

## **BOARD CHARTER**

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### **INTRODUCTION**

1. The Board of Directors (Board) of Dynasty Resources Limited (Company) is committed to the protection and enhancement of value for shareholders over the long term.
2. This charter outlines the functions and responsibilities of the Board.

### **BOARD RESPONSIBILITY**

3. The Board is responsible for:
  - a. considering and approving the corporate strategy and annual business plan;
  - b. adopting an annual budget and monitoring financial performance;
  - c. considering and approving transactions in excess of delegated authority levels;
  - d. appointing and reviewing the performance of the Managing Director;
  - e. ensuring that effective audit, risk management and regulatory compliance programs are implemented to protect the Company's assets and shareholder value;
  - f. appointment and ongoing review of service providers;
  - g. reviewing the performance of the Board and Board committees.

### **BOARD COMPOSITION**

4. The composition of the Board is determined with reference to the Constitution and consideration of an appropriate mix of skills and experience that enables the directors individually, and the Board collectively, to:
  - a. have a proper understanding of, and competence to deal with, the current and emerging issues of the Company and can effectively review and challenge the performance of those consultants and other advisors engaged to assist the Company in its exploration and other activities; and
  - b. discharge their legal duties and responsibilities effectively and efficiently.
5. The Board recognises the value of the Chair being an independent director.
6. The composition of the Board is reviewed on an annual basis to ensure that the Board has the appropriate mix of expertise and experience. The Board shall agree the process for conducting the annual performance review.
7. When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new member with particular skills, the Board selects the candidate with the appropriate expertise and experience, and having regard to overall Board diversity.
8. The terms and conditions of the appointment and retirement of members of the Board are set out in writing. The appointment letter covers the following matters:
  - a. the term of the appointment, subject to shareholder approval;
  - b. the expectations of the Board in relation to preparation for and attendance at all Board and Committee meetings;
  - c. the procedures for dealing with conflicts of interest;
  - d. the powers and duties of a Director;
  - e. confidentiality requirements and access to information;
  - f. the requirement to disclose directors interests and any matter that may affect directors independence;

- g. the availability of independent professional advice;
  - h. remuneration;
  - i. insurance arrangements; and
  - j. director education and ongoing professional development.
9. New directors are educated about the nature of the business, current issues, corporate strategy and the expectations of the Company concerning performance of directors. The induction pack received by each new director contains a copy of the Company's constitution and corporate governance policies.

#### **INDEPENDENCE**

10. An independent director is one who is free of any business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. The directors have adopted guidelines for assessing the independence of directors, as set out in Appendix A to this Charter.
11. Directors identified as independent are required to advise the Board and company secretary where circumstances arise where they no longer satisfy the requirements to be identified as independent.

#### **ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

12. Each director has the right of access to all relevant information and subject to prior consultation with the Chairman, may seek independent professional advice at the Company's expense.
13. The Company's external auditors are not to be constrained from raising issues directly with the Board.

#### **CONDUCT**

14. The Company is committed to maximising shareholder value whilst also promoting shareholder and general market confidence in the Company. Directors are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.
15. Directors are required to, among other things,
- a. avoid conflicts of interests between their personal interests and those of the Company;
  - b. not take advantage of opportunities arising from their position for personal gain or in competition with the Company;
  - c. commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of the Company, without placing undue reliance on other directors to fulfil these duties; and
  - d. comply with the Company's share trading and other governance policies.

#### **BOARD COMMITTEES**

##### **Audit and Risk Committee**

16. The Board has constituted an Audit and Risk Committee.
17. The role of the Audit and Risk Committee is to review the integrity, quality and reliability of financial reporting and risk management systems of the Company.
18. The responsibilities of the Audit and Risk Committee are outlined in the Audit and Risk Committee Charter.

##### **Remuneration Committee**

19. The Board has not constituted a separate Remuneration Committee. The functions and responsibilities typically performed by a Remuneration Committee are fulfilled by the Board.

### **RISK MANAGEMENT & INTERNAL CONTROL FRAMEWORK**

20. The Board has overall responsibility for ensuring a sound system of risk management and internal compliance and control has been implemented.
21. The Audit and Risk Committee is responsible for advising the board on the system of internal controls and risk management and the financial reporting and audit process, and reviewing the effectiveness of the Company's risk management system and internal control framework.

### **REMUNERATION RESPONSIBILITIES**

22. The Board is responsible for reviewing:
  - a. the Company's remuneration framework for directors;
  - b. the remuneration packages to be awarded to senior executives (if any);
  - c. incentive compensation, including any equity-based remuneration plans (if applicable);
  - d. superannuation arrangements for directors and senior executives; and
  - e. whether the Company is in compliance with relevant provisions of the ASX Listing Rules and Australian corporations law.
23. The Board will ensure that the Company satisfies its remuneration related report obligations under the *Corporations Act 2001* (Cth) and remains compliant with any other applicable governance, accounting and legal requirements regarding disclosure of remuneration.

### **REVIEW OF THIS CHARTER**

A formal review of this Charter takes place annually.

Reviewed and approved by the Board on 30 September 2016.

## APPENDIX A

### GUIDELINES FOR ASSESSING THE INDEPENDENCE OF DIRECTORS

1. A director is considered independent if the director satisfies the following criteria:
  - a. is not a substantial shareholder of the Company holding more than ten per cent of the Company's shares, or an officer of or otherwise associated directly with a shareholder holding more than ten per cent of the Company's shares;
  - b. is not, and has not been within the last three years, a principal or employee of a material professional adviser or consultant to the Company, or an employee materially associated with the service provider;
  - c. is not, and has not been within the last three years, a material supplier of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier;
  - d. has no material contractual relationship with the Company other than as a director of the Company;
  - e. is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act in the best interests of the Company.
2. The test of whether a relationship or transaction is 'material' will be based on the nature and circumstances of the transaction being reviewed.

Materiality will be considered from the perspective of the Company and the relevant party. When reviewing the materiality of activities or relationship between a non-executive director and the Company (other than as a director), the significance of the activities or relationship to the director will be reviewed in the context of their activities as a whole.
3. The Audit and Risk Committee will review the independence of directors each year.