

ZIMPLATS HOLDINGS LIMITED

THE BOARD CHARTER

INTRODUCTION

The Board of Directors ('the Board') of Zimplats Holdings Limited ('the Company') acknowledges the need for a Board Charter as recommended in the Code of Corporate Practices and Conduct ("King II") report on corporate governance, and by the ASX Corporate Governance Council. This Board Charter shall be subject to the provisions of the Companies (Guernsey) Law 2008, the Company's Articles of Association and any other applicable law or regulatory provision.

1. COMPOSITION OF THE BOARD

- 1.1 The Company shall maintain a unitary board.
- 1.2 The Board shall comprise executive and non-executive directors with a majority of non-executive directors with a minimum of 1/3rd of those non-executives being independent.
- 1.3 The composition of the Board shall reflect the responsibilities that it is vested with and the duty that it has to discharge and perform as representative of the interests of the Company's shareholders and all other stakeholders.

2. QUORUM FOR MEETINGS

The quorum for any meeting of the Board shall be as stated in the Articles of Association of the Company.

3. MEMBERSHIP OF THE BOARD

- 3.1 The office of the Chairman of the Board and the Chief Executive Officer shall be separate. There shall at all times be a clearly defined division of responsibilities in both offices to ensure a balance of authority and power.
- 3.2 The members of the Board shall be expected:
 - to acquire a working knowledge and understanding of the Company's business, the laws, regulations and customs (if any) that govern the activities of the business;
 - to have an ability to make sound business decisions and recommendations;
 - to exercise judgment independently;
 - to exercise stewardship at all times and uphold the highest degree of ethics in all forms of conduct.
- 3.3 The size of the board shall be sufficiently large to ensure the presence of a wide range of skills, knowledge and experience without compromising common purpose, involvement, participation and a sense of responsibility amongst the members necessary to meet the Company's strategic objectives.

- 3.4 The period of office of directors shall be as follows:
- new directors shall hold office only until the next annual general meeting at which they will retire and be available for re-election;
 - all directors are subject to retirement by rotation and re-election by shareholders at least once every three years, consistent with the Articles of Association;
 - the termination of service of any executive director for whatever reason shall result in the resignation of that director from the board.
- 3.5 The retirement age for an executive director shall be 60 years and for a non-executive director 65 years. The Board shall be entitled to re-elect a non-executive director who has passed the age of 65 years, provided that such appointment is requested and approved by a majority of the directors and such director consents to the reappointment.

4. **ROLE OF THE BOARD**

- 4.1 The Board shall assume ultimate accountability and responsibility for the performance and affairs of the Company and shall in so doing effectively represent and promote the interests of the shareholders.
- 4.2 The Board shall retain full and effective control over the Company, and shall direct and supervise the business and affairs of the company, including:
- ensuring that goals are established and that strategies to achieve the goals are in place;
 - establishing policies to strengthen the performance of the Company;
 - monitoring management's performance and implementation of board plans and strategies;
 - appointing the CEO and setting the terms of his employment;
 - protecting the Company's financial position;
 - ensuring that the financial statements are true and fair and contain proper disclosures and conform with the law;
 - ensuring that the Company adheres to high standards of ethics and corporate behaviour and that a corporate code of conduct is in place which satisfies in substance and form the requirements of King II;
 - ensuring that the Company has appropriate risk management, internal controls and regulatory compliance policies and processes in place;
 - ensuring that an effective group-wide Risk Management Framework is implemented and maintained;
 - ensuring that the Company complies with all relevant laws, regulations and codes of business practice;
 - ensuring that the Company has a communication policy and communicates with its shareholders and all relevant stakeholders openly and promptly, with substance prevailing over form;
 - ensuring that key risk areas and key performance indicators of the business are identified and maintained, with particular attention to technology and systems;

- ensuring that non-financial aspects relevant to the business of the Company are identified and monitored;
 - reviewing and recording the facts and assumptions on which the Board relies to conclude that the Company will continue as a going concern in the financial year ahead or why it will not and what steps are being taken to remedy the situation; and
 - ensuring that director selection, orientation and evaluation processes are in place and carried out.
- 4.3 The responsibility of the day-to-day management of the Company shall vest with the executive management. The Board shall afford the executive management strategic direction and support in the execution of its duty.
- 4.4 The Board and its members shall have unrestricted access to all Company information, records, documents and property. The Company Secretary shall assist the Board or any member thereof in providing any information or document that may be required.

5. **BOARD PROCEDURES**

- 5.1 The conduct of directors shall be consistent with their duties and responsibilities to the Company and consequently, indirectly to the shareholders.
- 5.2 Directors' responsibilities and limitations are set out in the Articles, the Companies (Guernsey) Law 2008, the Listings Requirements of the ASX, and the Code of Corporate Practices and Conduct (King II).
- 5.3 The Board shall be disciplined in fulfilling its function, with the emphasis being placed on strategic issues and policy.
- 5.4 The Board's discussions shall be open and constructive. The Chairman shall seek a consensus in the Board but may, where necessary, call for a vote. Discussions and records shall remain confidential unless a specific directive is received from the Board to the contrary.
- 5.5 The Board shall have sole authority over its agenda. Any director may request the Company Secretary to include an item on the agenda for discussion and decision of the Board.
- 5.6 Non-Executive directors may meet separately with management, without the attendance of executive directors.
- 5.7 Directors shall comply with all relevant legislation and shall be required to maintain strict confidentiality of all information relating to the business of the Company.
- 5.8 At each meeting the Board shall, at a minimum, consider those matters laid out in the meeting agenda.
- 5.9 The Board shall:
- approve the annual business plan;
 - approve the annual and half-yearly financial statements, reports and shareholders and public announcements;
 - approve the directors' statutory report to be published in the annual report, together with the annual statement on corporate governance and risk management;
 - consider, and if appropriate, declare or recommend the payment of dividends;
 - review the Company's audit requirements;
 - review the performance of and the composition of board committees;

- review the directors', Chairman's and CEO's remuneration;
- review remuneration policies and practices in general, including superannuation and incentive schemes for management;
- review donations and sponsorships.

5.10 Board Committees

- The Board is authorised to establish committees, in which non-executive directors shall play an important role, to assist it in the execution of its duties, powers and authorities. The Board shall delegate to each of the committees established, such authority as is required to enable such committees to fulfil their respective functions.

Delegating of authority to Board committees or management shall not mitigate or discharge the Board and its directors of their duties and responsibilities.

- The Board shall as a minimum establish an Audit Committee, a Remuneration Committee and a Safety, Health and Environment Audit Committee.
- Each committee shall have formal terms of reference which shall be approved by the Board.

The Chairperson of each committee shall report back to the Board on at least a quarterly basis on a general principle of transparency and full disclosure.

- Board committees and members are authorised to obtain independent outside professional advice as and when considered necessary. The Company Secretary shall assist the board committees and members in obtaining any such professional advice.
- Board committees shall be subject to regular evaluation by the Board to ascertain their performance and effectiveness.

5.11 Matters reserved for Board decision

The Board shall define levels of materiality, reserving specific power to itself and delegating other matters with the necessary written authority to management. Delegated matters shall be minuted and evaluated on a regular basis.

The following matters shall be reserved for decision by the Board on the basis of any recommendation that may be made from time to time by the Committees of the Board and/or management:

Financial

- the adoption of any significant change or departure in the accounting policies and practices of the Company;
- the establishment of loan facilities from any financial institution or other body;
- the approval of annual financial statements, the approval of interim reports and the valuation of unlisted investments; and
- the recommendation to shareholders of any increase or reduction in or alteration to the share capital of the Company and the allotment, issue or other disposal of shares of the company (except for shares allotted under any share incentive scheme).

Statutory and administrative

- recommending amendments to the Memorandum or Articles of the Company;
- the appointment, removal or replacement of the external auditor of the Company;
- the frequency of meetings of the Board;
- the convening of general meetings of shareholders of the Company;
- the approval of the notice of the annual general meeting, or any other Shareholders' meeting, ensuring that each special business is accompanied by a full explanation of the effects of any proposed resolutions;
- the approval of proxy forms for annual and general meetings of shareholders of the Company;
- the formulation of recommended policies in relation to industrial relations;
- the prosecution, defence or settlement of legal or arbitration proceedings, where material, and except those proceedings that are conducted in the ordinary course of business;
- the appointment of responsible persons who may be required in terms of any Act in Guernsey or elsewhere in respect of the Company;
- the approval of the rules of and amendments to pension and provident funds having a material effect on the actuarial liabilities of those funds;
- the granting of general signing authorities and changes thereto pursuant to the Articles of the Company;
- establishing any overseas branch or duplicate register of shareholders of the Company;
- the variation of the rights attaching to shares where such powers are vested in the directors; and
- the formulation of recommended policies in relation to equal opportunity employment, environment, health and safety and any such other policies relevant to the company's primary stakeholders.

Regulatory

- the approval of terms and conditions of the Company's rights issues, public offers, capital issues or issues of convertible securities, including shares, or convertible securities issued for acquisitions;
- the approval and authority to issue circulars to shareholders of the Company;
- the approval and authority to issue prospectuses, listing particulars, rights offers or takeover or merger documents;
- recommending to shareholders that they approve any ordinary or special resolutions in respect of the Company;
- recommending that the shareholders take a particular course of action proposed by the Company; and

- any decision to list the Company's shares on any stock exchange or to terminate any such listing.

Manpower

- appointments to the Board, including the appointment of the Chairman, any deputy Chairman, CEO, executive directors and non-executive directors, and the approval of nominations of alternate directors (if any);
- the approval of terms of reference of and changes in the composition of the Board;
- any increase of directors' fees as recommended by the Remuneration Committee;
- the approval of any share incentive scheme, the rules applicable to any such scheme and any amendment to such rules as recommended by the Remuneration Committee for submission to shareholders, if applicable.

Strategic issues

- approval of the strategy, business plans and annual business plans and of any subsequent material changes in strategic direction or material deviations in business plans;
- considering and approving any material departure from strategic objectives and policies, including significant re-alignment of the businesses in which the group operates or is invested;
- considering and approving any major transactions outside the ordinary course of the Company's business;
- evaluating all key assumptions and business indicators on which the Company's strategic objectives and policies are based; and
- considering and reviewing all important policies regulating the Company's relations with its primary stakeholders and significant issues arising from these relationships.

6. BOARD'S RELATIONSHIP WITH SHAREHOLDERS

- 6.1 The Board shall endeavour to familiarise itself with issues of concern to shareholders.
- 6.2 The Board shall evaluate economic, political, social and legal issues on a regular basis, as well as any other relevant external matters that may influence or affect the development of the business or the interests of the shareholders and, if appropriate, obtain independent expert advice.
- 6.3 The Board shall encourage shareholders to attend annual general meetings. All directors should be encouraged to attend these meetings and at a minimum the following persons shall be present:
- Chief Executive, Chairperson and Deputy Chairperson (if any);
 - Chief Finance Officer;
 - Chairperson of Audit, Remuneration, and the SHE Audit committees; and
 - Any director at the specific request of the Chairperson.

7. **APPOINTMENT ON OTHER BOARDS**

Any director shall be at liberty to accept appointments on other boards, provided that such appointment does not result in a situation giving rise to any conflict of interest with the Company. An appointment of an executive director on another board shall be subject to the policy adopted by the Company and shall if necessary be discussed with the Chairman of the Board.

8. **RISK MANAGEMENT**

8.1 The Board shall be responsible for the process of risk management. The Board shall also be responsible for disclosures on risk management in the annual reports and financial statements.

8.2 The Board shall ensure that risk assessment is undertaken at least annually for the purposes of making its public statement on risk management as well as ensuring that at appropriately considered intervals it receives and reviews reports on the risk management process.

8.3 The Board shall be also responsible for reporting significant risks that affect decisions of stakeholders in their dealings with the Company and, which should be disclosed in the annual report.

8.4 An effective, ongoing process shall be in place to identify risks, measure their impact and proactively manage and monitor these.

8.5 A fundamental element of the role of the non-executive directors within the Board shall be to satisfy themselves that executive management is managing risk in an appropriate and informed fashion.

9. **CORPORATE GOVERNANCE**

9.1 The Board is the focal point of corporate governance in the Company. It is ultimately accountable and responsible for the performance and affairs of the Company.

9.2 The Board shall be responsible for ensuring that an adequate and effective process of corporate governance is established and maintained, and that compliance is met with the code of Corporate Practice and Conduct (King II), and with the ASX Corporate Governance Principles and Recommendations.

9.3 The process shall be consistent with the nature and complexity of, as well as the risk inherent, in the Company's activities.

9.4 The external auditors shall assess and review the process annually, including management of risk, and report to the Board.

10. **REMUNERATION**

10.1 The Remuneration of the directors shall be reviewed by the Remuneration Committee and approved by the Board, and a detailed report including the company's remuneration philosophy may be published in the annual report.

10.2 Non-executive directors shall receive:

- a basic fee as remuneration;
- additional remuneration as chairman or member of a board committee; and,
- additional remuneration for any special service as a director.

10.3 The non-executive directors and chairman shall be paid a level of fees appropriate to their office, which shall be reviewed annually by the Board after taking independent advice if such advice is required.

10.4 Executive Directors

No additional fees shall be paid to executive directors as executive directors other than in accordance with service/employment contracts.

11. MEETINGS - FREQUENCY AND BOARD ATTENDANCES

11.1 Meetings of the Board shall be held at such venue and at such time as the Board deems appropriate, but it shall normally meet at least four times a year or at the request of management or of the Chairman of the Board, or of the Board members.

11.2 Directors shall use their best endeavours to attend Board meetings and to prepare thoroughly therefor. Directors are expected to participate fully, frankly and constructively in board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board. Directors who are unable to attend shall advise the Company Secretary.

12. PROCEEDINGS OF MEETINGS

12.1 Unless varied by these terms of reference, meetings and proceedings of the Board shall be governed by the Company's Articles.

12.2 Except under exceptional circumstances, at least 5 working days notice shall be given of a meeting of the Board. Such notices shall, where possible, include the agenda and any supporting papers.

12.3 Each Board member is responsible for being satisfied that, objectively, he/she has been furnished with all the relevant information and facts before making a decision.

12.4 Minutes of meetings shall be taken by the Company Secretary and shall be circulated to all directors of the Boards within 10 days of the relevant board meeting.

13. PROFESSIONAL OR BUSINESS SERVICES PROVIDED BY DIRECTORS

13.1 Non-executive directors may not generally provide any professional services to the Company.

13.2 The Company may, however, for the purpose of a special assignment engage the services of a director with a scientific field of expertise to undertake a specific task. In such event the scope of the task will be defined and agreed upon and a disclosure thereof shall be made to the board at the next meeting date.

13.3 The terms of the engagement shall be competitive, clearly recorded and all legal requirements with regards to disclosure shall be complied with.

14. SHAREHOLDING BY DIRECTORS

Directors shall observe the provisions of any relevant rules, legislative or regulatory procedures and prescribed procedural recommendations when dealing in their securities.

15. GENERAL

15.1 An induction programme aimed at an understanding of the Company, the business, environment, markets and risks in which the company operates shall be conducted for all newly appointed directors.

15.2 Directors shall receive all essential board and Company information timeously.

15.3 Directors shall keep themselves abreast of changes and trends in the business.

15.4 Directors shall keep abreast of changes and trends in the economic, political, social and legal climate in general.

- 15.5 The Board and the members thereof in carrying out their tasks under these terms of reference may, at the expense of the Company, obtain such outside or other independent professional advice, as it considers necessary to carry out their duties.
- 15.6 These terms of reference may be amended from time to time by the Board.