

# AVOCA RESOURCES LIMITED

ABN 30 097 083 282

## BOARD CHARTER

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### 1. Role of the Board

The role of the Board is to provide leadership for and accountability of the Company's affairs.

### 2. Responsibility of the Board

The Board is collectively responsible for the success of the Company by:

- (a) supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed which includes but is not limited to (b) to (m) inclusively;
- (b) ensuring the Company is properly managed by:
  - (i) appointing and removing the Managing Director;
  - (ii) ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer/Company Secretary;
  - (iii) input into and final approval of management's development of corporate strategy and performance objectives;
  - (iv) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
  - (v) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
- (c) approving and monitoring the progress of major expenditure programmes, capital management, and acquisitions and divestitures;
- (d) approval of the annual budget;
- (e) monitoring the financial performance of the Company;
- (f) approving and monitoring financial and other reporting, including the annual and half-year financial reports;
- (g) reviewing procedures and practices employed in relation to health, safety and the environment and to assess their adequacy;
- (h) monitoring continuous disclosure policy and procedures;
- (i) approving the text of any public statement or release which contains or relates to financial forecasts or material which is significant as regards Company policy or strategy;
- (j) convening and attend general meetings of the Company's shareholders;
- (k) assessing and approve the Company's response to proposed transactions which would affect shareholders' positions and rights as shareholders, and where relevant to make recommendations thereon to shareholders;
- (l) implementing 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; and
- (m) liaising with the Company's auditors.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities (usually not less than one per month).

The Board may from time to time, delegate some of its selective responsibilities listed above to its senior management team.

### **3. The Chairperson**

The chairperson is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for briefing of all Directors in relation to issues arising at Board Meetings.

### **4. The Managing Director**

The Managing Director is responsible for managing the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out his responsibilities the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational result.

### **5. Role and Responsibility of Management**

The role of management is to support the Managing Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the board.

Management is responsible for reporting material matters in the first instance to the Managing Director or if the matter concerns the Managing Director then directly to the Chairperson.

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*This Board Charter was adopted by the Avoca Resources Limited Board on 27 September 2004.*