through the chairperson.

10. Conflicts

Directors must:

- (a) disclose to the Board any actual or potential conflict of interest or duty, or matter that may bear on their independence, that might reasonably be thought to exist as soon as the situation arises;
- (b) take all necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and

- (c) comply with all applicable law and the Company's constitution in relation to disclosing material personal interests and restrictions on voting.

11. Other appointments

A non-executive director should inform the Board before accepting any new appointment as a director of another listed entity, any other material directorship or other position with a significant time commitment attached.

12. Access to information and independent advice by directors

- 12.1 Directors have access to any information that they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.
- 12.2 Directors have access to:
 - (a) Management to seek explanations and information from Management; and
 - (b) auditors to seek explanations and information from them without Management being present.
- 12.3 At the expense of the Company, directors may seek any independent professional advice that they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions in accordance with the procedure agreed by the directors.
- 12.4 If the chairperson of the Board consents, the Company will pay a director's costs of seeking independent professional advice. That consent may not be unreasonably withheld or delayed.
- 12.5 Any such advice received will be provided to the whole Board.

13. Size of the Board and Board vacancies

- 13.1 All directors are expected to continue as directors only for so long as they have the confidence of their fellow Board members and the confidence of the Company's shareholders.
- 13.2 In accordance with the Company's constitution, no director except the CEO is permitted to hold office for a continuous period in excess of three years or past the third annual general meeting following that director's appointment, whichever is the longer, without submitting himself or herself for re-election.

14. Communication of information

The Board has adopted a communications strategy to facilitate and promote effective communication with all stakeholders and to encourage shareholder participation at general meetings.

15. Approved and adopted

This charter was approved and adopted by the Board on 28 September 2015.

Schedule 1 – General Responsibilities

1. General Responsibilities

The General Responsibilities of the Board include:

- (a) overseeing the Group, including providing leadership and setting its strategic objectives;
- (b) appointing the chairperson;
- (c) appointing and removing the CEO of the Group and approving or ratifying the appointment of other senior executives of the Group, such as the Chief Financial Officer (CFO);
- (d) where appropriate, ratifying organisational changes and approving Management remuneration policies and practices;
- (e) approving succession plans for Management;
- (f) monitoring senior executives' performance and implementation of strategy; (g) approving the proposed annual budget;
- (h) determining dividend payments;
- (i) approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
- (j) approving and monitoring corporate, financial and other reporting systems, including external audit, and overseeing their integrity;
- (k) reviewing and monitoring any related party transaction and recommending its approval;
- (l) approving and monitoring systems of risk management, internal compliance and control and legal compliance aimed at ensuring that appropriate compliance frameworks and controls are in place;
- (m) setting the risk appetite within which the Board expects Management to operate;
- (n) reviewing performance, operations and compliance reports from the CEO and CFO, including reports and updates on strategic issues and risk management matters;
- (o) reviewing and overseeing the Group's continuous disclosure policy;
- (p) reviewing and overseeing the implementation of the code of conduct for directors and all other employees;
- (q) approving the charters of any Board committees; and
- (r) monitoring compliance with all legal and regulatory requirements and ethical standards and policies and otherwise monitoring the effectiveness of the Group's governance practices.

2. Specific matters

The matters specifically reserved for the Board include:

- (a) appointment of a chairperson;
- (b) appointment and removal of the CEO;

- (c) appointment of a director to fill a casual vacancy or as an additional director;
- (d) establishment of Board committees;
- (e) approval of dividends;
- (f) review of corporate codes of conduct;
- (g) approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to Management;
- (h) calling of meetings of directors or shareholders.

Schedule 2 – Nomination and Remuneration Responsibilities

1. Nomination and Remuneration Responsibilities

The Nomination and Remuneration Responsibilities of the Board include responsibilities in relation to:

- (a) nomination;
- (b) performance of directors; and
- (c) remuneration.

2. Nomination responsibilities

The responsibilities of the Board are:

- (a) identifying nominees for membership of the Board including the CEO;
- (b) identifying and assessing the necessary and desirable competencies and characteristics for Board membership, including:
 - (i) skills, expertise and background that add to and complement the range of skills, expertise and background of the existing directors by reference to clause 3 of the Board Charter; and
 - (ii) diversity.
- (c) establishing processes for identifying suitable candidates for appointment to the Board to ensure an appropriate mix of expertise, experience and succession;
- (d) ensuring that the Company:
 - (i) undertakes appropriate checks before appointing a person, or putting forward to its shareholders a candidate for election, as a director; provides its shareholders with all material information relevant to a decision about whether or not to elect or re-elect a director (including information regarding independence);
 - (ii) has a written agreement with each director and senior executive setting out the terms of his or her employment;
 - (iii) periodically evaluates the performance of the Board, its committees and individual directors and discloses in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period;
- (iv) periodically evaluates the performance of its senior executives and
- (v) discloses in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period ensuring that the Company appropriately inducts new directors and provides appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively, particularly in relation to accounting and changes in accounting standards; and

- (vi) seeking to ensure succession plans for Board and senior executives are in place.

3. Performance of Directors responsibilities

The responsibilities of the Board include:

- (a) annually reviewing the performance of the CEO;
- (b) evaluating the performance of the Board, both collectively and individually;
- (c) reviewing whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and on any Board committees effectively and, where any gaps are identified, considering what training or development could be undertaken to fill those gaps;
- (d) regularly assessing the independence of directors; and
- (e) evaluating the performance of directors before they stand for re-election..

4. Remuneration policies and practices

Director and executive remuneration and incentive policies and practices must be performance-based and aligned with the Group's vision, values and overall business objectives.

Director and executive remuneration and incentive policies and practices are designed with a view to:

- (a) motivate the directors and executives to pursue the Group's long-term growth and success; and
- (b) demonstrate a clear relationship between the Group's overall performance and the performance of directors and executives; and
- (c) align the interests of directors and executives with the creation of value for shareholders.

5. Remuneration responsibilities

The responsibilities of the Board are:

- (a) reviewing and approving Board, director and executive remuneration and incentive policies and practices in line with relevant legislation and corporate governance principles relating to remuneration practices and employment policies, including the process by which any pool of directors' fees approved by shareholders is allocated to directors;
- (b) reviewing and approving on behalf of the Board any report on executive remuneration that may be required;
- (c) ensuring appropriate public disclosure of any relevant information required including in each annual report of the Company.

Schedule 3 – Audit and Risk Responsibilities

1. Audit and Risk Responsibilities

The Audit and Risk Responsibilities of the Board include responsibilities in relation to:

- (a) external financial reporting;
- (b) risk management and internal control;
- (c) external audit; and
- (d) other responsibilities.

2. External financial reporting responsibilities

The responsibilities of the Board include:

- (a) engaging in the proactive oversight of, and assessing the adequacy of, the Company's financial reporting and disclosure processes, overseeing and reviewing the outputs of that process;
- (b) assessing the appropriateness and application of the Group's accounting policies and principles and any changes to them, so that they accord with the applicable financial reporting framework;
- (c) obtaining an independent judgment from the external auditor about:
 - (i) the acceptability and appropriateness of accounting policies and principles put forward by Management; and
 - (ii) the clarity of current or proposed financial disclosure practices as put forward by Management;
- (d) assessing information from the external auditor that may affect the quality of the Company's financial reports;
- (e) reviewing all half-yearly and annual financial reports with Management, advisers and the external auditors (as appropriate) and assessing whether the applicable accounts provide a true and fair view of the financial position of the Group and should be adopted by the Board;
- (f) discussing any draft audit opinion letter and Management letter with the external auditors before it is finalised;
- (g) reviewing and approving as required, documents and reports to regulators;
- (h) endeavouring to ensure that procedures are in place designed to verify the existence and effectiveness of accounting and financial systems and other systems of internal control which relate to financial risk management.

3. Risk management and internal control responsibilities

The responsibilities of the Board include:

3.1 Risk management and internal compliance and control systems

- (a) overseeing the establishment and implementation of risk management and internal compliance and control systems and ensuring that there is a mechanism for assessing the ongoing efficiency and effectiveness of those systems;

- (b) reviewing and approving policies and procedures on risk oversight and management to establish an effective and efficient system for:
 - (i) identifying, assessing, monitoring and managing risk; and
 - (ii) disclosing any material change to the Group's risk profile; and
- (c) receiving reports from Management concerning the Group's material risks in order to assess the internal processes for determining, monitoring and managing these risks and to monitor the risk profile of the Group.

3.2 Disclosure and financial reporting

- (d) endeavouring to ensure that Management establishes a comprehensive process to capture all financial information that must be disclosed to ASX;
- (e) reviewing the Group's financial risk management procedures to ensure that the Group complies with its legal obligations, including to assist the CEO or CFO to provide requisite declarations in relation to each of the Group's financial reports.

4. External audit responsibilities

The responsibilities of the Board include:

- (a) approving the terms of engagement (including as to remuneration) of the external auditor at the beginning of each financial year;
- (b) regularly reviewing with the external auditor
 - the scope of, plan for and adequacy of the external audit and
 - (i) identified risk areas.
- (c) appointing or removing an external auditor and establishing processes for external audit engagement partner rotation;
- (d) regularly reviewing the performance, effectiveness and independence of the external auditor, including annual receipt of an independence report from the external auditor;
- (e) approving the types of non-audit services that the external auditor may provide without impairing or appearing to impair the external auditor's independence;
- (f) meeting periodically with the external auditors and inviting them to attend Board meetings to:
 - (i) review their plans for carrying out internal control reviews; and
 - (ii) consider any comments made in the external auditor's Management letter, and in particular, any comments about material weaknesses in internal controls and Management's response to those matters;
- (g) reviewing all representation letters signed by Management;
- (h) receiving and reviewing the reports of the external auditor; and
- (i) ensuring that the external auditor attends the annual general meeting of the Company and is available to answer questions from shareholders of the Company relevant to the audit.

5. Other responsibilities

The responsibilities of the Board include:

- (a) assessing and adopting the scope, cover and cost of insurance, including insurance relating to directors and officers liability, company reimbursement and professional indemnity;
- (b) reviewing and/or evaluating:
 - (i) the effectiveness of the Company's risk management and internal control processes;
 - (ii) the Group's risk management plan framework, and ensuring that the Company discloses in relation to each reporting period the outcomes of a review which has taken place;