

# St Barbara Limited

## Board Charter

### 1 Overview

This Charter sets out the principles under which the Board of Directors of St Barbara Limited will operate and describes the role of the Board and its key responsibilities. It is intended to facilitate a practical framework of control for the Company and a responsible governance process which is conducive to wealth creation for shareholders and advancement of employees, fosters compliance with statutory obligations and provides for effective risk management.

### 2 The Role of the Board

The role of the Board is to represent shareholders, provide strategic guidance to, and effective oversight of, Management, foster a culture of good governance, and promote a safe and healthy working environment within the Company.

In performing its role, the Board at all times will endeavour to act:

- i) in a manner designed to create and continue to build sustainable value for shareholders;
- ii) in recognition of its overriding responsibility to act honestly, fairly and in accordance with the law in serving the interests of the Company, its shareholders, employees, and as appropriate, other stakeholders;
- iii) in accordance with the duties and obligations imposed upon Directors by the Company's Constitution and applicable law; and
- iv) with integrity and objectivity, consistent with 'best practice' ethical, professional and related standards.

### 3 Responsibilities of the Board

These include:

#### *Strategy and Stewardship*

- working with Management to develop and monitor the direction, strategies and financial objectives of the Company as it pursues the goal of delivering long term value for shareholders;
- overall monitoring of the operations and financial position of the Company and its control and accountability systems;
- approving significant changes to the Company's business, including its organisational structure, acquisitions, divestitures and changes to the capital of the Company;
- approving annual budgets and programmes, and significant variations to them.

#### *People & succession planning*

- appointing a chair;

- appointing (and where appropriate, removing) the Managing Director & CEO and reviewing his or her performance;
- appointment of directors to fill a vacancy or as additional directors;
- ratifying the appointment of (and where appropriate, ratifying the removal of) personnel reporting directly to the Managing Director & CEO and where appropriate, ratifying the appointment and removal of direct reports to the Managing Director & CEO;
- managing succession planning for the position of the Managing Director & CEO and monitoring succession planning for the Managing Director & CEO's direct reports;
- monitoring organisational capability and the performance of Managing Director & CEO direct reports;
- approval of executive remuneration and related performance evaluation.

#### *Risk management*

- monitoring the significant risks facing the Company and taking reasonable steps to ensure that appropriate internal risk management controls and monitoring systems are in place to manage and to the extent possible, reduce the impact of such risks;
- monitoring and reviewing the performance of Management against defined benchmarks covering health and safety, environmental, operational and financial performance and compliance with ethical standards and relevant regulatory requirements;
- ensuring appropriate resources are available for the Company in the pursuit of its objectives;
- approving and then monitoring the progress of significant capital expenditure, capital management and acquisitions and divestitures.

#### *Governance and Supervision*

- establishing corporate governance and legal compliance systems (including the establishment of Board committees, their membership and delegated authorities) and monitoring compliance with those systems;
- approving and monitoring budget preparation and financial and other reporting, and monitoring and reviewing Management's performance and its presentation and implementation of strategies and budgets;
- supervising and reviewing the internal and external audit functions, and the integrity of external reporting;
- ensuring an open and excellent relationship exists between the Board and Management;
- ensuring shareholders are kept informed of the Company's performance and major developments affecting its state of affairs;
- a commitment to the highest of ethical standards throughout the Company in the conduct of its business activities.

### *Matters specifically reserved for the Board or its committees*

Matters which are specifically reserved for the Board or its committees include the following:

- approval of dividends;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders; and
- any other specific matters nominated by the Board from time to time or which are prescribed by law.

#### **4 Board Composition and Delegation of Authority**

The Board determines the size and composition of the Board, subject to the terms of the Company's Constitution which require a minimum of 3 and a maximum of 10 directors. Under the Company's Constitution, a Director must retire from office no later than the longer of the third AGM of the Company or 3 years following that Director's last election or appointment.

Each director is bound by all of the Company's charters, policies and codes of conduct, including without limitation, the Company's policy on trading in securities and its continuous disclosure policy.

If and when the Board determines it is appropriate or necessary, the Board may establish committees to assist and advise the Board in carrying out its responsibilities. The committees will act by examining the relevant issues and making recommendations to the Board. Each committee established will have a formal charter setting out its objectives, scope and manner of administration. The Board may also determine from time to time to establish ad hoc committees to which responsibilities will be delegated to examine specific issues.

The Board (and where relevant, any Board committees) have delegated the carriage of the day to day operation and management of the Company's business to the Managing Director & CEO who in turn, is accountable to the Board for such performance and is authorised to delegate such of the powers conferred on him as he deems appropriate to members of the senior management group. The Board will oversee all such delegations of authority from the Managing Director & CEO to senior management.

#### **5 Independence of Directors**

The Board will comprise a majority of independent non-executive directors and comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. The Chairman will also be an independent non-executive director.

The Board intends to regularly assess prevailing legal requirements and market expectations regarding independence.

Each independent director of the Company must regularly provide to the Board all information regarding his or her interests that is relevant to his or her independence having regard to prevailing legal requirements.

## **6 Director's Conflicts of Interest**

Each director has an obligation at Board meetings and concerning the Company generally, to reach decisions which he or she believes to be in the best interests of the Company as a whole, free of any actual or possible personal conflict of interest.

If the Board or a director determines that a director might be in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interest of any associated person, or his or her duties to any other company on the one hand, and the interests of the Company or his or her duties to the Company on the other hand, the Board will require that the director:

- i) fully and frankly informs the Board about the circumstances giving rise to the conflict; and
- ii) abstains from voting on any motion relating to the matter and, where appropriate in the Board's opinion, absenting him or her self from all Board deliberations relating to the matter including receipt of Board papers pertaining to the matter.

If the Board resolves to permit a director to have any involvement in a matter involving possible circumstances of conflicting interest, the Board must minute the full details of the basis of the determination and the nature of the conflict, and must formally resolve to so permit the relevant director.

If a director believes he or she has or may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the Chairman.

## **7 Meetings**

The Directors may meet as they think fit and with an intention to meet at least ten times per year. Where possible and time permits, Board papers should be provided to directors at least 3 days prior to the relevant meeting of the Board.

Each Board meeting will allow for informal discussions amongst Board members and the chairman of the meeting should ensure the availability and, if necessary, the attendance at the relevant meeting of any member of senior management responsible for a matter included as an agenda item at the meeting.

Urgent matters that cannot wait until the next Board meeting can be dealt with by a circulating resolution, in accordance with the Company's Constitution. A circulating resolution should be approved by the Chairman before being circulated and should normally be preceded by a telephone meeting if practical. A circulating resolution must be signed by all the directors approving the resolution and will be entered in the Board minute book.

## **8 The Board and Executive Management**

Any director may communicate directly with senior executives of the Company in order to gain a better understanding of Company business in a manner which respects the efficient operation of the Company and the role of the Managing Director & CEO. The Managing Director & CEO will be kept informed of all such communications.

## **9 Independent Advice**

Any director is entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures set out below.

- i) A director must seek the prior approval of the Chairman after providing the Chairman with details of the nature of the professional advice sought, the likely cost of seeking such independent professional advice and the details of the independent adviser he or she proposes to instruct.
- ii) The Chairman may prescribe a reasonable limit on the amount that the Company will contribute towards the cost of obtaining the advice.
- iii) The Chairman must approve of the independent adviser nominated by the director.
- iv) All documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the Company and the director in his or her personal capacity.
- v) The Chairman may determine that any advice received by an individual director will be circulated to the remainder of the Board.

## **10 Access to Board Charter**

This Charter will be published on the Company's website.

## **11 Review of this Charter**

The Chairman will be the arbiter for interpretation and/or clarification of this Charter. Omissions should also be brought to the attention of the Chairman.

This Charter may be amended from time to time by the Board. The Board intends to review its provisions periodically.

Date of formal adoption: 23 October 2008

Due Date for next formal review: 23 October 2009