



Board Charter

January 2015

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INTRODUCTION

The board of directors (**Board**) of Mirabela Nickel Limited (**Company**) considers that the essential responsibility of Company directors (**Directors**) is to oversee the Company's activities for the benefit of its shareholders (**Shareholders**), employees and other stakeholders and to protect and enhance Shareholder value.

This Board charter (**Charter**) explains the Group's commitment to corporate governance and defines the respective roles, responsibilities and powers of the Board and Management.

The Board intends that the Group should adopt best practice principles and comply with all applicable laws, including requirements of the Australian *Corporations Act 2001* (Cth) (**Corporations Act**) and the Australian Stock Exchange (**ASX**) Listing Rules. In particular, the Group endorses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition (**ASX Principles**).

THE BOARD

RESPONSIBILITIES

The Board assumes responsibility for the stewardship of the Group and the overall direction and corporate governance of the Group. The Board is also responsible for:

- (a) providing leadership and setting the corporate strategy and objectives of the Group,
- (b) overseeing and monitoring Management's achievement of the Group's strategic goals and objectives, and monitoring Management's general performance;
- (c) appointing, and, if necessary, removing senior executives including the Managing Director (**MD**), the Chief Executive Officer (**CEO**) the Chief Financial Officer of the Group (**CFO**) and the Company Secretary of the Group (**Company Secretary**);
- (d) appointing the Chair of the Board;
- (e) ensuring that appropriate checks are undertaken before putting forward to security holders a candidate for election as a Director;
- (f) providing security holders with all material information in its possession relevant to a decision on whether or not to elect or re – elect a director;

- (g) succession planning for the Managing Director;
- (h) reviewing and approving the Group's business plans, budgets and financial plans, including major capital expenditure initiatives;
- (i) approving and monitoring financial and other reporting, including the annual, half yearly and if applicable, quarterly financial reports;
- (j) identifying the principal risks of the Group's business and ensuring the implementation of an appropriate risk management framework;
- (k) setting the risk appetite within which the Board expects Management to operate;
- (l) overseeing the Group's process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (m) approving the Group's remuneration framework;
- (n) ensure that the Company has a diversity policy with measurable objectives for achieving gender diversity and assess annually both the objectives and progress of the Company in achieving them.
- (o) monitoring and overseeing the effectiveness of the Group's governance practices; and
- (p) ensure that the Company has procedures in place which enable the Board to adequately exercise its powers and discharge its responsibilities as set out in this Charter.

COLLECTIVE ROLE OF NON EXECUTIVE DIRECTORS

The collective role of Non-Executive Directors is to:

- (a) assist with formulation of the Company's strategy, and where necessary, challenge the Company's strategy;
- (b) scrutinise Management's performance;
- (c) where appropriate, challenge proposals presented by Management; and
- (d) where necessary, request any additional information required to support informed decision-making; and
- (e) take reasonable and proper steps to satisfy themselves that there are adequate and proper financial controls and systems of risk management and internal compliance, and that the controls are maintained and the systems robust.

INDIVIDUAL ROLE OF EXECUTIVE DIRECTORS

The individual role of executive directors is to:

- (a) ensure that reasonable and proper steps have been taken to adequately inform themselves as to the subject matter of any decision required to be made as a director of the Company; and
- (b) keep under review their capacity to continue to meet their obligations as director of the Company, including an ongoing assessment of their own performance, other commitments and state of health.



POWERS OF THE BOARD

In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board are as follows:

- (a) approval of corporate strategy, objectives and annual budgets;
- (b) determination of capital and non-capital acquisitions and divestitures in accordance with approval frameworks;
- (c) determination and adoption of documents that are required by the Group's constitutional documents, statutes and other external regulations (including the publication of reports);
- (d) authorising the issue of any shares, options, equity instruments or other securities; and
- (e) authorising expenditure in excess of discretionary limits delegated to the Managing Director.

Subject to the limitations imposed by the Group's constitutional documents, statutes and other external regulations, the Board remains free to alter the matters reserved for its decision.

BOARD PROCESSES

COMPOSITION

In accordance with the Company's Constitution the Board will have a minimum of 3 and maximum of 10 Directors.

The majority of the Board will be independent non- executive Directors.

When determining the independent status of a Director the Board will have regard to the factors set out in Box 2.3 of the ASX Principles.

The Board reviews the independence of each Director on an on-going basis, in light of interests disclosed to the Board.

Directors are to inform the Chairman prior to accepting any new appointment to the board of any other entity.

Where the independent status of a Director is lost, this will be disclosed to the market in a timely manner.

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

The Remuneration and Nominations Committee is responsible for making recommendations to the Board relating to the appointment and retirement of Directors. The Board will refer to the criteria for appointment of new Directors reviewed and recommended by the Remuneration and Nominations Committee. The appointment process will be conducted in a manner that promotes diversity.

All Directors (except the MD) are required to retire and submit themselves for re-election at regular intervals and at least every three years.



When recommending a Director for re-election, the Board will balance its composition, skills and competences with the performance, skills and competence of the incumbent Director.

A new Director will receive a formal letter of appointment setting out the key terms and conditions relative to the appointment.

ORIENTATION OF NEW DIRECTORS AND CONTINUING EDUCATION

New Directors are provided with an induction program overseen by the Remuneration and Nominations Committee.

Directors are encouraged to take courses and seminars, at the expense of the Group, which will develop and maintain the skills and knowledge needed to perform their role effectively. In particular Directors must ensure that they have sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the Group's financial statements.

ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The Board must be provided with the information it needs to discharge its responsibilities effectively.

Management must supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.

Any Director may take such independent legal, financial or other advice as they consider necessary at the Group's cost. Any Director seeking independent advice must first discuss the request with the Chairman.

MEETINGS

The Board will meet at least six times per year. Additional meetings will be convened as circumstances warrant.

Directors are expected to attend meetings of the Board and its Committees on which they serve and to spend the time needed to properly discharge their duties and responsibilities. They are expected to review meeting materials before Board meetings and meetings of Committees on which they serve.

The independent Directors must confer at least annually without Management and non-independent Directors present.

CONFLICTS

The Board has developed the following protocol in relation to disclosure of interests:

- (a) Directors must disclose all interests and other directorships;
- (b) Directors may choose to submit standing notices of interest to all Board members, or must disclose their interest in a matter being considered by the Board at that time;
- (c) Directors must warn of any potential conflict with duty to another company and ensure any change in circumstances is advised;



- (d) Directors must consult with the Chairman prior to a Board meeting if they have a sufficiently material personal interest, or a conflict of interest, in a matter that is being considered at that Board meeting; and
- (e) Directors must obtain the Group's consent before disclosing Group information to another company or third party.

In accordance with the ASX Listing Rules, each Director is required to enter into an agreement with the Company to provide details of his or her 'relevant interest' in the Company's securities on appointment, within five business days (or such lesser period as set out in the relevant agreement) of a change in the 'relevant interest', and following retirement. Any change in a Director's interest must be notified to the Australian Securities Exchange within five business days by lodgement of an Appendix 3Y.

Each Director has a duty to avoid conflicts of interest, and, as noted above, must notify the Board of any potential conflicts he or she may have, including any which may arise as a result of his or her duty to another company.

The MD does not participate in deliberations of the Board or a Committee when matters could affect his or her position.

COMMITTEES

To assist the Board in fulfilling its duties and responsibilities, it has established three Committees:

- (a) Remuneration and Nomination Committee;
- (b) Audit and Risk Committee; and
- (c) Disclosure Committee.

Minutes of all Committee meetings are made available to all Directors.

The Board may establish other Committees as required to assist it in fulfilling its duties.

REVIEW OF BOARD PERFORMANCE

The Board will periodically conduct a formal performance evaluation of the Board as a whole, its Committees, the Chairman and its individual Directors. The review will consider:

- (a) the performance of the Board against the requirements of this Charter;
- (b) the performance of the Board Committees against the requirements of the relevant committee charter; and
- (c) the individual performances of the Chairperson, Managing Director and the Directors.

The Remuneration and Nomination Committee will be responsible for determining the scope of the performance evaluations and how they are carried out.

ROLE AND RESPONSIBILITIES OF CHAIRMAN

The Chairman is appointed by the Directors.



The Chairman:

- (a) will be an independent Director;
- (b) will not exercise the role of CEO or MD of the Group; and
- (c) will not have previously held the position of MD of the Group.

The Board will identify an independent Non-Executive Director to act as Chairman in the event that the Chairman is unable to do so for any reason. The Board will periodically keep the Shareholders informed through appropriate disclosure of its choice in this regard.

The Chairman is responsible for:

- (a) providing leadership to the Board and the Group;
- (b) developing a plan for the succession of the Chairman, and periodically evaluating the plan;
- (c) overseeing the Board in the effective discharge of its supervisory role;
- (d) the efficient organisation and conduct of the Board's function and meetings;
- (e) setting the agenda for each meeting in consultation with the MD and the Company Secretary (any Director may request that an item be added to the agenda);
- (f) calling and chairing Board meetings and Shareholder meetings;
- (g) arranging regular evaluation of the performance of the Board and its Committees and of individual Directors; and
- (h) the promotion of constructive and respectful relations between Board members and between the Board and Management.

The Chairman has authority to act and speak for the Board between meetings, including engaging with the MD and conducting monitoring activities. The Chairman will report to the Board and Committee chairman, as appropriate, on decisions and actions taken between meetings of the Board.

MANAGEMENT

POWERS OF THE MANAGING DIRECTOR

Responsibility for the day-to-day management of the Group is assigned by the Board to the MD.

Beyond the Powers reserved to the Board, the Board also assigns to the MD all authority to achieve the corporate objectives approved by the Board. The MD is free to take all decisions and actions which further the corporate objectives, which in his/her judgement, are reasonable having regard to the MD's authority limits.

The MD is accountable to the Board for the authority that the Board assigns to the MD, and for the performance of the Group. The Board will monitor the decisions and actions of the MD and the performance of the Group to gain assurance that progress is made towards the corporate objectives within the spirit of the MD's authority limits.



RESPONSIBILITIES OF MANAGING DIRECTOR

Beyond the powers and responsibilities reserved for the Board in this Charter, the Board delegates responsibility for the management of the Group's business activities to the MD. This includes responsibility for:

- (a) managing the business of the Group to ensure its ongoing viability and integrity;
- (b) implementing the strategic objectives set by the Board;
- (c) ensuring that the business operates within the risk appetite set by the Board;
- (d) ensuring that the Board is provided with accurate, timely and clear information required by the Board to perform its responsibilities; and
- (e) all other aspects of the day to day running of the entity.

The MD will have a formal employment agreement describing his/her term of office, duties, rights and responsibilities and entitlements on termination.

THE COMPANY SECRETARY

The Company Secretary supports the effectiveness of the Board by:

- (a) advising the Board and its committees on governance matters;
- (b) monitoring that Board and committee policy and procedures are followed;
- (c) co-ordinating the completion and despatch of Board agendas and briefing papers;
- (d) ensuring that the business at Board and committee meetings is accurately recorded in the minutes; and
- (e) maintaining compliance systems which ensure the Board and the Group adhere to the ASX Listing Rules and the Corporations Act.

The Company Secretary is responsible to the Board, through the Chairman, on all governance matters and the proper functioning of the Board.

ADMINISTRATIVE MATTERS

The Company Secretary attends meetings of the Board as minute secretary.

Management will be invited to attend meetings (or parts of meetings) from time to time where the Board considers their involvement will be of assistance to the consideration of items of business before the Board. In this regard, members of Management may, at the invitation of the Board, attend Board meetings on a regular basis even though they are not members of the Board.

All minutes of the Board are signed by the Chairman as a true and correct record and are then to be entered into the minute book and will be open for inspection by any Director.

All attendees at Board meetings are, as officers and/or fiduciaries, required to keep all information presented to or discussed at Board meetings confidential (whether written or oral).

The Board papers will be collated and circulated to Directors by the Company Secretary and the Company Secretary will supervise the filing and storage of all Board papers.



APPROVAL AND ADOPTION

This Board Charter was updated and approved by the Board on 8 January 2015. Any amendments to this Board Charter and subject to approval by the Board.