



Sipa Resources Limited

Board Charter

Revision history

Rev.	Issued	Description	Prepared	Approved by Board
1.2	25/9/18	Annual Review	Robson	25/9/18
1.1	16/8/17	Annual Review	Robson	3/8/17
1.0	22/9/16	Review	Robson	22/9/16
0	30/4/15	Policy created	Robson	30/4/15

1 Purpose

The Board charter sets out the role, composition and responsibilities of the Board of Sipa Resources Limited (“Sipa”) within the governance structure of Sipa and its wholly owned entities (“the Sipa Group”). The conduct of the Board is also governed by the Constitution of Sipa, a copy of which is located at www.Sipa.com.au. The Board will review this charter annually to ensure it remains consistent with the Board’s objectives and responsibilities.

2 Composition and Term

- The Constitution provides for a minimum of three directors and a maximum of nine directors. The Board has adopted a policy to have a minimum of four directors; including one executive director, the Managing Director (MD). The Board shall maintain a majority of independentⁱⁱⁱ non-executive directors.
 - The Chairperson of the Board should be an independent non-executive director. In the event, this independence is impaired, the Board shall appoint a Senior Independent Director (SID), to manage conflicts of interest should they arise.
 - The Board should comprise directors with an appropriate range of qualifications and expertise. In this regard a skills matrix should be reviewed annually to ensure that skills are appropriate for the Board given the Company’s then activities.
 - The term of office and rotational procedures for tenure of Directors are outlined in the Company’s Constitution.
 - The Board should meet at least eight times per year and follow meeting guidelines set down to ensure all Directors are made aware of, and have available all necessary information, to participate in an informed discussion of all agenda items.
 - The threshold for materiality for the purpose of assessing the materiality of relationships between a non-executive director and Sipa (other than as a director) will be judged according to the significance of the relationship to the director in the context of their activities as a whole.
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3 Board Responsibilities

The Board is responsible to shareholders for the overall Corporate Governance of the Sipa Group including its strategic direction, establishing KPI’s for management and monitoring the achievement of those KPI’s in a way which ensures that the interests of shareholders and stakeholders are promoted and protected.

The responsibility for the operation and administration of the Sipa Group is delegated by the Board to the Managing Director and the executive team.

Specifically, the Board is responsible for:

- a) Overseeing compliance by the Sipa Group with its legal and regulatory obligations.
- b) Ensuring that appropriate Health, Safety and Environment policies are implemented and are monitored for effectiveness.
- c) Identifying and evaluating the expectation of the shareholders, as well as other regulatory and ethical expectations and obligations.
- d) Ensuring that the Board maintains an appropriate range of qualifications and expertise.
- e) Appointing the Chair of the Board and any Senior Independent Director as required.

- f) Appointing and removing the Managing Director/CEO and overseeing succession plans for the senior executive team.
 - g) Ensuring that the executive team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and the Company Secretary.
 - h) Approving the entity's remuneration framework.
 - i) Setting strategic direction of the Sipa Group and monitoring the performance of the MD within that framework;
 - j) Ensuring there are adequate resources available to meet Sipa's objectives;
 - k) Approving and monitoring the progress of business objectives;
 - l) Overseeing the integrity of Sipa's accounting and corporate reporting systems, including the external audit;
 - m) Approving operational budgets and monitoring performance against those budgets, monitoring financial reporting, and capital management;
 - n) Overseeing the Group's process for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.
 - o) Identifying areas of significant business risk and ensuring that arrangements are in place to adequately manage those risks and reviewing the business risk matrix on a regular basis.
 - p) Ensuring that the Sipa Group has appropriate corporate governance structures in place including standards of ethical behavior and a culture of corporate and social responsibility; and monitoring the effectiveness of those practices.
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4 Responsibilities of the Chairman

The Chairman is responsible for leading the Board in its duties to the Company's shareholders. Specifically, the Chairman is responsible for:

- a) Ensuring there are processes and procedures in place to evaluate the performance of the Board, its committees and individual directors;
 - b) Facilitating effective discussions at Board meetings;
 - c) Ensuring effective communication with shareholders and stakeholders; and
 - d) Maintaining effective dialogue with the Managing Director, Company Secretary and other Board members as required outside the formal Board meetings.
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5 Responsibilities of the Senior Independent Director

Where the Board has identified a conflict of interest or matter affecting independence with respect to the Chair, the Board will appoint a Senior Independent Director (SID). The main responsibilities of the Senior Independent Director are to make him/herself available for confidential discussions with other directors who may have concerns which they believe have not been properly considered by the Board as a whole and to perform the role of the Chair where the Chairman is unable to perform the role as a result of a conflict of interest. In addition the SID will lead a meeting of the directors, without the Chairman present, at least annually to appraise the Chairman's performance.

6 Responsibilities of the Managing Director

The Managing Director is responsible for:

- a) Strategic and policy implementation to ensure the efficient and effective operations of the Sipa Group;
 - b) Ensuring directors are provided with accurate and clear information in a timely manner to promote effective decision-making by the Board; and
 - c) Ensuring all material matters affecting the Sipa Group are brought to the Board's attention.
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ⁱⁱ In considering independence the Board has considered those matters outlined in Box 2.3 of Corporate Governance Principles and Recommendations 3rd Edition.” Specifically, consideration has been given to whether or not the director:

- is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the entity or any of its child entities;
- is a substantial security holder of the entity or an officer of, or otherwise associated with a substantial security holder of the entity;
- has a material contractual relationship with the entity or its child entities other than as a director;
- has close family ties with any person who falls within any of the categories described above; or
- has been a director of the entity for such a period that his or her independence may have been compromised.