

## Orocobre Limited Board Charter

This document sets out the main principles adopted by the Board of Directors of the Company in order to implement and maintain a culture of good corporate governance both internally and in its dealings with outsiders.

The Board of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The matters set out in this document are subject to the *Corporations Act*, the Constitution, the ASX Listing Rules and the Exchange Rules.

The purpose of preparing and disclosing the matters set out in this document is to:

- (a) formalise procedures to ensure the Company and the Board act in a transparent and appropriate manner in their respective internal and external dealings;
- (b) ensure that appropriate checks, balances and procedures are in place to monitor the operations of the Company and those charged with its management; and
- (c) provide shareholders with a transparent method to evaluate the performance of the Company from a corporate governance perspective.

In preparing and implementing these strategies, the Company and the Board are mindful of the *Corporate Governance Principles and Recommendations* issued by the ASX Corporate Governance Council.

### **Functions, powers and responsibilities of the Board**

Generally, the powers and obligations of the Board are governed by the *Corporations Act*, and the general law.

Without limiting those matters, the Board expressly considers itself responsible for the following:

- (d) ensuring compliance with the *Corporations Act*, the ASX Listing Rules and the Exchange Rules (where appropriate) and all other relevant laws;
- (e) providing leadership and developing, implementing and monitoring strategic operational and financial objectives for the Company and the overall performance of the Company;
- (f) appointing the Chief Executive Officer;
- (g) overseeing the implementation of appropriate financial and risk management controls;
- (h) setting, monitoring and ensuring appropriate accountability and a framework for remuneration of Directors and executive officers;
- (i) establishing and overseeing the Company's process for making timely and balanced disclosure of all material information in accordance with the ASX Listing Rules and the Exchange Rules;
- (j) implementing appropriate strategies to monitor performance of the Board in implementing its functions and powers;
- (k) overseeing the Company's risk management framework to enable risk to be identified, assessed and managed and to set the risk appetite the Board expects Management to operate within;
- (l) appointing the Chairperson;
- (m) appointing and removing the Chief Executive Officer and Company Secretary;

- (n) approving the appointment and, where appropriate, removal of members of Management;
- (o) contributing to and approving Management's development of corporate strategy and performance objectives;
- (p) monitoring Management's implementation of strategy and performance generally, and ensuring appropriate resources are available to Management;
- (q) monitoring the effectiveness of the Company's governance practices;
- (r) approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- (s) approving the annual budget;
- (t) liaising with the Company's external auditors;
- (u) approving and monitoring financial and other reporting systems of the Company (including external audit) and the integrity of these systems; and
- (v) appointing and overseeing Committees where appropriate to assist in the above functions and powers.

### **Structure of the Board**

The structure of the Board is determined in accordance with the following principles:

- (a) to aim for, so far as is practicable given the size and the nature of the operations of the Company, a majority of the Board being Independent Directors;
- (b) to aim for, so far as is practicable given the size and the nature of the operations of the Company, the appointment of a Chairperson who is an Independent Director;
- (c) to aim for, so far as is practicable given the size and the nature of the operations of the Company, a Chairperson who is not the chief executive officer;
- (d) to aim for, so far as is practicable given the size and the nature of the operations of the Company, a Board comprising members with diverse backgrounds; and
- (e) to have a minimum of three Directors.

In assessing the independence of Directors, the Company has regard to Principle 2 of the *Corporate Governance Principles and Recommendations* and regards an Independent Director as a non-executive Director (that is, not a member of management) who:

- (a) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (b) within the last three years has not been employed in an executive capacity by the Company;
- (c) within the last three years has not been a partner, director or senior employee of a provider of material professional services to the Company or another group member;
- (d) within the last three years has not been in a material business relationship (by example, as a supplier or customer) with the Company or other group member, or an officer of, or otherwise associated with, someone in such a relationship;
- (e) has no material contractual relationship with the Company or another group member other than as a Director of the Company;
- (f) does not have close family ties with any person who falls within any of categories (1) – (5) described above; and

- (g) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company or otherwise compromise their independence.

When considering whether a Director is an Independent Director, the materiality of such interest, position, association or relationship must be assessed to determine whether it might influence, or might reasonably be perceived to influence, in a material respect, the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders.

A Director must advise the Chairperson (or in the case of the Chairperson, another member of the Nominations Committee) if there is a change in his or her interests, positions, associations or relationships that could bear upon his or her independence at the earliest opportunity.

### **The Chairperson**

The Chairperson is responsible for leadership of the Board, for efficient organisation and conduct of the Board's function and the briefing of all Directors in relation to issues arising at Board meetings. The Chairperson is also responsible for shareholder communication and arranging Board performance evaluation.

### **Managing Director**

The Managing Director is responsible for running the day to day affairs of the Company under delegated authority from the Board and to implement the policies and strategies set by the Board, within the risk appetite determined by the Board. In carrying out his or her responsibilities, the Managing Director must report to the Board in a timely manner and ensure that all reports to the Board are clear and accurate and present a true and fair view of the Company's financial position and operating results.

The Managing Director together with the Chief Financial Officer will be required to state in writing to the Board that the financial records of the Company have been properly maintained and that the financial reports of the Company represent a true and fair view in all material respects, of the Company's financial conditions and operating results and accord with relevant accounting standards.

### **Company Secretary**

The role of the Company Secretary is to support the effectiveness of the Board and the Committees. In carrying out his or her responsibilities, the Company Secretary is accountable directly to the Board in the performance of this role which includes without limitation:

- (a) advising the Board and the Committees of governance matters;
- (b) monitoring compliance with Board and Committee policy and procedures;
- (c) coordinating the timely completion and despatch of Board and Committee papers;
- (d) ensuring that the business at Board and Committee meetings is accurately recorded in the minutes; and
- (e) helping to organise and facilitate the induction and professional development of Directors.

### **Induction of New Directors and Ongoing Director Education**

On their first appointment, Directors will have the benefit of an induction program aimed at deepening their understanding of the Company, its activities and the business, environment and markets in which the Company operates. .

As part of the induction process, where appropriate, new Directors may complete a self-assessment of their capabilities and competencies to determine areas where further development will be beneficial in contributing to the Board's performance. Development in these areas will then be considered and discussed with the new Director by the Nomination Committee (if established) or the Chairperson.

Directors are also expected to keep themselves abreast of changes and trends in the business and in the Company's environment and markets and to keep abreast of changes and trends in the economic, political, social and legal climate generally. Directors are expected to have an appropriate base level of understanding on accounting matters. Additional development and training in this area can be discussed with the Nomination Committee (if established) or the Chairperson by a Director. The Company will also provide briefings on developments in accounting standards.

### **Independent Advice**

A Director may seek independent advice, including legal advice, where they believe it is necessary in order to properly discharge his or her duties as a Director. The Company will pay for the reasonable cost of this advice provided that the Director has obtained the prior written approval of the Chairperson (including for the cost of the advice).

In the event that the Chairperson wishes to seek independent advice and wishes for the Company to pay for the reasonable costs of that advice, the Chairperson must obtain the prior written approval (including for the cost of the advice) of the chairperson of the Corporate Governance Committee or other applicable committee.

Where a Director's request in respect of independent advice is approved as set out above, the Director and the Chairperson should agree who will provide instructions to the independent adviser. If the Chairperson has requested the advice, the Director who provided the approval to obtain the advice should undertake this role.

Where a Director's request in respect of independent advice is approved as set out above, a copy of the advice obtained will be provided to all Directors together with an explanation as to why the advice was obtained, unless the Chairperson determines that this is not appropriate or that a different approach should be taken.

The other Directors will be advised if the Chairperson approves or declines a request to obtain independent advice, unless, the Chairperson determines such notification is not appropriate or that a different approach should be taken.