

# Mundo Minerals Limited

## Corporate Governance

### BOARD CHARTER

#### Role of the Board

To guide and monitor the Company on behalf of shareholders by whom they are elected and to whom they are accountable. The Board fulfils this role by:

- establishing the direction and strategies for the Company;
- monitoring the implementation of those strategies;
- monitoring compliance with regulatory requirements; and
- setting the tone for ethical behaviour and standards.

The responsibility for the day-to-day operation and administration of the Company is delegated by the Board to the Managing Director and senior management. The Board will ensure that the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and any executive directors.

#### Responsibility of the Board

- Understand areas of significant business risk and monitor the adequacy of arrangements in place to assess and manage those risks.
- Develop corporate objectives and strategy in conjunction with management.
- Monitor adequacy of control framework in place that ensures compliance with all of the Company's legal obligations, in particular those obligations relating to the environment, cultural heritage, occupational health and safety and community development.
- Approve and monitor major capital and operating expenditures, capital management, acquisitions, disposals and major funding activities.
- Approve the annual budget.
- Monitor the operational and financial performance of the Company against budget.
- Establish appropriate levels of delegation to the Managing Director.
- Appoint, evaluate, reward and, if necessary, remove the Managing Director.
- Ratify the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company Secretary.
- Satisfy itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period being reported.
- Assess the effectiveness and appropriateness of external audit arrangements.
- Ensure reporting to shareholders is appropriate and that adequate measures are in place to ensure ongoing ASX and statutory disclosure obligations are met.

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#### Committees

The Board had established the following committees as a means of providing an efficient mechanism to focus on particular issues:

- Audit Committee
- Remuneration Committee
- Nomination Committee
- Treasury Committee

The Board retains ultimate responsibility for the actions of these committees.

#### Division of responsibilities

The roles of Chairman and Managing Director are not combined. The Managing Director will be accountable to the Board for all authority delegated to the position.

#### The Chairman

The chairman is responsible for:

- leadership of the Board;
- the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings;
- shareholder communication; and
- arranging Board performance evaluation.

#### Managing Director

The Managing Director is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. The Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

#### Independent Directors

It is a priority of the Board to achieve an appropriate balance between independent and non-independent representation on the Board. In making this determination, the Board takes into account the required skills and experience required, in the context of the Company's operations and activities from time to time. In determining whether or not the directors are independent, the Board applies the criteria as set out in the "ASX Principles of Good Corporate Governance and Best Practice Recommendations".

#### Review

The Board shall review and reassess the charter at least annually.