

SANTANA MINERALS LIMITED

ACN 161 946 989

BOARD CHARTER

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1 OVERVIEW

- 1.1 Santana Minerals Limited (**Santana**) is a public company listed on the Australian Securities Exchange (**ASX**).
- 1.2 The Board is responsible for the corporate governance of Santana and its controlled entities and to ensure the creation and protection of shareholder value.
- 1.3 The purpose of this charter is to:
- (a) promote high standards of corporate governance;
 - (b) clarify the role and responsibilities of the Board; and
 - (c) enable the Board to provide strategic guidance for Santana and effective management oversight.
- 1.4 To the extent practicable, Santana endorses the Australian Securities Exchange Corporate Governance Council's 'Corporate Governance Principles and Recommendations - 3rd Edition' (**ASX Corporate Governance Principles and Recommendations**).

2 COMPLIANCE AND GOVERNING MATERIALS

2.1 Constitution

Santana's Constitution is Santana's key governance document. The Board must ensure that it and Santana comply with the provisions of the Constitution at all times.

2.2 Compliance with Laws

As a public company listed on the ASX, Santana must comply with the *Corporations Act 2001* (Cth) (**Act**), the ASX Listing Rules (**Listing Rules**) as well as all other applicable laws and regulations. Examples of applicable areas of regulation include:

- (a) environmental protection legislation;
- (b) occupational health & safety legislation;
- (c) employment related laws; and
- (d) anti-discrimination legislation.

As a company operating from time to time in jurisdictions outside Australia, Santana must ensure that it is aware of, and complies with, all applicable laws and regulations in those jurisdictions.

3 COMPOSITION OF THE BOARD

3.1 Number of Directors

In accordance with the Act and the Constitution, the Board must at all times have at least 3 Directors.

3.2 Alternate Directors

Directors may appoint Alternate Directors in accordance with the Constitution.

3.3 Appointment and Removal of Directors

General

Directors will be appointed and removed in accordance with the Act and the Constitution.

Considerations

In selecting new Directors, the Board must ensure that the candidate has the appropriate range of skills, experience and expertise that will best complement Board effectiveness.

In addition, any candidate must confirm that they have the necessary time to devote to their Santana position.

3.4 Nomination and Rotation of Directors

Nomination and rotation of Directors will be governed by the Act, the Listing Rules and the Constitution.

3.5 Background Checks

The Board should undertake appropriate background checks before appointing a person, or putting forward a candidate for election, as a Director.

All material information in the Board's possession, relevant to whether or not to elect or re-elect a Director, should be provided to Shareholders.

3.6 Board Committees

Given the nature and size of Santana, its business interests and its stage of development, the Board has not established any committees. Instead, the Board will adopt processes which address the issues that would otherwise be considered by a committee. The Board will review the role of Board Committees at least annually in accordance with Clause 12.

4 INFORMATION AND INDEPENDENT ADVICE

4.1 Due Diligence Documentation

Prior to any formal offer for appointment as a director of Santana, any potential Director must be given sufficient information about Santana as part of his/her personal due diligence. The information will extend to non-public information and care must be taken to ensure confidentiality.

4.2 Appointment Letter

Upon appointment, a new Director will be given a formal letter of appointment from the Chairman setting out the key terms and conditions of their position.

4.3 Induction Program

Upon appointment, the Company Secretary is responsible for arranging for the new Director to undertake an induction program to enable them to gain an understanding of:

- (a) Santana's operations and the industry sectors in which it operates;
- (b) Santana's financial, strategic, operational and risk management position;
- (c) their rights, duties and responsibilities; and
- (d) any other relevant information.

4.4 Ongoing Information

The Chairman, Managing Director, Company Secretary and any other Executive Officers must be conscious to ensure that updated information is provided to the Board in a timely fashion to enable them to effectively discharge their duties as Directors. This may be part of, or in addition to, the periodic Board reporting process.

4.5 Requested Information

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. Any Director has the authority to seek any information he/she requires from any employee or contractor (**Employee**) of Santana and all Employees must comply with such requests. This includes auditors, both internal and external, to seek explanations and information from them without management being present.

Unless a conflict exists or to do so would be inconsistent with the Director's duties, the Director is to request such information via the Managing Director or, failing that avenue, through the Chairman.

4.6 Independent Advice

Any Director may, at Santana's cost, take such independent legal, financial or other advice as they and the Chairman consider necessary or appropriate. Any Director seeking independent advice must first discuss the request with the Chairman who will facilitate obtaining such advice agreed upon.

5 DUTIES AND RESPONSIBILITIES

- 5.1** The Board acts in the best interests of Santana as a whole and is accountable to shareholders for the overall direction, management and corporate governance of Santana.
- 5.2** The Board is responsible for setting the strategic direction of Santana and for the management of Santana, including:
 - (a) oversight of control and accountability systems;
 - (b) appointing and removing the:
 - i. Managing Director; and
 - ii. Company Secretary;
 - (c) monitoring any Executive Officer's performance and implementation of strategy;
 - (d) monitoring developed strategies for compliance with best practice corporate governance requirements;

- (e) approving and monitoring developed strategies for major capital and operating expenditure (including annual operating budgets), capital management, acquisitions and divestitures;
- (f) monitoring developed strategies for compliance with all legal and regulatory obligations and ethical standards and policies;
- (g) reviewing any systems of risk management (which may be a series of systems established on a per-project basis), internal compliance and control, and legal compliance to ensure appropriate compliance frameworks and controls are in place;
- (h) monitoring developed reporting strategies for reporting to the market, shareholders, employees and other stakeholders.

5.3 In discharging his/her duties, each Director must:

- (a) exercise care and diligence;
- (b) act in good faith in the best interests of Santana;
- (c) not improperly use his/her position or misuse information of Santana; and
- (d) commit the time necessary to discharge effectively his/her role as a Director.

5.4 All Directors are entitled to be heard at all Meetings and to the extent practicable, should exercise an objective judgement in any decision-making.

6 THE CHAIRMAN

6.1 The Chairman is responsible for:

- (a) leadership of the Board;
- (b) overseeing the Board in the effective discharge of its supervisory role;
- (c) the efficient organisation and conduct of the Board's function and meetings;
- (d) facilitating the effective contribution and ongoing development of all Directors;
- (e) briefing all Directors in relation to issues arising at meetings;
- (f) chairing general meetings;
- (g) monitoring and facilitating reviews of the performance of the Board;
- (h) ensuring the Board regularly meets to consider the Company performance and key issues facing it;
- (i) the promotion of constructive and respectful relations between Directors; and
- (j) committing the time necessary to discharge effectively his/her role as Chairman.

7 CHIEF EXECUTIVE OFFICER AND EXECUTIVE TEAM

- 7.1** Responsibility for day to day management and administration of the Company is delegated by the Board to the chief executive officer and the executive team. The chief executive officer may be the managing director.
- 7.2** The chief executive officer manages the Company in accordance with the strategy, plans and policies approved by the Board.
- 7.3** The chief executive officer is appointed by the Board.
- 7.4** The chief executive officer may not be the same person as the chairperson.
- 7.5** The responsibilities of the chief executive officer include:
- (a) developing and recommending to the Board strategies, business plans and annual budgets for the Company;
 - (b) implementing the strategies, business plans and budgets adopted by the Board;
 - (c) providing effective leadership, direction and supervision of the executive team to achieve the strategies, business plans and budgets adopted by the Board;
 - (d) developing and managing resources, policies and systems to ensure the effective operation of the Company (including policies on risk management, internal controls and human resources);
 - (e) managing resources within budgets approved by the Board;
 - (f) ensuring compliance with applicable laws and regulations;
 - (g) ensuring the Board is given sufficient information to enable it to perform its functions, set strategies and monitor performance; and
 - (h) acting within authority delegated by the Board.
- 7.6** The Board has in place procedures to assess the performance of the chief executive officer and executive team.

8 COMPANY SECRETARY

- 8.1** The Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board and is responsible for:
- (a) advising the Board on governance matters;
 - (b) monitoring this policy to ensure it is followed;
 - (c) coordinating the timely completion and despatch of:
 - i. Board papers; and
 - ii. Drafting minutes of Board meetings that accurately capture the business of the meeting, for approval by the Board.

- (d) assisting with the organisation and conduct of the induction and professional development of Directors.

9 DIRECTOR SHARE TRADING

- 9.1** The Santana Securities Trading Policy imposes restrictions on the trading of financial products (shares) by Directors and others with undisclosed price sensitive information. All Directors must follow that Policy.

10 CORPORATE GOVERNANCE

- 10.1** The Board is responsible for the adoption, oversight and administration of relevant corporate governance materials of Santana.
- 10.2** The Annual Report will include a Corporate Governance Statement which will contain the content required by the ASX Corporate Governance Principles and Recommendations (as well as an explanation of any departures from the ASX Corporate Governance Principles and Recommendations).
- 10.3** As part of an effective communications strategy, Santana will maintain and keep current its Corporate Governance website.

11 CONFLICTS

- 11.1** Directors are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their fiduciary obligations.
- 11.2** Directors must:
- (a) disclose to the Board any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;
 - (b) take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
 - (c) comply with the Act and the Constitution in relation to disclosing material personal interests and restrictions on voting.
- 11.3** If a conflict exists, it is expected that any Director to whom the conflict relates will leave the room when the Board is discussing any matter to which the conflict relates.
- 11.4** Directors are expected to inform the Chairman of any proposed appointment to a Board or executive of another company as soon as practicable.

12 PERFORMANCE

- 12.1** To determine whether it is functioning effectively, the Board must:
- (a) review this Charter annually; and
 - (b) perform an evaluation of its performance at intervals considered appropriate by the Chairman.

13 APPROVED AND ADOPTED

13.1 This charter was approved and adopted by the Board on 28 May 2015.

Date: 28 May 2015

Signed:

Chairperson of the Board of Directors of Santana
Minerals Limited