

## **BOARD CHARTER**

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### **1. ROLE**

The Board's primary role is to represent shareholders and to promote and protect the interests of **Laconia Resources Limited** by governing the Company.

### **2. COMPOSITION**

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise persons with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new directors is their ability to add value to the Company and its business.

It is a priority of the Board to achieve an appropriate balance between independent and non-independent representation on the Board. In determining whether or not directors are independent, the Board applies the criteria as set out in the ASX recommendations.

Where the Chair is not an independent director, the Company will appoint an independent director (or a director who does not have a conflict of interest) to take over the role of the Chair when the Chair is unable to act in that capacity as a result of his or her lack of independence.

The independent directors, along with all directors, are responsible for reviewing and challenging executive performance. They are also responsible for contributing to the development of strategy. The Board considers that a director is an executive if that director is involved in the day to day management of the Company.

### **3. RESPONSIBILITIES OF THE BOARD AND MANAGEMENT**

To fulfill its role the Board is responsible for:

- developing initiatives for profit and asset growth, setting strategic operational and financial objectives, and monitoring progress against those objectives;
- acting on behalf of, and being accountable to, the Shareholders;

## **BOARD CHARTER (continued)**

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- identifying business risks and implementing actions to manage those risks and corporate systems to assure quality;
- reviewing the corporate, commercial and financial performance of the Company on a regular basis; including,
- overseeing the Company's commitment to the health and safety of employees and contractors, the environment and sustainable development;
- overseeing the activities of the Company, including its control and accountability systems;
- appointing and removing the Managing Director, Company Secretary, and other senior executives, evaluating their performance, reviewing their remuneration and ensuring an appropriate succession plan;
- ensuring that there are effective corporate governance policies and practices in place;
- approving and monitoring budgets, capital management and acquisitions and divestments;
- approving and monitoring all financial reporting to the market;
- approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with the ASX Listing Rules if applicable);
- appointment of external auditors and principal professional advisors; and
- formal determinations that are required by the Company's constitutional documents or by law or other external regulation.

These responsibilities are designed to provide strategic guidance for the Company and effective oversight management.

Beyond those matters, the Board has delegated all authority to the Managing Director (or equivalent) for management of the Company's business within any limits imposed by the Board.

### **4. RESPONSIBILITIES OF INDIVIDUAL DIRECTORS**

#### **The Chair**

The Chair is responsible for leadership of the Board, the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to the issues arising at Board meetings. The Chair is also responsible for monitoring shareholder communication, continuous disclosure compliance and Board performance.

## **BOARD CHARTER (continued)**

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### **The Managing Director**

The Managing Director is responsible for running 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 those responsibilities, the Managing Director (or equivalent) 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 results.

### **5. PROCESS FOR EVALUATING BOARD PERFORMANCE**

The Board may undergo periodic formal assessment processes, including assessment of the Board's committees, where applicable. An independent third party consultant may be used to facilitate the assessment.

An informal process of Board review is outlined in the Nomination Committee Charter.

### **6. ACCESS TO INDEPENDENT ADVICE**

Each director has the right, so long as he is acting reasonably in the interests of the Company and in the discharge of his duties as a director, to seek independent professional advice and recover the reasonable costs of that advice from the Company.

The advice shall only be sought after consultation about the matter with the Chair (where it is reasonable that the Chair be consulted) or, if it is the Chair that wishes to seek the advice or it is unreasonable that he is consulted, another director.

The advice is to be made immediately available to all Board members other than to a director against whom privilege is claimed.

### **7. BOARD MEETINGS**

There must be two Directors present at a meeting to constitute a quorum.

The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.

Non-executive Directors may confer at scheduled times without management being present.

The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairman and circulated to Directors after each meeting.

The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable.

Minutes of meetings must be approved at the next Board meeting.

Further details regarding board meetings are set out the Company's Constitution.

## **BOARD CHARTER (continued)**

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### **8. THE COMPANY SECRETARY**

When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committees and between senior executives and non-executive Directors.

The Company Secretary is to facilitate the induction of new Directors.

The Company Secretary is to facilitate the implementation of Board policies and procedures.

The Company Secretary is to provide advice to the Board on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and applicable other laws.

All Directors have access to the advice and services provided by the Company Secretary.

The Board has the responsibility for the appointment and removal of the Company Secretary.

### **9. DISCLOSURE POLICY**

The Board should ensure that the Company has in place effective disclosure policies and procedures so that shareholders and the financial market are fully informed to the extent required by the applicable disclosure rules and legislation on matters that may influence the share price of the Company or its listed debt securities.