



# **OZ MINERALS LIMITED**

## **Board Charter**

Revised and approved by the Board on 9 February 2016

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## 1. ROLE AND PURPOSE

The Board is responsible for setting the Company's goals and objectives, overseeing the management of the Company, reviewing and monitoring the material risks of the Company and the Company's system of internal compliance and controls, setting an appropriate corporate governance framework for the Company and determining broad policy issues for the Company as it develops its goals of delivering value to shareholders by growing a quality and competitive world class mining company.

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## 2. COMPOSITION

- 2.1 In accordance with the Company's Constitution the Company shall have not less than three and not more than 15 Directors.
- 2.2 The Board will have a majority of independent non-executive Directors who are judged by the Board to be independent.
- 2.3 The Board will review and assess the appropriate mix of skills and diversity required on the Board and consider the extent to which these skills and diversity are represented on the Board (through, amongst other things, use of a Board skills matrix and review of Board succession plans).
- 2.4 The Board will review Director tenure but does not believe that it should establish an arbitrary limit on tenure. Tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a Director. In determining the composition of the Board, regard is had to the mix of Directors with shorter and longer tenures.
- 2.5 The Board will assess the suitability of new Directors against set criteria which include experience, ability to exercise independent judgement, professional skills, potential conflicts, overall mix of skills, experience and backgrounds represented on the Board including gender and the requirement for independence. Appropriate checks will be undertaken before appointing a person, or putting forward to shareholders a candidate for election, as a Director.

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## 3. BOARD INDEPENDENCE

- 3.1 The Board will judge Director independence in accordance with the ASX Corporate Governance Principles and Recommendations. Accordingly, the Board considers a Director to be independent if the Director is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the Director's capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally and:
  - (a) is not or has not been employed in an executive capacity by the Company or another member of the OZ Minerals group (**Group**) within the last three years, and did not become a Director within three years of being so employed;
  - (b) within the last three years, has not been a partner, director or senior employee of a provider of material professional services to the Company or another member of the Group;
  - (c) within the last three years, has not been in a material business relationship with

the Company or any member of the Group, or an officer of, or otherwise associated with, someone with such a relationship;

- (d) is not a substantial shareholder of the Company or an officer of, or otherwise associated with, a substantial shareholder of the Company;
  - (e) has no material contractual relationship with the Company or another member of the Group other than as a Director;
  - (f) has no close family ties with any person who falls within any of the categories described above; or
  - (g) has not been a Director of the Company for such a period that his or her independence may have been compromised.
- 3.2 The Board will undertake an annual review of the extent to which each non-executive Director is independent, having regard to the criteria set out in clause 3.1 and any other relevant relationship that the non-executive Director may have.
- 3.3 Whether the Board considers a non-executive Director to be independent or not, and the reasons for the Board's opinion, will be described in the corporate governance statement set out on the Company's website.
- 3.4 If at any time during the year a Director ceases or may have ceased to be independent, the Director is required to advise the Chairman immediately. Where the Board determines a Director is no longer independent an announcement will be made to the market.

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#### **4. CHAIRMAN**

- 4.1 The Chairman will be an independent non-executive Director, will not be the same person as the Managing Director and CEO and will be appointed by the Board.
- 4.2 In the absence of the Chairman from a meeting, the Board will appoint a non-executive independent Director to act as Chairman for that particular meeting.
- 4.3 The Chairman is responsible for the leadership of the Board, including taking all reasonable steps to ensure that the Board functions effectively and for communicating the views of the Board to the public. The Chairman is also responsible for:
- working closely with the Managing Director and CEO and Head of Legal and Company Secretary in setting the agenda for each meeting;
  - briefing all Directors on key matters;
  - managing the conduct at, and frequency and length of, Board meetings so as to provide the Board with an opportunity to have a detailed understanding of the issues affecting the Company's operations, current financial position and performance and any opportunities or challenges facing the Company; and
  - guiding Board meetings to facilitate open and constructive discussions and to encourage Director contributions to Board deliberations.

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## 5. Head of Legal and Company Secretary

- 5.1 The Board will appoint at least one Head of Legal and Company Secretary.
- 5.2 The Head of Legal and Company Secretary, through the Chairman, is accountable directly to the Board on all matters to do with the proper functioning of the Board including advising on governance matters, monitoring that Board policies and procedures are followed, coordinating all Board business, including meetings, agendas, Board papers, and minutes and monitoring the completion of actions arising from Board meetings.
- 5.3 Each Director has access to the Head of Legal and Company Secretary at all times.

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## 6. MEETINGS

- 6.1 A minimum of six Board meetings are to be held each year.
- 6.2 Any Director can call a Board meeting.
- 6.3 Agenda and Board Papers will be distributed to Directors in a reasonable time to enable Directors to properly prepare for meetings.

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## 7. DUTIES AND RESPONSIBILITIES

The Board's primary responsibilities are as follows:

### 7.1 Strategy

- (a) Providing input to, and approval of, and setting the Group's strategic direction and budgets as developed by management.
- (b) Directing, monitoring and assessing the Group's performance against strategic and business plans, to determine if appropriate resources are available.
- (c) Approving and monitoring capital management, major capital expenditure and project development, acquisitions and divestments.

### 7.2 Risk Management

- (a) Reviewing and monitoring the material risks (including material sustainability risks) of the Group's business as advised by management.
- (b) Annually reviewing and ratifying the Group's systems of internal compliance and control, risk management of material business risks and legal compliance, to determine the integrity and effectiveness of those systems and to ensure the systems continue to be sound.
- (c) Monitoring the operational and financial position and performance of the Company.
- (d) Monitoring occupational health, safety and environmental performance and compliance and ensuring commitment of appropriate resources.

### 7.3 External Reporting

- (a) Ensuring that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements.
- (b) Monitoring and reviewing the reporting controls and mechanisms which are in place to ensure that adequate, accurate and timely information is being provided by the Company to its shareholders, the ASX and other stakeholders.

### 7.4 Management

- (a) Appointment and removal of the Managing Director and CEO (or equivalent) and determining his or her terms and conditions (including remuneration).
- (b) Ratifying the appointment and removal of senior executive positions and determining whether the terms and conditions (including remuneration) are appropriate. (Holders of senior executive positions are those executives who report directly to the Managing Director and CEO).
- (c) Monitoring and reviewing Managing Director and CEO and senior executive succession planning.
- (d) Delegating authority to the Managing Director and CEO and approving authority limits for senior executives.

### 7.5 Performance Review and Remuneration

- (a) Developing and implementing criteria for assessing performance of the Board, Directors, Managing Director and CEO and senior executives.
- (b) Monitoring and evaluating the performance of the Managing Director and CEO and senior executives in achieving the strategies and budgets approved by the Board.
- (c) When assessing and evaluating the performance of the Managing Director and CEO and senior executives the Board may seek advice from the Human Resources and Remuneration Committee.
- (d) Undertaking an annual performance evaluation of itself and its individual Directors that evaluates the performance of the Board and individual Directors against the requirements of this Charter and the annual goals and objectives set by the Board.
- (e) Approving the overall remuneration framework of the Company, including non-executive Director remuneration, Managing Director and CEO and senior executive remuneration and any employee equity or incentive plans.

### 7.6 Corporate governance

- (a) Encouraging ethical behaviour and compliance with the Group's governing policies, standards and procedures.
- (b) Evaluating the Company's compliance with corporate governance standards.
- (c) Approving the Company's corporate governance statement.

- (d) Approving the Company's policies, standards and procedures.
- (e) Performing such other functions as prescribed by law.

#### 7.7 Diversity

- (a) Reviewing annually the Company's objectives and progress in achieving diversity (including gender diversity) across the Company.

#### 7.8 Board Committees

- (a) Establishing as it deems appropriate Committees to assist in discharging its responsibilities. As a minimum the Board will establish the following committees:
  - Audit Committee;
  - Human Resources and Remuneration Committee; and
  - Sustainability Committee.
- (b) The Board may also establish ad hoc special purpose committees from time to time, with terms of reference approved by the Board.
- (c) Adopting Charters setting out the membership, responsibilities and reporting obligations of each Board Committee.
- (d) Ensuring Committees have the resources to carry out their roles effectively.
- (e) Dealing with any issue referred to it by a Board Committee.
- (f) Evaluating on an annual basis the performance of the Board Committees against their respective Charters.

#### 7.9 Induction and education

- (a) Ensuring that an appropriate induction and education program is in place for new Directors.
- (b) Ensuring appropriate professional development opportunities are given to all Directors to ensure that Directors develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

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## 8. DELEGATION

- 8.1 The Board has delegated responsibility for the day to day operation and administration of the Company to the Managing Director and CEO and the executive management team. This delegation of authority includes responsibility for:
- (a) developing business plans, budgets and strategies for the Board's consideration and, to the extent approved by the Board, implementing these plans, budgets and strategies;
  - (b) operating the Company's businesses and operations within the parameters set by the Board from time to time and keeping the Board informed of all material developments relating to the businesses and operations;

- (c) where proposed transactions, commitment or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;
  - (d) identifying and managing operational and other risks and, where those risks could have a material impact on the Company's businesses and operations, formulating strategies for managing these risks for consideration by the Board;
  - (e) managing the Company's current financial and other reporting mechanisms to ensure that these mechanisms are functioning effectively to capture all relevant material information on a timely basis;
  - (f) implementing the Company's internal controls; establishing procedures for monitoring these controls; and ensuring that these controls and procedures are appropriate and effective;
  - (g) taking all reasonable steps to ensure that the Board is provided with accurate and sufficient information regarding the Company's operations on a timely basis and, in particular, that the Board is made aware of all relevant matters relating to the Company's performance (including future performance), financial condition, operating results and prospects and potential material risks so that the Board is in an appropriate position to fulfil its corporate governance responsibilities; and
  - (h) implementing all policies, standards, procedures and codes approved by the Board.
- 8.2 The Managing Director and CEO is accountable to the Board for the authority that is delegated by the Board to the Managing Director and CEO and executive management team and will report routinely on the Company's progress on achieving the short, medium and long term plans of the Company.

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## **9. ADVICE AND INFORMATION**

- 9.1 Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. The Chairman's prior approval of such expenditure is required and all Directors must be advised of the outcome.
- 9.2 Directors are entitled to on-going access to the Company's operations, employees and information to enable them to fulfil their responsibilities under this Charter and to performing such other functions as prescribed by law.
- 9.3 Directors are expected to keep up to date with issues and developments that are relevant to them in fulfilling their duties and responsibilities and are encouraged to access and undertake appropriate education and professional development activities. Training and education programs that are approved by the Chairman will be provided at the Company's expense.

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## **10. CHARTER REVIEW**

This Charter shall be reviewed and revised as required. Any changes to the Charter will require approval of the Board and the Board will review the effectiveness of the Charter as appropriate.

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## 11. DIRECTORS' CODE OF CONDUCT

In performing the responsibilities set out in this Charter, the Board should act at all times in a manner designed to create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed on it by the Company's Constitution, Code of Conduct and by law.

### **Robert Mancini**

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