



MILLENNIUM

MINERALS LIMITED

ABN 85 003 257 556

BOARD CHARTER

Introduction

The Board Charter (**Charter**) sets out the role, composition and responsibilities of the Board of Directors (**Board**) of Millennium Minerals Limited (**Millennium** or the **Company**.)

The Board is governed by the Corporations Act 2001, ASX Listing Rules and a formal constitution adopted by the Company.

Role and Responsibilities of the Board of Directors

The Board's role is to take responsibility for the following six key areas, summarised as follows:

1. **Strategic direction of the Company** - participate with management in setting policies, goals, strategies and performance targets.
2. **Allocation of resources** - provide these to management to achieve the Company's strategic plan.
3. **Monitoring the organisation's performance** - assess this against its strategies and targets.
4. **Compliance of the organisation** - ensure there are adequate governance and management processes in place to comply with legal and accounting/financial requirements.
5. **Set the Company's risk appetite** - ensure that the risks to which the organisation is exposed are adequately and clearly identified and that suitable processes are in place to manage these risks.
6. **Accountable to shareholders** - the Board, as the appointed representatives of shareholders, is to ensure that there is alignment between the interests of all key stakeholders (including shareholders, suppliers and employees).

Further to these key areas, the Board's responsibilities are extensive and include, but are not limited to, the following:

- to determine the size and composition of the Board by taking into account the Company's constitution, the Corporations Act 2001 and other specific requirements of the Company for it to achieve its objectives and goals;

- to determine the remuneration of directors subject to the maximum aggregate amount, and the requirements of the Company, as approved from time to time by the Company at an annual General Meeting of its shareholders;
- to assess the effectiveness of individual directors and the operation of the Board as a whole on an ongoing basis;
- appointing the chair and, if the Company requires one, the deputy chair;
- establishing committees of the Board and determining terms of reference and reporting requirements for these committees. The Board may delegate matters to a committee of the Board, with the Board retaining the ultimate oversight and decision-making power in respect of the matters delegated.
- selecting and appointing the Chief Executive Officer (CEO), determining the conditions of service including remuneration and reviewing the CEO's performance against key corporate goals and objectives, and where appropriate, replacing the CEO;
- ratifying the appointment, and where appropriate, the removal of senior executives including the Chief Financial Officer and Company Secretary and approving conditions of service including remuneration and performance monitoring;
- to manage and review senior management succession planning and development;
- approving the Company's strategic goals and objectives and overseeing and monitoring management's implementation for their achievement;
- approving and monitoring the financial performance of the Company, and overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit process;
- approving and monitoring the financial and management accounts, capital management and expenditures and all relevant significant acquisitions, divestments and Company asset value changes;
- delegating appropriate levels of authority to management;
- overseeing the activities of the Company and ensuring effective systems of audit, risk management and internal controls are in place to protect the entity's assets and that the Company operates within legal and regulatory requirements and at acceptable risk thresholds;
- monitoring compliance taking into account, but not necessarily limited to, ASIC, GAAP, the AASB, and the ASX Listing Rules and Guidelines;
- monitoring the effectiveness of the Company's governance practices and procedures;
- approving and monitoring appropriate policies, procedures, codes of conduct and ethical standards for directors and employees;

- appointing the external auditor (where applicable, based on recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board is appropriately ratified by shareholders;
- continuous engagement with the Company's external auditors and the Audit Committee; and
- monitoring any other of the Company's compliance and obligations, including but not limited to legal matters, the environment, native title, cultural heritage and occupational health and safety.

The Board, while meeting its responsibilities, is mindful of the organisation's mission and the objects of the organisation as embodied in its Constitution.

Meetings of the Board of Directors

The Board should formally meet at least 4 times per annum, the interval of which will be determined by the needs of the business, as well as on an ad hoc basis between scheduled meetings to deal with any urgent and other matters that may arise from time to time.

Appropriately detailed minutes of all meetings will be taken. Draft minutes will be circulated to directors for approval within two weeks of the meeting's conclusion, but in any case, always before the following meeting. A key action item register will be compiled at the meeting and a draft circulated to the Board within one week of the meeting held. Approved minutes shall be signed and dated by the Chairman.

Role of the Chairman

The role of Chairman is non-executive and central to the effective corporate governance of the Company. The Chairman leads the Board and General Meetings of the Company and is instrumental in ensuring effective communications exist between the Board of Directors and senior management. The Chairman is also responsible for the following.

- to ensure the Company has an adequate and effective Board and that there are appropriate procedures in place to evaluate the performance of the Board as a whole, its individual directors and committees;
- to ensure that meetings of the Board are conducted efficiently and effectively and that the quality of agenda and Board papers properly inform directors on the operations of the Company so as to facilitate effective review, analysis, discussion and decision making by directors;
- to promote high standards of integrity and ethics;

- to establish and maintain a close professional working relationship with the CEO and to provide ongoing support and advice as necessary; and
- to communicate with shareholders and other key stakeholders and to represent the Board of Directors and Management as and when required.

Role of the CEO

The role of the CEO is separate from the Chairman and is appointed by the Board. The CEO is responsible for the day-to-day running of the Company under delegated authority from the Board.

The responsibilities of the CEO are extensive (which are further detailed in the CEO's Executive Employment contract), and include but are not limited to, the following:

- to recommend and implement strategic objectives and business plans approved by the Board within the risk framework as defined by the Board;
- to ensure effective management of the day to day operations of the Company including its legal, commercial, financial, physical and human resources;
- to develop and implement risk framework and risk management procedures;
- to develop and implement internal control and regulatory compliance policies and procedures;
- to provide timely, accurate and relevant information to the Board. All reports to the Board must present a true and fair view of the Company's financial condition and operational results, and
- to evaluate the performance of senior executives.

Role and responsibilities of management

Management refers to the senior management team separate from the Board, comprising the Company's senior executives being principally the CFO, Company Secretary and general managers). Management has the opportunity and ability to materially influence the integrity, strategy and operation of the Company and its financial performance.

Management's role is to support and assist the CEO to implement the strategic objectives and goals set by the Board and the day-to-day running of the Company, in accordance with the delegated authority of the Board. Specific roles and responsibilities for Management are detailed in their respective contracts of employment.

Board Committees

To assist with the execution of its responsibilities, the Board has established an Audit and Risk Committee to undertake the functions of an audit and risk committee set out in the ASX Corporate Governances Council's Corporate Governance Principles and Recommendations (3rd Edition) (**ASX Principles**).

Specifically, the Audit and Risk Committee assists the Board in fulfilling its corporate governance responsibilities in regard to financial reporting, audit and risk management, including the integrity and adequacy of the Company's financial reporting, compliance with legal and regulatory obligations, oversight of the independence of the external and internal auditors and oversight of the Company's internal financial control system and its risk management framework.

The Board has also established a Nomination and Remuneration Committee to assist with nominations to the Board and oversee executive performance, remuneration, recruitment, retention and termination policies for Management as well as incentive schemes.

The Audit and Risk Committee's and the Nomination and Remuneration Committee's role and responsibilities, composition, structure and membership are set out in formal charters and published on the Company's website.

Remuneration of the Board

The remuneration of the Board of Directors is governed by the Company's constitution.

The Constitution specifies the total amount of remuneration of non-executive directors and is subject to the maximum aggregate amount as approved from time to time by the Company at an annual General Meeting of its shareholders.

The remuneration of the CEO is determined by the Board as part of the terms and conditions of the CEO's Executive Employment contract, which are subject to review from time to time.

The total remuneration of all directors and key management personnel is published in the Company's Annual Financial Report.

Role of the Company Secretary

Under the Company's Constitution the Board appoints and where necessary may remove a Company Secretary. The Company Secretary's role is to support the effectiveness of the Board and its committees. Each director is able to communicate directly with the Company Secretary

and vice versa. The Company Secretary's experience and qualifications shall be disclosed in the Annual Report.

The role of the Company Secretary includes, but not limited to, the following:

- advising the Board and Committees of the Board on governance matters;
- monitoring compliance with Board / Committee policies and procedures;
- coordinating the timely dispatch of Board & Committee papers and agendas;
- to ensure the accurate recording of minutes of Board and Committee meetings and their timely distribution and approval; and
- to assist with facilitation of induction and professional development of directors.

Review of Charter

The Board will review this Charter annually to ensure it remains consistent with the Board's objectives, goals and responsibilities.

Publication of the Charter

Key features of the Charter are to be outlined in the Company's Annual Report. A copy of the Charter is available on the website.

Dated: 4 October 2016