

## Prodigy Gold NL - Board Charter

In carrying out the responsibilities and powers set out in this Charter, the Board of Directors of the Company (**the Board**):

- (a) recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
- (b) recognises its duties and responsibilities to its employees, customers and the community.

In the event the Board comprises of only three non-executive members the full Board will undertake the role of the Remuneration and Nomination Committee as well as the role of the Audit, Risk, Safety and Sustainability Committee. Any references to a Committee in the Policies and Charters only applies if the Committee has been established and otherwise is to be interpreted as the role the Board will undertake in the Committees place.

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### 1. THE SPECIFIC RESPONSIBILITIES OF THE BOARD

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

- (a) appointment of the Chief Executive Officer / Managing Director, in accordance with the Company's Constitution, and other senior executives and the determination of their terms and conditions including remuneration and termination, based on recommendations received from the Remuneration and Nomination Committee;
- (b) appointment of non-executive Directors, in accordance with the Company's Constitution, and identifying persons to be put forward to security holders for election or re-election as Directors and the determination of their terms and conditions including remuneration and termination, based on recommendations received from the Remuneration and Nomination Committee;
- (c) driving the strategic direction of the Company, including determining the vision, values and objectives of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (d) identifying, reviewing, ratifying and monitoring, as applicable, material business risks pertaining to all aspects of the Company's business. The Audit, Risk, Safety and Sustainability Committee is responsible for financial, administrative, legal and compliance risks, as well as the overall risk management policy and procedures framework, OH&S, community relations, government regulatory compliance, operational and environmental risks.
- (e) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (f) monitoring developments in the Company's industry and general operating environment;
- (g) approving and monitoring the annual budget, any material variations to it, and the adequacy and integrity of financial and other reporting;
- (h) authorising expenditure approval limits for the Chief Executive Officer / Managing Director, and authorising expenditure in excess of these discretionary limits;

- (i) approving the annual and half yearly accounts, quarterly cash flow statements (Appendix 5B), notices of general meeting, the annual corporate governance statement and profit and dividend announcements;
- (j) approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with the ASX Listing Rules);
- (k) approving significant changes to the organisational structure;
- (l) considering, and if suitable, approving all mergers, acquisitions and disposals of projects and businesses;
- (m) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making, including determining, implementing and monitoring procedures to ensure that ASIC and ASX are promptly and adequately informed of all matters considered to be material, in accordance with the Company's continuous disclosure obligations;
- (n) encouraging effective communication between the Company and its shareholders, employees and the general public and establishing and encouraging effective communication channels between the Company and shareholders and other parties having legitimate interests that may be effected by the Company's activities.
- (o) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules);
- (p) meeting with the external auditor, at their request, without management being present;
- (q) ensuring that appropriate checks are undertaken before new Directors are appointed or put forward to security holders for election and that security holders are provided with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a Director;
- (r) establishing and determining the powers and functions of committees of the Board and considering the reports from these committees and the recommendations made;
- (s) reviewing and providing feedback on the performance of the Board, individual Directors and the Board committees;
- (t) approving equity based incentive schemes; and
- (u) assessing the key performance indicators that are linked to remuneration, with regard to desired and actual outcomes, the Company's economic goals and shareholder interests.

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## 2. COMPOSITION OF THE BOARD

- (a) The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction, assisting the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.
- (b) In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company. The Board will consider recommendations provided by the Remuneration and Nomination Committee in respect of new appointments and re-elections to the Board.

- (c) Directors are to be appointed pursuant to formal agreements. The expectations for time to be committed to attend Board meetings and participate in committees and other activities of the Company should be set out in these agreements.
- (d) Where practical, the majority of the Board is comprised of non-executive Directors. Where practical, at least 50% of the Board will be independent. An independent Director is one who is independent of management and free from any interest, position, association 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 the entity and its security holders generally. Factors relevant to assessing the independence of Directors are identified in Box 2.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition as set out in Annexure A.
- (e) Directors must disclose their interests. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.
- (f) Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.
- (g) Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- (h) No member of the Board, except for the Chief Executive Officer / Managing Director, may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.
- (i) Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Remuneration and Nomination Committee to ensure that they continue to contribute effectively to the Board.
- (j) The Company will provide an appropriate induction program for newly appointed Directors.
- (k) The Company will provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge required to perform their role as Directors effectively.
- (l) Directors must comply with the relevant legislation impacting on their activities as Directors, and with all policies established by the Board.

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### **3. THE ROLE OF THE CHAIR**

- (a) Where practical, the Chair should be a non-executive Director. If a Chair ceases to be an independent Director then the Board will consider appointing a lead independent Director.
- (b) Where practical, the Chief Executive Officer / Managing Director should not be the Chair of the Company during his term as Chief Executive Officer / Managing Director or in the future.
- (c) The Chair must be able to commit the time to discharge the role effectively.
- (d) The Chair is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings.
- (e) The Chair should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.

- (f) In the event that the Chair is absent from a meeting of the Board then the Board shall appoint a Chair for that meeting.
- (g) The Chair should ensure that issues relating to conflicts of interest between the Company, Directors and employees are properly dealt with in accordance with the Constitution and the Corporations Act.
- (h) The Chair should have an understanding of Board and general meeting rules and procedures.
- (i) The Chair should ensure that the external audit partner is present at the Annual General Meetings and is available to answer any questions raised by shareholders.
- (j) In conjunction with the relevant Board committees, the Chair should arrange annual performance evaluation of the Board, its committees, where appointed, and of individual Directors.
- (k) The Chair should ensure the Directors continually update their skills and experience and knowledge of the Company to an extent necessary to fulfil their role on the Board.
- (l) The Chair will monitor the scope and currency of the Diversity Policy.

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#### **4. ROLE OF THE NON-EXECUTIVE DIRECTORS**

Non-Executive Directors collectively should:

- (a) challenge executive management and contribute to the development of strategy;
- (b) critically review the performance of executive management against agreed objectives and strategies;
- (c) monitor the quality, quantity and efficiency of internal and external reporting of the Company's performance;
- (d) review independently and challenge the proposals presented by executive management, requesting additional information where they consider the information provided is not sufficiently detailed to support informed decision-making; and
- (e) take reasonable and proper steps to satisfy themselves that financial information released to the markets and shareholders is accurate, and that there are adequate and proper financial controls and systems of risk management and that the controls are maintained and the systems robust.

Non-Executive Directors individually should:

- (a) take the time to ensure they are properly informed about the subject matter of all decisions they are called upon to make as Directors of the Company;
- (b) monitor their own performance, taking into account their other time commitments, state of health, potential conflicts of interest, and personal circumstances, to determine whether they can properly discharge their duties and responsibilities as a Director of the Company, and provide quality assistance to enable the Company to achieve its objectives; and
- (c) undertake ongoing education to maintain appropriate skill levels, and where applicable attend regular site visits to the Company to remain familiar with the Company's business activities.

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#### **5. BOARD COMMITTEES**

- (a) If the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties, the Board will establish the following committees, each with written terms of reference:

- (i) Audit, Risk, Safety and Sustainability Committee; and
- (ii) Remuneration and Nomination Committee.
- (b) Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.
- (c) The Board may establish and remove additional committees (other than the committees in 5(a)) as it deems necessary. The composition of such committees may include a majority of Members from outside the Company's Board.
- (d) The Charter of the Committees is approved by the Board and reviewed following any applicable regulatory changes.
- (e) The Board will ensure that the Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.
- (f) The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such a Committee meeting.
- (g) Where the Board does not consider that the Company will gain any benefit from a particular separate committee, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee.

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## 6. BOARD MEETINGS

- (a) There must be a majority of Directors present at a meeting to constitute a quorum.
- (b) The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including, in accordance with the Company's Constitution, by means of an instantaneous communication device rather than in person, as may be required.
- (c) Non-executive Directors may confer at scheduled times without management being present, providing clause 15.4 of the Company's Constitution is complied with.
- (d) The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chair and circulated to Directors after each meeting.
- (e) The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable.
- (f) Minutes of meetings must be approved at the next Board meeting.
- (g) Further details regarding Board meetings are set out in the Company's Constitution.
- (h) For the purposes of this Corporate Governance Plan, "**instantaneous communication device**" includes telephone, television, or any other audio or visual device which permits instantaneous communication.

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## 7. INDEMNITY AND INSURANCE

The Company will enter into an agreement:

- (a) in accordance with clause 27 of the Constitution of the Company, with each Director, principal executive officer or Secretary of the Company, where the Company will agree to indemnify each Director, principal executive officer or Secretary of the Company against the liability arising out of the discharge of their duties as a Director, principal executive officer or Secretary of the Company, provided cover can be obtained at reasonable rates and on reasonable terms, to

insure each Director, principal executive officer or Secretary of the Company against liability incurred in their capacity as a Director, principal executive officer or Secretary of the Company; and

- (b) with each Director and the Company Secretary in which the Company will agree to provide access to Company material as required for proper purposes.

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**8. THE COMPANY SECRETARY**

- (a) The Company Secretary is accountable directly to the Board, through the Chair on all matters to do with the proper functioning of the Board.
- (b) When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committees and between senior executives and non-executive Directors.
- (c) The Company Secretary is to provide advice to the Board on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and applicable other laws.
- (d) All Directors have access to the advice and services provided by the Company Secretary.
- (e) The Board has the responsibility for the appointment and removal of the Company Secretary.

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**9. ACCESS TO ADVICE**

- (a) All Directors and the Company Secretary have unrestricted access to Company records and information except where the Board determines that such access would be adverse to the Company's interests.
- (b) All Directors and the Company Secretary may consult management and employees as required to enable them to discharge their duties as Directors or Company Secretary.
- (c) The Board, Committees, individual Directors and the Secretary may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chair or the Chief Executive Officer / Managing Director. A copy of any such advice received is made available to all members of the Board where appropriate.

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**10. THE BOARD'S RELATIONSHIP WITH MANAGEMENT**

- (a) The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer / Managing Director and senior management of the Company. Management is responsible for implementing the strategic objectives and operating within the risk range set by the Board. Management is also responsible for providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities.
- (b) The Chief Executive Officer / Managing Director, together with the Chief Financial Officer, must, prior to the Board signing off the quarterly cashflow statement (Appendix 5B), the half year and full year financial accounts, provide the Board with a written statement that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and financial performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

- (c) In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors.

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**11. PERFORMANCE REVIEW**

The Board shall conduct an annual performance review of the Remuneration and Nomination Committee, that:

- (a) compares the performance of the Committee with the requirements of its Charter;
- (b) critically reviews the mix of the Committee; and
- (c) suggests any amendments to the Committee Charter as are deemed necessary or appropriate.

The Remuneration and Nomination Committee shall conduct an annual performance review of the Board that:

- (a) compares the performance of the Board with the requirements of its Charter;
- (b) critically reviews the mix of the Board; and
- (c) suggests any amendments to the Board Charter as are deemed necessary or appropriate.

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**12. DISCLOSURE POLICY**

The Board should ensure that the Company has in place effective disclosure policies and procedures so that shareholders and the financial market are fully informed to the extent required by the applicable disclosure rules and legislation on matters that may influence the price of the Company's Securities.

# Prodigy Gold NL – Annexure A

## Factors Relevant to Assessing the Independence of a Director

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### 1. ASX CORPORATE GOVERNANCE COUNCIL'S CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

Examples of interests, positions, associations and relationships that might cause doubts about the independence of a Director include if the Director:

- is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- is, or has within the last three years been, a partner, Director or senior employee of a provider of material professional services to the entity or any of its child entities;
- is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the entity or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- is a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the entity;
- has a material contractual relationship with the entity or its child entities other than as a Director;
- has close family ties with any person who falls within any of the categories described above; or
- has been a Director of the entity for such a period that his or her independence may have been compromised.

In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally.