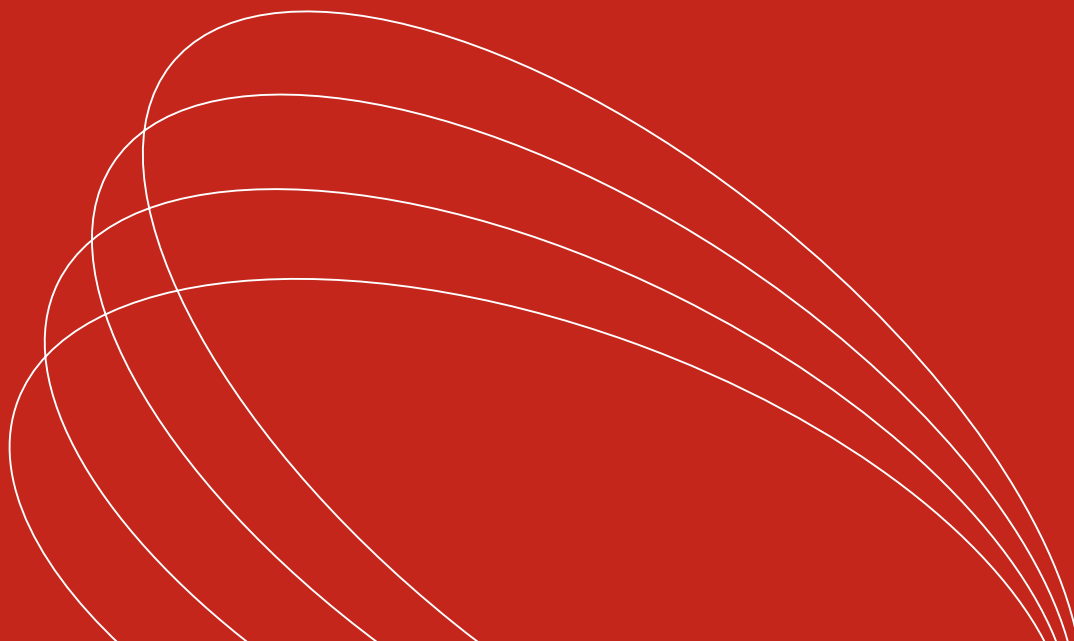




**BOWEN ENERGY LTD**

# **BOARD & GOVERNANCE CHARTER**



# BOARD & GOVERNANCE CHARTER

This documents sets out the principles of governance of Bowen Energy Limited (Bowen) and the conduct of the Board. It is supported by the following specific charters and policies:

- Code of Conduct
- Continuous Disclosure Policy
- Securities Trading Policy
- Risk Management Policy
- Audit Committee Charter
- Remuneration Committee Charter

## Commitment

The Company and the Board are committed to the achievement of high standards of integrity and governance in all aspects of Bowen's activities. The principle obligation of Bowen is to its shareholders through increasing shareholder wealth, and this is sought to be met while commensurately recognising the interests of employees, customers, creditors, the communities in which Bowen operates, and other stakeholders.

## Role of the Board

The key responsibilities of the Board are to:

- Review, advance and approve Bowen's:
  - objectives and strategies,
  - exploration and development programmes, and
  - capital management.
- Monitor Bowen's businesses, financial performance, and corporate governance.
- Oversee the financial position of Bowen.
- Report to shareholders.
- Ensure effective control systems are in place.
- Appoint, and appraise, the Managing Director's work performance
- Oversee the senior management team in terms of:
  - review of performance evaluation;
  - succession planning; and

– remuneration.

- Establish a culture of high ethical, environmental, health and safety standards.
- Ensure the Board is effective.

### **Role of Management**

The management of the business of Bowen is conducted by the Managing Director, as appointed by the Board in terms of the Board's letter of engagement dated --/--/--, and by those other officers and employees to whom the management function is properly designated by the Managing Director.

The Board sets authorities for the Managing Director which are reviewed and updated as required.

A position description for the Managing Director, and any other executive Director, is developed and agreed between the Board and Managing Director, along with periodic statements of the objectives of the Managing Director.

### **Board Membership**

The following principles have been adopted for the membership of the Board:

- The Board has a majority of Non-Executive Directors.
- The Chairman of Bowen is a Non-Executive Director.
- If the Chairman is a substantial shareholder of Bowen, another Non-Executive Director, who is not a substantial shareholder, is appointed as Lead Independent Director.
  - The Lead Independent Director takes over Chairmanship of the Board in any matter in which the Chairman may be perceived to have a conflict of interest with shareholders generally, and acts as the primary point of contact for any person who may have a concern in this regard.
- As required by law, the term of each Director (except the Managing Director) is limited to three years, with one-third of the Board being subject to re-election by shareholders at each Annual General Meeting.

### **Board Nomination**

Nominations for the Board are considered by the Board as a whole. The Board aims to ensure that it always has an appropriate diversity of qualifications, experience and expertise, consistent with the objectives of Bowen.

- Suitable candidates for the Board are identified for appointment having regard to the skills desired and skills represented.
- A formal letter of appointment is issued to all Directors.
- Annually the Chairman conducts a performance review of the Board focused on:
  - the overall effectiveness and competencies of the Board,
  - the availability and contribution of each individual Director,
  - effectiveness of Directors’ training and orientation, and
  - succession planning.

### **Board Procedures**

- Each Director is expected to declare any actual or potential conflict of interest.
- Where conflicts may arise, affected Directors absent themselves from Board deliberation and decisions.
- Non-Executive Directors regularly meet in private.
- Where reasonably necessary, Directors may obtain independent advice with prior notification to the Chairman.
- Directors are expected to be familiar with Bowen’s strategy, operations, financing and risks; Bowen must arrange suitable orientation and training.
- Directors may access continuing education to ensure their skills and knowledge are up to date.
- Directors have a right to expect all information relevant to Bowen’s business and performance to be presented at Board meetings, and can access further information on request.
- Directors must maintain confidentiality of information learned by virtue of their position as Director.
- Non-Executive Directors must confirm they are able to devote such time as is necessary to carry out their duties on the Board.
- Directors advise the Chairman prior to accepting new appointments.

### **Company Secretary**

In recognition of the key role played by the Company Secretary:

- The appointment of the Company Secretary must be approved by the Board.

- All Directors have direct access to the Company Secretary.
- The Company Secretary is expected to monitor Bowen's corporate governance procedures, and advise of possible improvements.

### **Standards and Code of Conduct**

It is the objective of the Board to foster a culture of high ethical and compliance standards. To this end:

- Directors must act honestly, in good faith, with high standards of care, diligence and enquiry, and in the best interests of Bowen as a whole.
- All Directors and employees must abide by Bowen's Code of Conduct.
- Directors and senior management must not use their position to trade in Bowen's securities, with all transactions being in accordance with Bowen's Securities Trading Policy.

### **Financial Standards**

Bowen is committed to high standards of financial integrity and reporting.

- Financial reports are required to present a true and fair view, in all material respects, of Bowen's financial condition and operating results.
- A sound and effective system of risk management and internal control is required, consistent with Bowen's Risk Management Policy.
- An Audit Committee has been appointed to assist the Board in its consideration of financial policy and reporting.

### **Remuneration Standards**

Bowen's overriding remuneration principle is to provide a fair and sufficient incentive to attract, motivate and retain a high quality Board and management team, based upon rewarding performance which enhances shareholder value.

- The remuneration of the senior management team may contain the following components:
  - fixed salary and benefits,
  - a short term incentive based on individual performance, and
  - a long term incentive derived from consideration of the performance of both Bowen and the individual.
- The remuneration of Non-Executive Directors consists solely of fixed fees.

- Recognising the small capital base of Bowen, and the high risk inherent in mining, exploration and development, consideration may be given at a future time to equity based incentives for Non-Executive Directors, consistent with increasing shareholder wealth.
- Bowen’s Annual Report discloses all components of the remuneration of Directors, including advice of any discretionary incentive payments, and the remuneration of executives in accordance with prevailing applicable rules.
- A Remuneration Committee has been appointed to assist the Board in its consideration of remuneration policy and reporting.

### **Market Disclosure**

In accordance with its obligations under relevant legislation:

- Bowen keeps the market fully informed of information which may have a material effect of the price of Bowen’s shares.
- Disclosures are to be:
  - timely;
  - factual;
  - comprehensive; and
  - understandable
- Bowen’s Continuous Disclosure Policy sets the standards and procedures for information disclosure.

### **Shareholder Communications**

Bowen aims to ensure that shareholders are well informed of all major developments affecting Bowen. This programme includes:

- Including in Bowen’s website:
  - Annual, half yearly and quarterly reports and accounts
  - Notices of general meetings
  - All media and stock exchange releases
  - Key policies
  - Committee charters
  - General Bowen background
  - Full project descriptions
- Facilitating the full participation by shareholders at Bowen’s Annual General Meeting.
- Requiring the attendance of Bowen’s external auditor at the Annual General Meeting.