

NIUMINCO GROUP LIMITED

BOARD CHARTER

1. ROLE OF THE BOARD

The Board's key objectives are to:

- 1.1. provide leadership to the Company by creating an environment for employees, other contributors and stakeholders which engenders trust, confidence, faith, loyalty and dedication to the interests and affairs of the Company;
- 1.2. define the Company's purpose and set its strategies;
- 1.3. increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders; and
- 1.4. ensure the Company is properly managed and operated with integrity.

2. RESPONSIBILITY OF THE BOARD

The Board is collectively responsible for promoting the success of the Company by:

- 2.1 overseeing and, as necessary, challenging management with respect to its implementation of the Company's strategies, its overall performance and its values.
- 2.2 supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed, including addressing the matters enumerated in paragraph 2.2 following;
- 2.3 ensuring the Company is properly managed, for example by:
 - 2.3.1 appointing and, where appropriate, removing the managing director, chair, CEO and other senior executives of the Company and the Company Secretary;
 - 2.3.2 providing leadership and setting of corporate strategy and performance objectives;
 - 2.3.3 reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance; and
 - 2.3.4 monitoring senior management's performance and implementation of strategy, instilling the Company's values and ensuring appropriate resources are available and its performance objectives;

- 2.4 approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- 2.5 approving the annual budget;
- 2.6 monitoring the financial performance of the Company and overseeing the integrity of the company's accounting and corporate reporting systems, including the external audit;
- 2.7 providing overall corporate governance of the Company, including establishing and updating as necessary a Code of Conduct and values system for the Company underpinned by appropriate governance arrangements and conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company. ;
- 2.8 overseeing the Company's continuous disclosure obligations to ASX;
- 2.9 ensuring that an appropriate risk management system is in place covering financial and non-financial risk and setting a risk management framework for management;
- 2.10 ensuring that an appropriate reporting framework is in place for relevant information to be provided to the Board in a timely and effective manner;
- 2.11 setting remuneration policies that are appropriate for the Company;
- 2.12 appointing the external auditor (where applicable, based on recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company;
- 2.13 liaising with the Company's external auditors and Audit Committee (where there is a separate Audit Committee); and
- 2.14 monitoring and ensuring compliance with all of the Company's legal and regulatory obligations, including those obligations relating to the environment, social responsibility, cultural heritage and occupational health and safety.

The Board must convene regular meetings with such frequency as is sufficient to discharge appropriately its responsibilities. The Board is to meet at regular intervals and at least once every three months.

The Board may not delegate its overall responsibility for the matters listed above however, it may delegate related day-to-day activities provided those matters do not exceed the Materiality Threshold as defined herein.

3. COMPOSITION OF THE BOARD

Independent Directors

- 3.1 The Board considers that a director is independent if that director is not involved in the day to day management of the Company and has no relationship that could compromise or materially affect that director's independent judgment. All the circumstances must be considered to assess whether the director can reasonably be considered to be free of any relationship that could materially interfere with his independent exercise of judgement and ability to act in an entirely disinterested manner in all things.
- 3.2 The following questions need to be addressed when assessing a director's independence, namely:
- 3.2.1 does the director have or propose to have any business dealings with the Company;
 - 3.2.2 does the director receive performance based remuneration;
 - 3.2.3 has the director been in an executive capacity in the Company in the last 3 years;
 - 3.2.4 has the director been involved with the company in an advisory capacity within the last 3 years;
 - 3.2.5 has the director been a material business relationship such as a customer or supplier for the Company in the last 3 years;
 - 3.2.6 has the director been appointed through a special relationship with a Board member, ie. having a close family tie with another person who would not be considered independent;
 - 3.2.7 does the director owe allegiance to a particular group of shareholders which gives rise to a potential conflict of interest;
 - 3.2.8 does the director hold conflicting cross directorships; and
 - 3.2.9 does the director have a substantial shareholding or is he a nominee of a substantial shareholder (as defined under section 9 of the Corporations Act); and
 - 3.2.10 has the person been a director of the entity for such a period that his or her independence has been compromised.

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's Recommendations.

Where the chair is not an independent director, the Company will appoint a lead independent director if it is practicable to do so. The lead independent director

will take over the role of the chair when the chair is unable to act in that capacity as a result of his or her lack of independence.

The independent directors, along with all directors, are responsible for reviewing and challenging executive performance. They are also responsible for contributing to the development of strategy.

Executive Directors

- 3.3 The Board considers that a director is an executive if that director is involved in the day to day management of the Company.

4. RESPONSIBILITY OF INDIVIDUAL DIRECTORS AND THE COMPANY SECRETARY

4.1 The Chair

The chair is responsible for leadership of the Board, for 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. The chair is also responsible for monitoring shareholder communication, continuous disclosure compliance and Board performance.

4.2 The 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. In carrying out those responsibilities, 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.

The managing director is responsible for ensuring that the Board is provided with at least the following information, namely, all material information on operations, budgets, cash flows, funding requirements, shareholder movements, broker activity in the Company's securities, assets and liabilities, disposals, financial accounts, external audits, internal controls, risk assessment, new venture proposals, and health, safety and environmental reports.

4.3 The Company Secretary

The company secretary is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. Each director may communicate directly with the company secretary and vice versa.

5. OTHER DIRECTORSHIPS

5.1 Executive Directors

Executive directors are required to notify the Company of all directorships held on appointment and any changes thereto thereafter. In respect of listed companies they are permitted to hold only one non-executive director role. They shall not hold any other executive director roles. Without limitation to the foregoing, if executive directors intend to accept any directorships after their appointment as a director of the Company, they must first obtain the consent of the Board, such consent not to be unreasonably withheld.

5.2 Non-executive Directors

Non-executive directors are required to notify the Company of all directorships held on appointment and any changes thereto thereafter. A non-executive director must not hold the office of executive director of more than one other a listed company (and in such case may not hold any additional non-executive directorships of listed companies). A non-executive director must not hold the office of non-executive director of more than four other listed companies. Without limitation to the foregoing, if non-executive directors intend to accept any directorships after their appointment as a director of the Company, they must first obtain the consent of the Board, such consent not to be unreasonably withheld.

6. **PROCESS FOR EVALUATING BOARD PERFORMANCE**

The Board may undergo periodic formal assessment processes, including assessment of the Board's committees, where applicable. An independent, third party consultant may be used to facilitate the assessment.

The assessment process which may be used by the Board requires each director to complete a questionnaire relating to the role, composition, procedures, practices and behaviour of the Board and its members. Senior executives having most direct contact with the Board may also be invited to complete similar questionnaires. Responses to the questionnaires are confidential and provided direct to the consultant, with the results in aggregate then being communicated to the Chair of the Board.

The Board as a whole then hold a facilitated discussion during which each Board member has the opportunity to raise any matter, suggestion for improvement or criticism with the Board, as a whole.

The Chair of the Board may also meet individually with each Board member to discuss their performance.

The Board has access to the resources of the Company Secretary and also approves the appointment or removal of the Company Secretary on the advice of management. The Company Secretary is responsible for providing reference files and Board papers to each director, ensuring that management provides content in adequate detail. The Company Secretary is also responsible and accountable to the Board on all the Company's governance matters.

7. ACCESS TO INDEPENDENT ADVICE

- 7.1 Each director has the right, so long as he is acting reasonably in the interests of the Company and in the discharge of his duties as a director, to seek independent professional advice and recover the reasonable costs thereof from the Company.
- 7.2 The advice shall only be sought after consultation about the matter with the chairman (where it is reasonable that the chairman be consulted) or, if it is the chairman that wishes to seek the advice or it is unreasonable that he be consulted, another director (if that be reasonable).
- 7.3 The advice is to be made immediately available to all Board members other than to a director against whom privilege is claimed.

8. ROLE AND RESPONSIBILITY OF MANAGEMENT

The role of management is to support the managing director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Management is responsible for ensuring that the Board receives all necessary information concerning the Company that it requires for properly carrying out its role and responsibilities, including as to the Company's financial performance, its compliance with material legal and regulatory requirements and any conduct inconsistent with its values as established by the Board.

Management is responsible for reporting all matters which fall within the Materiality Threshold at first instance to the managing director or, if the matter concerns the managing director, then directly to the chair or the lead independent director, as appropriate.

9. MATERIALITY THRESHOLD

The Board has agreed on the following guidelines for assessing the materiality of matters:

9.1 Materiality – Quantitative Balance sheet items

Balance sheet items are material if they have a value of more than 5% of pro-forma net assets.

Profit and loss items

Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.

9.2 Materiality – Qualitative

Items are also material if:

- 9.2.1 they are of a character that enlivens the obligation to disclose under either ASX Listing Rule 3.1 or the continuous disclosure obligations arising in terms of the Corporations Act;
- 9.2.2 they impact on the reputation of the Company;
- 9.2.3 they involve a breach of legislation;
- 9.2.4 they are outside the ordinary course of business;
- 9.2.5 they could affect the Company's rights to its assets;
- 9.2.6 if accumulated they would trigger the quantitative tests;
- 9.2.7 they involve a contingent liability that would have a probable effect of 5% or more on balance sheet or profit and loss items; or
- 9.2.8 they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

9.3 Material Contracts

Contracts will be considered material if:

- 9.3.1 they are outside the ordinary course of business;
- 9.3.2 they contain exceptionally onerous provisions in the opinion of the Board;
- 9.3.3 they impact on income or distribution in excess of the quantitative tests;
- 9.3.4 there is a likelihood that either party will default, and the default may trigger any of the quantitative tests;
- 9.3.5 they are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests;
- 9.3.6 they contain or trigger change of control provisions;
- 9.3.7 they are between or for the benefit of related parties; or
- 9.3.8 they otherwise trigger the quantitative tests.

Any matter which falls within the above guidelines is a matter which triggers the materiality threshold (**Materiality Threshold**).