



CORPORATE GOVERNANCE POLICY AND PROCEDURES MANUAL BOARD CHARTER

The Board of Directors

The Board's role is to govern the organisation rather than manage it. It is the role of senior management to manage the organisation in accordance with the direction of the Board.

The Board's key objectives are to:

- increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders; and
- ensure the Company is properly managed.

The Board has primary responsibility to shareholders for the welfare of the Company by guiding and monitoring the business and the affairs of the Company and determining the vision and objectives of the Company.

The Company recognises the importance of the Board in providing a sound base for good corporate governance in the operations of the Company.

The Board must at all times act honestly, fairly and diligently in all respects in accordance with the law applicable to the Company and will at all times act in accordance with all relevant Company policies.

Each of the directors, when representing the Company, must act in the best interests of shareholders of the Company and in the best interests of the Company as a whole.

Generally, the Board is responsible for:

1. overseeing Gascoyne Resources, including its control and accountability systems;
2. providing input into and final approval of management's development of corporate strategy and performance objectives;
3. reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance;
4. monitoring senior executives' performance and implementation strategy;
5. ensuring appropriate resources are available to senior executives;
6. approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestures; and
7. approving and monitoring financial and other reporting.

The most significant responsibilities of the Board include:-

Stakeholder interests

- Serve in the interests of members, customers, employees and the community
- Build trust in Gascoyne through behaviour, transparency and accountability
- Establish, review and monitor processes for corporate governance



Strategic

- ❑ Develop an in-depth understanding of each substantial segment of the Company's business
- ❑ Review, approve and monitor the strategic direction of each business segment, including the underlying plans and assumptions
- ❑ Make decisions concerning the Company's capital structure, risk profile and portfolio weightings
- ❑ Review, approve and monitor major investment and strategic commitments

Operational

- ❑ Establish performance goals for management, together with monitoring the achievement of these goals
- ❑ Review business results, monitor budgetary control and review, approve and monitor necessary corrective actions and processes
- ❑ Establish and maintain:-
 - an overall framework of internal control
 - appropriate ethical standards
- ❑ Approve key executive appointments, and monitor and review remuneration and succession planning
- ❑ Review and monitor the integrity of financial information produced and external reporting, with the guidance of the Audit Committee
- ❑ Establish, monitor and review the risk assessment and management processes, with the guidance of the Risk Management Committee
- ❑ Review and monitor processes for the documentation and regular review and updating of the Company's risk profile
- ❑ approve the annual budget
- ❑ provide overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company
- ❑ appoint the external auditor and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the next AGM of the Company
- ❑ monitor and ensure compliance with all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety

Composition and Operation of the Board

The Board requires that each of its Directors possess high standards of integrity and character. The Nomination Committee will assist the Board in identifying appropriate skills and characteristics required for the Board as a whole, and the Board's individual members in order for the Company to fulfil its goals and responsibilities.

The composition and operation of the Board embodies the following:-

- ❑ The Board should aim to comprise a majority of Non-Executive Independent directors, subject to the size and operations of the Company
- ❑ The Board shall comprise at least three (3) directors and shall include:-
 - A Geologist or Mining Engineer
 - A lawyer/chartered accountant/corporate adviser/experienced Resource professional
 - An Executive of Gascoyne



- Such other persons where it is felt that additional expertise is required in specific areas, or where an outstanding candidate is identified
- The Board may establish committees as it considers necessary or appropriate to assist it in carrying out its duties
- Resolutions at meetings of directors shall be decided by a majority and in the case of equality, the Chairman shall not have a second or casting vote
- The Board will meet on a quarterly basis, cause Minutes of such meetings to be made and held in safe custody for Director access for seven years after their retirement
- The Board will also meet by telephone on a regular basis and ratify decisions by circular resolution
- Actual, potential or perceived conflicts of interest are discussed at each meeting to ensure independence is maintained
- Board members have open access to members of management following consultation with the Chairman
- The Company maintains D&O insurance for each Director, including for seven years following their retirement
- New directors undergo an induction process in order to assist them in fulfilling their duties and responsibilities
- Directors are encouraged to undertake continuing education to keep up to date on relevant topical issues
- The Chairman, with the guidance of the Nomination committee, reviews the performance of the Board and each elected Director each year to assist in a continuous improvement process to enhance the effectiveness of the Board
- With the prior approval of the Chairman, each director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as directors