chalice
Chalice Mining Limited

Board Charter

1. Role and responsibilities of the Board

The role of the Board is to provide leadership for, and oversight of, Chalice Mining Limited's ("Chalice" or "the Company") management.

The Board is responsible for:

a. determining the size, composition and structure of the Board, and the process for evaluating performance;
b. appointing the Chair and, when considered appropriate, the deputy chair and/or lead or senior independent non-executive director;
c. appointing the Managing Director and Chief Executive Officer ("Managing Director"), or equivalent, and other Executive Directors, on terms as the Board see fit and, where appropriate, replacing the Managing Director, or equivalent and other Executive Directors;
d. approving the appointment and, where appropriate, the removal of other senior executives;
e. formally resolving to appoint and, where appropriate, to remove the Company Secretary;
f. approving the Company's statement of values and Code of Conduct and ensuring that these are instilled by management and that any material breaches are addressed;
g. monitoring and guiding the culture of the Company;
h. approving the strategic objectives and purpose of the Company and overseeing management's implementation of the Company's strategic objectives and the Company's performance generally;
i. challenging management and holding it to account;
j. approving and monitoring budgets, major capital expenditure, capital management and capital raising initiatives, material acquisitions and divestments;
k. monitoring the financial performance of the Company and overseeing the integrity and effectiveness of the Company's accounting and corporate reporting systems, including the external audit, to ensure they result in appropriate, accurate and timely information being provided to the Board;
l. overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
m. approving the Company's remuneration framework including, upon recommendation from the Remuneration and Nomination Committee, the remuneration policies for non-executive directors, Managing Director and other senior executives, ensuring alignment with the Company's strategic objectives, purpose, values and risk appetite;
n. overall corporate governance of the Company and monitoring the effectiveness of the Company's governance practices, including the formation of Board committees and the terms of applicable charters;

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o. ensuring the Company's Policy and Procedure for Selection and (Re)appointment of Directors is reviewed in accordance with the Company's Remuneration and Nomination Committee Charter;
p. approving and monitoring compliance with the Company's *Diversity Policy* and annually reviewing any measurable objectives and the Company's progress towards achieving them;
q. ensuring that the Company has in place an appropriate risk management framework and setting the risk management policy and risk appetite within which the Board expects management to operate;
r. assessing the effectiveness of management's implementation of the Company's risk management framework including the making of additional enquiries and to request assurances regarding the management of material business risk, as appropriate;
s. appointing or removing the Company's external auditor, based on the recommendation of the Audit Committee and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company;
t. liaising with the Company's external auditors and the Audit Committee;
u. monitoring compliance of the Company's legal and regulatory obligations, such as those obligations relating to the environment, native title, cultural heritage and occupational health and safety;
v. monitoring the sustainability performance of the Company, including climate related matters; and
w. making regular assessment of whether each non-executive director is independent.

The Board may delegate the matters listed above to a committee of the Board or to management, with the Board retaining the ultimate oversight and decision-making power in respect of the matters delegated. All non-executive directors shall be entitled to attend meetings of Board committees where there is no conflict of interest.

The Board has established the following committees:

- Audit Committee
- Remuneration and Nomination Committee
- Risk and Sustainability Committee, and
- Technical Committee.

The Board will convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities. It is usual practice for the Board to meet once every second month.

2. Role and responsibilities of management

Management refers to the senior management team as distinct from the Board, comprising the Company's senior executives, being those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance.

Management's role is to support the Managing Director and assist the Managing Director implement the strategic objectives set by the Board and the day-to-day running of the Company, in accordance with the delegated authority of the Board. Management is responsible for:

a. provide recommendations to the Board on the Company's strategies, budgets and business plans;
b. implementing the strategic objectives and operating within the values, Code of Conduct and risk appetite set by the Board;
c. all other aspects of the day-to-day running of the Company provided those matters do not exceed the Materiality Threshold as defined in section 3;
d. providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities. Senior executives are responsible for reporting all matters which fall within the Materiality Threshold at first instance to the Managing Director or, if the matter concerns the Managing Director then directly to the Chair or the lead independent non-executive director, as appropriate; and
e. any other matters specifically delegated to management by the Board.

3. Materiality threshold

The Board has agreed on the following guidelines for assessing the materiality of matters:

3.1 Materiality – quantitative

Items are material if they exceed the values ascribed to the relevant matter in the Company's Delegation of Authority Matrices, as approved by the Board from time to time.

3.2 Materiality – qualitative

Items are also material if:

a. they impact on the reputation of the Company;
b. they involve a breach of legislation or may potentially breach legislation;
c. they are outside the ordinary course of business;
d. they could affect the Company's rights to its assets;
e. accumulated, they would trigger the quantitative tests;
f. they involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items; or
g. they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

3.3 Material contracts

Contracts will be considered material if:

a. they are outside the ordinary course of business;

b. they contain exceptionally onerous provisions in the opinion of the Board;
c. they impact on income or distribution in excess of the quantitative tests;
d. any default, should it occur, may trigger any of the quantitative or qualitative tests;
e. they are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests;
f. they contain or trigger change of control provisions;
g. they are between or for the benefit of related parties; or
h. they otherwise trigger the quantitative tests.

Any matter which falls within the above guidelines is a matter which falls within the materiality threshold (**Materiality Threshold**).

4. Responsibilities of the Chair

The Chair is responsible for leading the Board facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between the Board and management. The Chair sets the Board's agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues.

The Board has ultimate accountability for the supervision of the management of the Company, with the Chair overseeing that these relationships are effective, efficient and in the best interests of the Company. The Chair is to assist the Managing Director and other members of the senior management team in the implementation of the short and long term strategic objectives set by the Board.

The Chair, in conjunction with the Remuneration and Nomination Committee, is also responsible for arranging Board, individual director, Managing Director, and Board committee performance evaluation.

The roles of Chair and Managing Director will not be exercised by the same individual.

Any other position which the Chair may hold either inside or outside the Company should not hinder the effective performance of the Chair in carrying out their role as Chair of the Company.

5. Responsibilities of the Lead Independent Non-Executive Director

Where the Chair is not an independent Director, the Board may designate an independent non-executive director to serve as "Lead Independent Director" to assist the Board in reviewing the performance of the non-independent Chair (if one has been appointed) and to provide a separate channel of communication for security holders (especially where those communications concern the Chair).

The Lead Independent Director will take over the role of the Chair when the Chair is unable to act in that capacity as a result of their lack of independence or becomes ill or incapacitated.

The Lead Independent Director will also act as a liaison between management and the Board where and when required.

6. Responsibilities of the Managing Director

As a general rule, the Managing Director is responsible for the day-to-day running of the Company under delegated authority from the Board, subject to the Delegation of Authority Matrices adopted by the Board from time to time. If there is no Managing Director, then any Director appointed by the Board may undertake executive duties.

The Managing Director is responsible for implementing the strategic objectives and operating within the risk appetite, set by the Board. In carrying out their responsibilities the Managing Director must report to the Board in a timely manner on those matters required by the Company's Risk Management Policy, all relevant operational matters and any other matter that is likely to fall within the Materiality Threshold.

All reports to the Board must present a true and fair view of the Company's financial condition and operational results.

The Managing Director is also responsible for appointing and, where appropriate, removing senior executives, including the chief financial officer and the company secretary, with the approval of the Board. The Company should have a written agreement with each senior executive setting out the terms of their appointment. The Managing Director is responsible for evaluating the performance of senior executives.

7. Independent directors

The Board assesses whether each of the non-executive directors of the Company is independent on a regular basis (and at least annually at or around the time that the Board/Remuneration and Nomination Committee considers candidates for election or re-election to the Board). The Board recognises the importance of the appropriate balance between independent and non-independent representation on the Board.

To be judged independent, a director must, in the opinion of the Board, be free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Chalice as a whole rather than in the interests of an individual security holder or any other person.

Individuals would, in the absence of evidence or convincing argument to the contrary, not be characterised as independent if they:

a. were employed, or had previously been employed in an executive capacity by Chalice or any of its subsidiaries in the three years prior to becoming a director;
b. received performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, Chalice;
c. within the last three years, were in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with Chalice or another group member, or is an officer of, or otherwise associated with, someone with such a relationship;
d. were a substantial shareholder of Chalice, or a representative of, or an officer or employee within the last three years of, or professional adviser to, a substantial shareholder of Chalice;
e. have close personal ties with any person who falls within any of the categories described above;
f. have been a director of Chalice for such a period that his or her independence from management and substantial shareholders may have been compromised; or
g. were directly involved in the audit of Chalice or any of its subsidiaries.

Chalice will disclose the names of the directors considered by the Board to be independent directors in Chalice's annual report.

If a director has an interest, position or relationship of the type described in sub-paragraphs a to g above, but the Board is of the opinion that it does not compromise the independence of that director, Chalice may consider disclosing in its annual report the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion.

Any change in the nature of the independence status of a non-executive director must be promptly notified to the Chair and Company Secretary and the Board will review that director's independence status. If the Board determines that there has been a change to the independence status of a non-executive director, the Board will take steps to ensure that this change is disclosed and explained in a timely manner to the market.

The independent directors may meet without other director's present, if appropriate.

8. Meeting of non-executive directors

The non-executive directors may meet without executive directors or other senior executives present at times scheduled from time to time. Such meetings may be facilitated by the Chair or the lead independent non-executive director, as appropriate, and shall be minuted.

9. Responsibilities of directors and officers

Individual directors should devote the necessary time to the tasks entrusted to them. All directors should consider the number and nature of their directorships and calls on their time from other commitments.

Directors and officers of the Company should be aware of their legal obligations, some of which are set out in "*A guide to directors' duties*" provided by the Company upon appointment.

Directors are encouraged to request information from management where they consider such information necessary to make informed decisions.

10. Conflict of interest

Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of Chalice and will advise the Company Secretary of all directorships or executive positions held in other companies.

If a potential material conflict of interest or conflict of duty arises, the director concerned will advise the Board Chair prior to any Board meeting at which the conflicted matter is to be discussed. The director will not receive the relevant Board papers and will not be present or participate in the Board meeting while the relevant matter is considered unless the other directors approve that director's participation in the deliberation and voting on the relevant issue in accordance with the *Corporations Act 2001* (Cth). Any potential conflict must be recorded in the Board minutes.

11. Policy on independent professional advice

The Board acknowledges the need for independent judgement on all Board decisions, irrespective of each individual director's independence.

To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair or the lead independent non-executive director, the Company will pay the reasonable expenses associated with obtaining such advice.

Where it is the Chair or the lead independent non-executive director who is seeking the independent professional advice, the role of the Chair to consider and provide approval as set out above should be carried out by the Chair of the Audit Committee.

12. Company Secretary

The Company Secretary's role is to support the effectiveness of the Board and its committees. Each director should be able to communicate directly with the Company Secretary and vice versa.

The responsibilities of the Company Secretary include:

a. advising the Board and its committees on governance matters;

b. monitoring that Board and committee policy and procedures are followed;

c. coordinating the timely completion and despatch of board and committee papers;

d. ensuring that the business at board and committee meetings is accurately captured in the minutes; and

e. helping to organise and facilitate the induction and professional development of directors.

13. Review of Charter

The Board will review this Board Charter at least annually, and update it as required.