

MASTERMYNE GROUP LIMITED (Company)

BOARD CHARTER

The Board is responsible for the overall operation and stewardship of the Company and, in particular, is responsible for:

- approving the strategic objectives of the Company and establishing goals designed to promote the achievement of those strategic objectives;
- approving and monitoring systems of risk management and internal compliance and control, codes of conduct, legal compliance and ethical standards;
- approving investments and ongoing evaluation of those investments;
- approving and monitoring financial and other reporting;
- monitoring senior management's performance (against the goals and objectives established by the Board); and
- approving any public statements which reflect significant issues of the Company's policy or strategy.

Strategy

- (a) Providing input to, and approval of, the Company's strategic direction and budgets as developed by management.
- (b) Directing, monitoring and assessing the Company's performance against strategic and business plans, to determine if appropriate resources are available.
- (c) Approving and monitoring capital management and major capital expenditure, acquisitions and divestments.

Risk management; Reporting

- (d) Identifying the principal risks of the Company's business.
- (e) Reviewing and ratifying the Company's systems of internal compliance and control, risk management and legal compliance, to determine the integrity and effectiveness of those systems.
- (f) Approving and monitoring internal and external financial and other reporting, including reporting to shareholders, the ASX and other stakeholders.

Management

- (g) Appointment and removal of the Managing Director (or equivalent), Chief Executive Officer, Executive Directors, Chief Financial Officer, the Company Secretary and other Senior Executives with total remuneration packages in excess of \$150,000.
- (h) Determining whether the remuneration and conditions of service of senior executives are appropriate.
- (i) Establishing and monitoring executive succession planning.

- (j) Delegating authority to the Managing Director as outlined in the Statement of Delegated Authority.

Performance

- (k) Approving criteria for assessing performance of senior executives and monitoring and evaluating the performance of senior executives.
- (l) Undertaking an annual performance evaluation of itself that compares the performance of the Board with the requirements of this Charter, sets forth the goals and objectives of the Board for the upcoming year and effecting any amendments to this Charter considered necessary or desirable.

Corporate governance

- (m) Ensuring ethical behaviour and compliance with the Company's own governing documents, including the Company's Code of Conduct.
- (n) Evaluating the Company's compliance with corporate governance standards.

Board Committees

- (o) Establishing the following Board Committees:
 - (i) Audit and Risk Committee; and
 - (ii) Remuneration and Nomination Committee.
- (p) Adopting Charters setting out the membership, responsibilities and reporting obligations of each Board Committee and evaluating the performance of the Board Committees.

Board Composition and Tenure

- (q) The Board of Directors shall comprise of no less than three and no more than ten Directors at any one point in time. The Company and the Board will endeavour to have a majority of Independent Directors and an Independent Chairman.
- (r) Directors will be elected for a maximum three year term,
- (s) If no Director would otherwise be required to retire under clause (r) but the Listing Rules require that an election of Directors be held at an annual general meeting, the Director to retire at that meeting is (subject to clause (r)):
 1. the Director who has held office as Director the longest period of time since their last election or appointment to that office; or
 2. if two or more Directors have held office for the same period of time, the Director determined by lot, unless those Directors agree otherwise.

Meetings

- (t) Board Meetings are to be held monthly, with a minimum of twelve meetings per year, at a time and location that the Chairman reasonably deems appropriate for all members to attend.

Additional meetings may be held as required and the Board members will receive appropriate notice of the meeting and be given the opportunity to attend in person or by teleconference.

Director Independence

- (u) An independent director is a non-executive director (ie is not a member of management) and:
1. is not a substantial shareholder of the company (ie. is not a person who in conjunction with an associate holds a relevant interest in 5% or more of the shares of the company) or an officer of, or otherwise associated directly with, a substantial shareholder of the company; or
 2. within the last three years has not been employed in an executive capacity by the company or another group member, or been a director after ceasing to hold any such employment; or
 3. within the last three years has not been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided. A material professional adviser is Mastermyne's auditor (regardless of the fees paid to the auditor) and any other advisor to whom fees in excess of \$100,000 have been paid in any financial year in the relevant three year period; or
 4. has no material contractual relationship with the company or another group member other than as a director of the company, including as a supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.

From a Director's perspective, a Director has a material contractual relationship if the fees paid by Mastermyne to the Director an entity associated with the Director, exceed 5% of the fees received by the Director or their firm or 10% of all fees supervised by the Director (or for which the Director is otherwise given credit in a performance review) within the entity associated with the Director in any financial year in the relevant three year period.

From the Company's perspective, a Director has a material contractual relationship if goods or services supplied by the Director to Mastermyne exceed 5% of the direct operating costs of the company for any year in the relevant three year period; or

6. has not served on the Board for a period in excess of ten years; or
7. 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.

However, a director may be considered independent notwithstanding that he or she does not meet one of the criteria set out above, subject to appropriate explanation by the Board.

Other

- (v) In fulfilling their duties, and to ensure independent decision-making, each Director may take independent professional advice where necessary at the expense of Mastermyne. Prior to obtaining independent professional advice, A Director must inform the Chairman that they wish to obtain the advice as well as the anticipated cost of the advice, the budget for the advice must then be approved by the Chairman (which approval will not be unreasonably withheld) before the cost is incurred.
- (w) Performing such other functions as prescribed by law.

In performing the responsibilities set out above, the Board should act at all times in a manner designed to create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed on them by the Company's Constitution and by law.

Adopted by the Board of Directors on the 22nd day of March 2010.

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