

**FINDERS RESOURCES LIMITED**

**BOARD CHARTER**

# FINDERS RESOURCES LIMITED

## BOARD CHARTER

### 1. PURPOSE

The Board Charter defines the operation of the Board of Directors, its role, composition and responsibilities and the separation of the role of the Board from that of the management.

The conduct of the Board is also governed by the Constitution of the company.

### 2. MEMBERSHIP AND TERM

#### 2.1 *Membership*

The Board shall consist of –

- a) the number of directors specified under the Constitution, currently not less than 3 nor more than 9;
- b) a majority of members with appropriate technical and commercial skills relevant to the mining industry.

#### 2.2 *Independence*

An independent director is a non-executive director (ie is not a member of management) and -

- a) is not a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
- b) within the last three years has not been employed in an executive capacity by the company or its subsidiaries, or been a director after ceasing to hold any such employment;
- c) is not a principal or employee of a professional adviser to the company or its subsidiaries whose billings exceed five per cent of the adviser's total revenue. A director who is a principal or employee of a professional adviser will not participate in the provision of any service to the company by the professional adviser;
- d) is not a significant supplier or customer of the company or its subsidiaries, or an officer of or otherwise associated directly or indirectly with a significant supplier or customer. A significant supplier is defined as one whose revenues from the company exceed five per cent of the supplier's total revenue. A significant customer is one whose amounts payable to the company exceed five per cent of the customer's total operating costs;

- e) has no material contractual relationship with the company or its subsidiaries 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 director's ability 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 director's ability to act in the best interests of the company.

### 2.3 *Term*

The Board has not adopted a tenure policy. In accordance with the Constitution of the company, no director shall hold office for a continuous period in excess of three years or past the third annual general meeting following the director's appointment, whichever is the longer, without submitting for re-election.

### 2.4 *Selection of new directors*

Candidates for Board positions shall be nominated by the Nomination Committee for consideration by the Board. The whole Board shall decide on the recommendations of new directors made by the committee.

In selecting new members for the Board, directors shall have regard to the appropriate skills and characteristics needed by the Board as a whole. The directors shall endeavour to appoint individuals who would provide the mix of director characteristics and diverse experiences, perspectives and skills that are required and that are appropriate for the company.

New directors are provided with a letter of appointment which sets out the key terms and conditions of their appointment. New directors participate in an induction programme to enable them to gain an understanding of –

- a) the company's financial, strategic, operational and risk management position;
- b) their rights, duties and responsibilities; and
- c) the role of Board committees.

## **3. BOARD RESPONSIBILITIES**

The Board has delegated authority for the operations and administration of the company to the Managing Director.

The Board is responsible for -

- a) setting the company's values and standards of conduct and ensuring that these are adhered to, in the interests of the company's shareholders, employees, customers, suppliers and the communities in which it operates and, generally safeguarding the reputation of the company;

- b) providing leadership of the company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- c) setting the company's direction, strategies and financial objectives and ensuring that the necessary financial and human resources are in place for the company to meet its objectives;
- d) approving business plans and annual budgets;
- e) approving half-year and annual financial reports;
- f) ensuring that the performance of management, and the Board itself, is regularly assessed and monitored;
- g) monitoring compliance with regulatory and ethical standards; and
- h) appointing, terminating and reviewing the performance of the Managing Director and Executive Directors.

#### **4. INDEPENDENT ADVICE**

The Board, or individual directors, may obtain independent professional advice if it (or the director) considers it necessary, with the costs to be borne by the company.

#### **5. CHAIRMAN**

The Chairman shall be elected by the directors.

Should the Chairman be absent from a meeting, the members of the Board present at the meeting have authority to choose one of their number to chair that particular meeting.

#### **6. SEPARATION OF FUNCTIONS BETWEEN THE CHAIRMAN AND MANAGING DIRECTOR**

##### *6.1 Chairman*

The Chairman is responsible for -

- a) leading the Board in its duties to the company;
- b) ensuring there are processes and procedures in place to evaluate the performance of the Board, its committees and individual directors;
- c) facilitating effective discussions at Board meetings;
- d) ensuring effective communication with shareholders; and
- e) developing an effective working relationship with the Managing Director and Executive Directors.

##### *6.2 Managing Director*

The Managing Director is responsible for -

- a) policy direction of the operations of the company;
- b) the efficient and effective operation of the company;
- c) ensuring directors are provided with accurate and clear information in a timely manner to promote effective decision-making by the Board;
- d) ensuring all material matters affecting the company are brought to the Board's attention; and
- e) maintaining regular communication with the Chairman on operational and strategic matters relating to the company.

## **7. SECRETARY**

The Company Secretary will be the Secretary of the Board.

## **8. BOARD MEETINGS**

The Directors shall hold at least 6 meetings in each calendar year.

Material for Board meetings is circulated to the directors in advance. The agenda for meetings is drawn up with input from the Chairman, the Managing Director and Executive Directors. Directors are free to nominate matters for inclusion on the agenda for each meeting.

The quorum for a Directors' meeting shall be 3 directors, including at least 2 non-executive directors.

## **9. MINUTES**

Proceedings of all meetings are minuted and signed by the chairman of the meeting.

Minutes of all Board meetings are circulated to directors and approved by the Board at the subsequent meeting.

## **10. REVIEW OF CHARTER**

The Board will review this Charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

## **11. OTHER MATTERS**

A number of operational matters related to the Board such as meetings of directors, fees, "fit and proper" requirements, powers and duties of directors, share qualification, notification of interests, appointment and retirement, alternate directors, delegation and appointment of committees and election of directors are governed by the Constitution of the company and are not reproduced here.

October 2009