



# MORETON RESOURCES LTD

## BOARD CHARTER

May 2016

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## Overview

The Board must act in the best interests of the Company as a whole and is accountable to the shareholders for the overall direction, performance and corporate governance of the Group.

The Board Charter sets out the functions and responsibilities of the Board of Moreton Resources Limited (the **Company** or **Moreton**), and the policies and procedures established to support the effective operation of the Moreton Board and the fulfilment by each member of the Board of their duties as a Director.

### 1.1 *Role of the Board*

The role of the Board of Moreton is to:

- Act in the best interests of the Company and shareholders generally;
- Provide leadership, direction and monitor the Company's strategies, policies and performance;
- Determine, review and monitor the Company's values; and
- Keep shareholders informed of the Company's performance and major developments affecting the Company.

### 1.2 *Board Responsibilities*

The responsibilities of the Board include:

- Providing strategic direction for, and approval of, the Company's business strategy and objectives;
- Oversee Management's implementation of strategic initiatives;
- Monitoring of financial performance and approval of financial and other reporting;
- Ensuring that the shareholders and the market as a whole are fully informed of all material developments affecting the Company;
- Taking all reasonable steps to ensure compliance by the Company with all laws, government regulations and accounting standards;
- Adopting relevant internal controls, risk management processes and corporate governance policies and practices that are appropriate to the business;
- Approving major capital expenditure, acquisitions and divestitures; and
- Approval of the appointment and removal of the Company's external auditor.

## 2. **Board Powers & Delegations**

The Board retains all rights and powers conferred upon it by the Constitution and the Law which cannot be delegated. The Board may delegate its powers as the Directors consider appropriate, however ultimate responsibility for strategy and control remains with the Board.

### 2.1 *Powers reserved to the Board*

Matters which are specifically reserved for the Board include the following:

- Appointment and removal of the Chair;
- Appointment, removal and performance review of the Chief Executive Officer or equivalent;
- Appointment and removal of the Company Secretary
- Approval of appointment of Competent Person;
- Appointment of directors to fill a vacancy or as additional director;
- Establishment of Board committees, their membership and delegated authorities;
- Approval of dividends and dividend policy;
- The issue of equity or equity-like instruments;
- Review of corporate governance principles, policies and related public documents;
- Calling of meetings of shareholders;
- Delegations of authority to the CEO; and
- any other specific matters determined by the Board from time to time.

## **2.2 Committees**

To assist the Board in discharging its duties and responsibilities, the Board may delegate its powers to a Committee or Committees consisting of such of their number as they think fit. The Board has established two Committees – the Audit & Risk Committee and the Remuneration and Nomination Committee, which operate in accordance with Charters approved by the Board, setting out the specific responsibilities of those Committees.

The Board may also delegate specific responsibilities to an ad hoc Committee from time to time, as it determines is appropriate.

## **2.3 Chairperson**

The Board will appoint one of its members, ideally an independent Non-Executive Director, to be Chairperson. The Chairperson represents the Board and is responsible for leading the Board, facilitating the effective contribution of all Directors, promoting constructive and respectful relations between Directors and between the Board and Management, and communicating the Board's position to shareholders and the public.

## **2.4 Delegation to the Chief Executive Officer**

As permitted by the Company's Constitution, the Board may delegate to the Chief Executive Officer all those powers and authorities required to manage and control the day to day operation of the Company that are:

- Not expressly reserved to the Board under paragraph 3.1 of this Charter; or
- Not expressly delegated to a Committee; or
- Under any Instrument of Delegation, such as a monetary authority limit approved by the Board from time to time

Specific delegations are set out in the Delegations of Authority Policy.

## **3. Composition and Structure of the Board**

The Company's Constitution governs the regulation of meetings and proceedings of the Board. The Board shall have at least three Directors and a maximum of 9, unless the company in general meeting determines otherwise.

### 3.1 *General*

It is intended that the Board should comprise a majority of independent non-executive directors and comprise directors with a broad range of skills, diversity, expertise and experience from a range of backgrounds, while taking into account specific skills and experience that may be of specific relevance to the Company and its operations.

### 3.2 *Independence*

An independent director is a Non-Executive Director who is not a member of management and who is free of any business or other relationship that could interfere, or might be seen to interfere, with a director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally<sup>1</sup>. The Board will assess the independence of each Director annually, in such manner as it determines from time to time.

### 3.3 *Disclosure of Interests*

A Director must disclose to the Board:

- Any material personal interest that he or she or any associate may have in a matter relating to the affairs of the Company; and
- Any other interest or relationship that may affect the Director's independence.

Notice of any such interest may be a standing notice. A register of interests will be kept by the Company Secretary.

### 3.4 *Code of Conduct*

The Board will approve, and Directors will abide by the Company's Code of Conduct which assists Directors and Company staff to understand their responsibilities in upholding the Company's goals and values, and to conduct business in accordance with applicable laws and regulations.

The Board will also approve, and Directors will abide by, the Company's Policy on trading of the Company's securities (Securities Trading Policy).

### 3.5 *Appointment and Election of Directors*

New Directors are provided with formal letters setting out the key terms and conditions of their employment, and are also required to enter into an agreement with the Company in relation to disclosure of directors' interests.

Prior to the appointment of any Director, and before a candidate is put forward as a candidate for election as a Director, appropriate checks will be undertaken of the person including checks

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<sup>1</sup> In any assessment of independence, the Board will take account of the factors set out in relation to Recommendation 2.3 of the ASX Corporate Governance Principles & Recommendations (3<sup>rd</sup> Edition), including the period served as a director, and any other factors it considers relevant.

regarding the person's experience, education, disqualification from holding certain offices, criminal record and bankruptcy history.

Each new Director will be required to participate in an induction program which includes meeting with the Board, the Chief Executive Officer, other executives and the Company Secretary to familiarise themselves with the Company, its strategy and operations, and policies and procedures. Directors may undertake and request training as appropriate to their role, with the permission of the Chairperson.

### *3.6 Meetings*

The Board shall meet as required and will usually meet at least 8 times each year. Executives responsible for matters included as agenda items at meetings will also attend Board meetings. Resolutions of the Board may be approved by circulating resolution when required. The Constitution governs the regulations and proceedings of the Board.

The Board will also hold periodic workshops to consider matters relating to Company strategy, and may also visit Company operations and meet with company management on an informal basis during the year. The Board will periodically meet without the presence of Senior Management to address such matters as succession planning, key strategic issues and Board operation and effectiveness.

### *3.7 Access to Information and Advice*

All Directors have access to Company employees, advisers and records. The Directors may seek further information on any issue, including requesting that an executive provide certain information. Directors may, with the consent of the Chair and the assistance of the Company Secretary, seek independent professional advice at the expense of the Company on any matter connected with the discharge of their responsibilities. Any such advice is the property of the Company and the Chairperson may determine that it be made available to all Directors.

The Company's external auditors are not to be constrained from raising matters directly with the Board.

### *3.8 Company Secretary*

The Company Secretary is directly accountable to the Board through the Chairperson, for all matters concerning the proper functioning of the Board, including advising the Committees on governance matters, monitoring that the Board and Committee Policies and Procedures are followed, and ensuring that the business at Board and Committee meetings is accurately captured in the minutes.

### *3.9 Review of Board performance*

The Board will conduct an annual review of its performance and composition. The performance review will encompass the performance of its committees and its individual directors. The method of conducting each review, and the extent of that review, is for the Board to determine from time to time.

**4. Approval, Review and Availability of Charter**

The Board shall review the Charter periodically to ensure its relevance, effectiveness and consistency with best practice.

The Charter will be made readily accessible on the Company's website.

Board Approved: April 2015

Board Reviewed: May 2016

**Who to contact**

If you are in any doubt regarding the application or operation of this Charter you should contact the Company Secretary.