Board Charter

Pure Alumina Limited

ACN 072 692 365

Approved by the Board	**May 2019**
Previously Approved	-
Next Review Date	May 2020

1. Introduction

1.1 This Board Charter sets out the principles for the operation of the board of directors (**Board**) of Pure Alumina Limited (**Company**) and describes the functions of the Board. The Company and its controlled entities are collectively referred to as the **Group**.

1.2 The Board is responsible for the corporate governance of the Group. This Charter sets out the roles and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, as well as the membership and operation of the Board.

1.3 The Board derives its authority to act from the Company's Constitution.

2. Composition of the Board

2.1 The Directors will determine the size of the Board, subject to the Company's Constitution, which provides there must be a minimum of three directors and no more than twelve directors. The Board should comprise Directors with an appropriate mix of skills, experience from a diverse range of backgrounds and expertise in order to achieve efficient decision making and adequately discharge its responsibilities and duties.

2.2 It is noted that, ideally the Board should comprise a majority of independent non-executive Directors. An independent non-executive Director is on who:

(a) is independent of management;

(b) free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their judgement; and

(c) otherwise meets the criteria for independence set out in the *Corporate Governance Principles and Recommendations* published by the ASX Corporate Governance Council.

2.3 The Board should regularly assess whether a non-executive Director is 'independent' in accordance with the above criteria.

2.4 The Nomination & Remuneration Committee is responsible for recommending candidates for appointment to the Board.

2.5 Each Director is appointed by a formal letter of appointment setting out the terms and conditions of their appointment to ensure that each Director clearly understands the Company's expectations on him or her.

2.6 The continued tenure of each individual Director is subject to re-election from time to time, in accordance with the Company's Constitution.

3. Responsibilities of the Board

3.1 The Board acts in the best interests of the Company as a whole and is accountable to shareholder for the overall strategic direction, financial management and corporate governance of the Group.

3.2 In addition to matters it is expressly required by law to approve, the Board is responsible for:

a) Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance.

b) Appointing, and where necessary, replacing, the Chief Executive Officer and other

senior executives and the determination of their terms and conditions including remuneration and termination.

c) Approving the Company's remuneration framework.

d) Monitoring the timeliness and effectiveness of reporting to shareholders.

e) Reviewing and ratifying systems of audit, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters.

f) Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures in line with Delegation of Authorities.

g) Approving and monitoring the budget and the adequacy and integrity of financial and other reporting such that the financial performance of the company has sufficient clarity to be actively monitored.

h) Approving the annual, half yearly and quarterly accounts.

i) Approving significant changes to the organisational structure.

j) Approving decisions affecting the Company's capital structure, including determining the Company's dividend policy and declaring dividends.

k) Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them.

l) Procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

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4. Relationship between the Board and Management

4.1 The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer. The Chief Executive Officer has authority to sub-delegate to the Executive Team.

4.2 Specific limits on the financial authority delegated to the Chief Executive Officer and the Executive Team must be set out in the Delegation of Authority approved by the Board.

4.3 The role of management is to support the Chief Executive Officer and implement the running of the general operations and financial business of the Company, in accordance with the Delegation of Authority of the Board.

4.4 In addition to formal reporting structures, members of the Board are encouraged to have direct communications with senior executives within the Group to facilitate the carrying out of their duties as Directors.

4.5 The Chief Executive Officer and Executive Team are ultimately accountable to the Board.

4.6 The Board has in place procedures to assess the performance of the Chief Executive Officer and the Executive Team.

5. Director Responsibilities

5.1 Directors are expected to attend and participate in Board meetings and meetings of committees on which they serve.

5.2 Directors are expected to spend the time needed, and meet as often as necessary, to properly discharge their responsibilities.

5.3 Directors are expected to review meeting materials before Board meetings and committee meetings.

5.4 Directors must disclose their interests, positions, associations or relationships. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.

5.5 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.

5.6 Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.

5.7 Directors must keep Board information, discussions, deliberations and decisions that are not publicly known, confidential.

5.8 Directors must comply with their legal duties when discharging their responsibilities as directors. Broadly, these duties are to:

(a) to act in good faith and in the best interests of the Company;

(b) act with care and diligence;

(c) act for proper purposes;

(d) avoid a conflict of interest or duty; and

(e) refrain from making improper use of information gained through the position of director or taking improper advantage of the position of director.

5.9 No member of the Board 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.

6. The role of the Chairperson

6.1 The Chairperson is responsible for the leadership of the Board, setting the agenda of the Board, conducting the Board meetings, ensuring that an accurate record of the minutes of board meetings is held by the Company and conducting the shareholder meetings.

6.2 Where practical, the Chairperson should be a non-executive Independent Director. If a Chairperson ceases to be an independent Director then the Board will consider appointing a lead independent Director.

6.3 Where practical, the Chief Executive Officer should not be the Chairperson of the Company during his term as Chief Executive Officer or in the future.

6.4 The Chairperson must be able to commit the time to discharge the role effectively.

6.5 The Chairperson should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.

6.6 In the event that the Chairperson is absent from a meeting of the Board then the Board shall appoint a Chairperson for that meeting in an Acting capacity

7. The Company Secretary

7.1 The Company Secretary acts as the secretary of the Board, attending all meetings of the Board and its Committees as required.

7.2 The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

7.3 The Company Secretary is to facilitate the induction and professional development of Directors.

7.4 The Company Secretary is to facilitate and monitor the implementation of Board policies and procedures.

7.5 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.

7.6 All Directors have access to the advice and services provided by the Company Secretary.

7.7 The Board has the responsibility for the appointment and removal, by resolution, of the Company Secretary.

8. Board Committees

8.1 Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it makes use of Board committees. To this end the Board has established a Nomination & Remuneration Committee and Audit & Risk Committee.

8.2 The Company may establish other committees from time to time.

8.3 The charter of each Committee must be approved by the Board and reviewed following any applicable regulatory changes.

8.4 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.

8.5 The Company must disclose the members and Chairperson of each Committee in, or in conjunction with, its Annual Report.

8.6 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 Committee meeting.

8.7 The Company must disclose in, or in conjunction with, its Annual Report, in relation to each reporting period relevant to a Committee, the number of times each Committee met throughout the period and the individual attendances of the members at those Committee meetings.

9. Board Meetings

9.1 There must be a minimum of two Directors present at a meeting to constitute a quorum necessary for the transaction of business at a meeting, however Directors may determine a greater number of Directors is required to constitute a quorum.

9.2 The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.

9.3 Non-executive Directors may confer at scheduled times without management being present.

9.4 The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairperson and circulated to Directors after each meeting.

9.5 The Company Secretary shall ensure that the business at Board and committee meetings is accurately captured in the minutes.

9.6 The Company Secretary shall co-ordinate the timely completion and distribution of Board and committee papers for each meeting of the Board and any Committee.

9.7 Minutes of meetings must be approved at the next Board meeting.

9.8 Further details regarding Board meetings are set out in the Company's Constitution.

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10. Conflicts

10.1 Directors are required to act in a manner which is consistent with the best interests of the Company as a whole, free of any actual or potential conflicts of interest.

10.2 If a Director considers that they might be in a position where there is a reasonable possibility of conflict between their personal or business interests, the interests of any associated person, or their duties to any other company and the interests of the Company or their duties to the Company or the Group, the Board requires that the Director must:

(a) Disclose to the Chairperson of the Board (or in their absence the Deputy Chairperson) 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 Corporations Act and the Company's Constitution in relation to disclosing material person interests and restriction on voting.

10.3 If a conflict exists, unless the Board otherwise determines, abstains from voting on any motion relating to the matter and absents themselves from all Board deliberations relating to the matter.

10.4 Directors are expected to inform the Chairperson (or in their absence the Deputy Chairperson) of the Board of any proposed appointment to the board or executive of another company as soon as practicable.

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11. Access to information and independent advice by Directors

11.1 All Directors have unrestricted access to company records and information except where the Board determines that such access would be adverse to the Company's interests.

11.2 All Directors may consult management and employees as required to enable them to discharge their duties as Directors.

11.3 The Board, Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairperson. A copy of any such advice received is made available to all members of the Board.

12. Review of this Charter

12.1 The Company Secretary will review this Charter annually or as often as he or she considers necessary.

12.2 Any amendment to this Charter must be approved by the Board.

13. Approved and Adopted

13.1 This Charter was approved and adopted by the Board on 16 May 2019.