

## **Board Charter**

### **1. Introduction**

1.1 In carrying out its responsibilities and exercising its powers, the board at all times recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the shareholders of IMX Resources Ltd (IMX), as well as its employees, customers, and the community. It works to promote and maintain an environment within IMX that establishes these principles as basic guidelines for all of its employees and representatives at all times.

### **2. Purpose and Role**

2.1 The board is responsible for:

- (a) charting the direction, strategies and financial objectives of IMX and ensuring appropriate resources are available;
- (b) monitoring the implementation of those policies and strategies and the achievement of those financial objectives;
- (c) monitoring compliance with control and accountability systems, regulatory requirements and ethical standards;
- (d) ensuring the preparation of accurate financial reports and statements;
- (e) reporting to shareholders and the investment community on the performance and state of IMX; and
- (f) reviewing on a regular and continuing basis:
  - executive succession planning (in particular for the chief executive officer; and
  - executive development activities.

2.2 In performing the responsibilities set out above the board acts at all times:

- (a) in a manner designed to create and build sustainable value for shareholders; and
- (b) in accordance with the duties and obligations imposed upon it by the company's constitution and by law.

### **3. Powers**

3.1 In addition to matters expressly required by law to be approved by the board, powers specifically reserved for the board are as follows:

- (a) appointing and removing the managing director and determining his or her terms and conditions of employment (including remuneration);
- (b) reviewing and ratifying each of the following:
  - systems of risk management and internal control and compliance, codes of conduct and legal compliance;
  - financial and other reporting; and
  - major capital expenditure, capital management, and acquisitions and divestures.
- (c) any matters in excess of discretions that, from time to time, it may have delegated to the managing director and senior management (for instance, in relation to capital expenditure); and
- (d) approving each of the following, on the recommendation of the managing director where appropriate:
  - i. the strategic plan, at least annually;
  - ii. the budget, at least annually;
  - iii. the appointment and, where appropriate, the removal of the chief financial officer / company secretary, and other senior executives reporting to the managing director;

- iv. the remuneration and conditions of service, including financial incentives, for the chief financial officer / company secretary, and other senior executives reporting to the managing director;
- v. significant changes to organisational structure and the appointment of such senior executives as the board may determine;
- vi. the acquisition, establishment, disposal or cessation of any significant business of IMX;
- vii. the issue of any shares, options, equity instruments or other securities in IMX;
- viii. any public statements which reflect significant issues of IMX policy or strategy; and
- ix. any changes to the discretions delegated from the board.

#### **4. Board Membership**

4.1 The board comprises a majority of independent directors.

4.2 The directors appoint an independent director as chairman of the board.

#### **5. Independence**

5.1 An independent director is a non-executive director (i.e. is not a member of management) and:

- (a) is not a substantial shareholder, as defined in section 9 of the Corporations Act i.e. 5% or more, of the company or an officer of, or otherwise associated directly with, a substantial shareholder of IMX;
- (b) within the last three years has not been employed in an executive capacity by IMX or another group member, or been a director of IMX within three years after ceasing to hold any such employment;
- (c) within the last three years has not been a principal of a material professional adviser or a material consultant to IMX or another group member, or an employee materially associated with the service provided;
- (d) is not a material supplier or customer of IMX or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has no material contractual relationship with IMX or another group member other than as a director of IMX;
- (f) has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of IMX;
- (g) 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 IMX.

5.2 For the purpose of this Section 5,

- (a) "principal" does not include a non-executive director;
- (b) "material professional adviser" does not include a professional adviser providing less than 25% of professional advisory services of a same or similar nature to IMX and its group members; and
- (c) the guidelines contained in Australian Accounting Standard AASB 1031 "Materiality" are followed in determining whether a supplier or customer is a "material supplier or customer".

#### **6. Meetings**

6.1 Board and committee papers are provided to directors, where possible, four days prior to the relevant meeting.

6.2 The non-executive directors meet as required for private discussion of management issues.

**7. Board Committees**

7.1 The board from time to time will establish committees to assist it in carrying out its responsibilities, and adopts charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the board may consider appropriate.

7.2 The board has established the following committees:  
(a) an audit and risk committee; and  
(b) a nomination and remuneration committee.

**8. The Chairman**

8.1 The directors elect one of their number to the office of chairman and may determine the period for which that director is to be chairman.

8.2 The chairman presides over meetings of the board and general meetings of shareholders.

8.3 The chairman is responsible for leading and managing the board in the discharge of its duties.

**9. The Managing Director**

9.1 The managing director's duties are to:

- (a) devote the whole of his or her time, attention and skill during normal business hours and at other times as reasonably necessary, to the duties of the office;
- (b) be accountable for planning, coordinating and directing the operations of IMX to achieve strategic, financial and operating objectives as agreed with the board;
- (c) formulate and recommend business and financial strategies and plans to develop IMX's business and to implement these plans to achieve agreed performance targets;
- (d) promote the interests of IMX; and
- (e) faithfully and diligently perform the duties and exercise the powers:
  - i. consistent with the position of a managing director of IMX; and
  - ii. assigned by the board.

9.2 In fulfilling his or her duties, the managing director:

- (a) reports directly to the board;
- (b) provides prompt and full information to the board regarding the conduct of the business of the company; and
- (c) complies with reasonable directions given by the board.

**10. The Company Secretary**

10.1 The company secretary supports the effectiveness of the board by:

- (a) monitoring that board policy and procedures are followed; and
- (b) co-ordinating the completion and despatch of board agendas and briefing papers.

10.2 The company secretary is responsible to the board, through the chairman, on all governance matters.

**11. Self Assessment**

11.1 The board will undertake an annual performance evaluation of itself that:

- (a) compares the performance of the board with the requirements of its charter; and

(b) effects any improvements to the board charter deemed necessary or desirable.

11.2 The performance evaluation is conducted in such manner as the board deems appropriate.

**12. Appointment**

12.1 Letters of appointment for each new appointment to the board will set out the key terms and conditions relative to the appointment.

**13. Term of Office**

13.1 A director, in accordance with Listing Rule 14.4 must not hold office past the third annual general meeting following the directors appointment or 3 years, whichever is longer, except that if appointed to fill a casual vacancy or as an addition, must not hold office past the next annual general meeting, without re-election for those circumstances.

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