



BOARD CHARTER

Composition

- The board of directors ('Board') of Metminco Limited ('Metminco' or the 'Company') shall comprise at least three directors, with a majority, including the Chairperson of the Board, being independent. The Chairperson must not also be the Managing Director and Chief Executive Officer or other officer or employee of Metminco or of any of its consolidated subsidiaries.
- The Chairperson shall be elected by the full Board.
- The Board shall comprise directors with a broad range of skills, knowledge and experience.
- Board members shall be considered independent if they do not have any of the relationships identified in Box 2.1 of the Australian Securities Exchange ('ASX') Corporate Governance Council Corporate Governance Principles and Recommendations 2nd edition (August 2007) and have been determined by the Board to be independent, as defined in and to the extent required by the applicable rules of any applicable law or regulations.

Role of the Board

The duty of directors is to Metminco and the role of the Board is to protect and enhance the rights and interests of shareholders of the Company and other key stakeholders by monitoring and reviewing the proper management of Metminco through the implementation of sound strategies and action plans and the development of an integrated framework of controls over Metminco's resources, functions and assets including compliance with legislative and regulatory regimes.

Responsibilities of the Board

The Board is responsible for the overall management of Metminco, including for the following matters:

- Overall corporate governance of Metminco, including oversight of its control and accountability systems.
- Appointing, removing and appraising the performance of the Managing Director and Chief Executive Officer.
- On the recommendation of the Managing Director and Chief Executive Officer, appointing and, where appropriate, removing the Chief Financial Officer (or equivalent) and the Company Secretary.
- Providing input to, and finally approving, senior management's development of corporate strategy and performance objectives.



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- Monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available.
- Enhancing and protecting the reputation of Metminco by reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance.
- Approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures, and financial and other reporting.

Role of the Chairperson

The Company recognises that it is important that the Chairperson has a defined role in the organisation and operates in accordance with clear functional lines. The Chairperson will:

- chair Board meetings;
- establish the agenda for Board meetings, in consultation with the Managing Director and Chief Executive Officer and the Company Secretary;
- be available to liaise with other directors between Board meetings;
- chair meetings of shareholders, including the Annual General Meeting of the Company;
- be the primary spokesperson for the Company at the Annual General Meeting;
- represent the views of the Board to shareholders of the Company, the general public, governmental authorities, regulators and other stakeholders; and
- develop and maintain key strategic relationships.

Powers delegated to management

The Board has delegated general authority to manage the businesses of Metminco to the Managing Director and Chief Executive Officer, who in turn may delegate functions to other senior management. The Managing Director and Chief Executive Officer remains answerable to the Board and must comply with any limits on his authority established by the Board from time to time.

Committees of the Board

- The Board has established an Audit & Risk Committee. Although the Board may delegate powers and responsibilities to this committee, the Board retains ultimate accountability for discharging its duties. Descriptions of the current roles and responsibilities of the Audit & Risk Committee are set out



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in its charter.

- The Board believes that the Company is not of a size, and nor are its affairs of such complexity, to justify the establishment of a Nomination Committee as recommended by the ASX Corporate Governance Council's Recommendation 2.4. All matters which might properly be dealt with by a Nomination Committee will be the responsibility of the full Board. The role and functions of the Board in this regard are detailed in Appendix A.
- The Board believes that the Company is not of a size, and nor are its affairs of such complexity, to justify the establishment of a Remuneration Committee as recommended by the ASX Corporate Governance Council's Recommendation 9.2. All matters which might properly be dealt with by a Remuneration Committee will be the responsibility of the full Board. The role and functions of the Board in this regard are detailed in Appendix B.

Responsibilities of Individual Directors

Each director is bound by all of the Company's charters, policies and codes of conduct, including the Code of Conduct, the Market Disclosure Policy and the Securities Trading Policy. The directors are expected to lead by example, setting standards of fairness, integrity and diligence which others within the Company can follow. In particular, the directors must:

- conduct their duties with the highest degree of honesty and integrity;
- observe both the rule and spirit of the law, and comply with any relevant ethical and technical standards;
- maintain the confidentiality of all information acquired in the course of conducting their role and not make improper use of, or disclose to third parties, any confidential information unless that disclosure has been authorised by the Board, or is required by law or by the Listing Rules of the ASX or the listing standards of the Alternative Investment Market;
- observe the principles of independence, accuracy and integrity in dealings with the Board, its committees, internal and external auditors and senior management within the Company; and
- disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the director becomes aware and which the director reasonably believes may compromise the reputation or performance of the Company.

Operations of the Board

- The Board shall meet at least four times per year, and otherwise as it considers necessary.



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- A quorum for a Board meeting is two directors, unless determined otherwise by the directors.
- An Agenda for a Board meeting shall, where practicable, be prepared and circulated to Board members and other relevant individuals at least 48 hours prior to the time of the meeting.
- A Board meeting may be held by directors communicating with each other by any technological means by which they are able to simultaneously hear each other and participate in discussion. The minutes of the meeting shall record the method of communication by which the meeting was conducted.
- Minutes of a Board meeting shall be taken and tabled at the next Board meeting.
- The Board, through its Chairperson, may request the attendance at Board meetings of management and/or staff of Metminco on a regular or irregular basis, as it deems necessary, to provide appropriate information or explanations.
- The Board will review and recommend any update to this Charter as deemed necessary.
- The Board will perform an evaluation of the Board's performance, utilising external consultants where necessary, at least annually to determine whether the Board is functioning effectively by reference to current best practice.

Authority of the Board

- The Board has direct and unlimited access to Metminco's senior managers, including the right to seek additional information and explanation, during its meetings.
- Each director shall have the right to procure, at Metminco's expense, and with the prior approval of the Chairperson, independent professional advice with respect to his or her duties and obligations as a director.

APPENDIX A – NOMINATION

Functions of the Board with regard to Nomination

- Having regard to the strategic direction of Metminco, periodically assessing the skills, experience and expertise ("skills") required to competently discharge the Board's duties and reporting the outcome of that assessment to the Board.



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- Having regard to the skills required, assessing whether the skills represented by the Board are adequate.
- When the need for a new director is identified or an existing non-executive director retires, approving candidates it considers appropriate for appointment as directors, having regard to the candidate's skills and other commitments and following receipt of the advice, where necessary, of independent search consultants.
- Approving the removal of directors.
- Periodically conducting a review of the independence of directors.
- Developing and implementing a plan for identifying, assessing and enhancing director competencies and ensuring non-executive directors are regularly updated in their knowledge of issues, trends and challenges relevant to Metminco and its industry.
- Establishing procedures and overseeing the performance assessment program of non-executive directors, the Board as a whole and its various committees.
- Ensuring that a director not participate in the review of his or her own performance.
- Periodically reviewing the time and commitment required of a non-executive director, and whether non-executive directors are meeting this.
- Developing a plan for Board succession, including the succession of the Chairperson of the Board.
- Overseeing the effectiveness of the induction process for new directors, and periodically reviewing it.

APPENDIX B – REMUNERATION

Role of the Board with regard to Remuneration

The primary role of the Board is to implement and maintain coherent, fair and responsible remuneration policies at Metminco which are observed and which enable it to attract and retain executives and directors who will create value for shareholders of the Company.

Functions of the Board with regard to Remuneration

- Establishing the remuneration policies and practices for the Managing



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Director and Chief Executive Officer and any direct reports to the Managing Director and Chief Executive Officer, incorporating the use, where appropriate, of external benchmarking.

- Progressive linking, where appropriate, of pay with performance against goals established under any relevant Metminco policies.
- Establishing the remuneration and incentive performance packages of the Managing Director and Chief Executive Officer and direct reports to the Managing Director and Chief Executive Officer ensuring that they are reasonable, fair and market-competitive and (in the case of incentive or equity-based remuneration) are linked to appropriate and clearly specified performance targets and made in accordance with any necessary shareholder approval.
- Establishing and reviewing the Company's recruitment, retention and termination policies and procedures.
- Introducing and applying of equity-based schemes, including allocations.
- Establishing and reviewing the Company's superannuation and retirement plans.
- Establishing and reviewing succession planning for the Company's management levels and key resources.
- Establishing and reviewing performance goals for the Managing Director and Chief Executive Officer.
- Maintaining directors' and officers' indemnity and liability insurance policies.
- Approving the level of fees (including superannuation, where applicable) for the non-executive directors, where necessary with the aid of advice or information from external consultants.
- Overseeing the annual performance appraisal of the Managing Director and Chief Executive Officer.
- On the recommendation of the Managing Director and Chief Executive Officer, reviewing and approving, on a periodic basis, the remuneration and incentive performance packages and payments of the direct reports to the Managing Director and Chief Executive Officer.
- On the recommendation of the Managing Director and Chief Executive Officer, reviewing and approving the average salary increase percentages used for the 1 July annual salary review.
- Reviewing any transactions between Metminco and the directors, or any interests associated with the directors, to ensure the structure and the



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terms of the transaction comply with the law and are appropriately disclosed.

- With regard to employee share, option and other equity based plans:
 - reviewing and approving the design of all equity based plans;
 - keeping all plans under review in the light of legislative, regulatory and market developments;
 - ensuring that the terms of equity-based plans clearly prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under the plans;
 - ensuring that equity-based plans are structured in a manner that is consistent with the Company's policy on dealing in its securities; and
 - reviewing and approving proposed awards to the Managing Director and Chief Executive Officer under each plan.