

Boulder Steel Limited

Board Charter

1. Role and Responsibilities of the Board of Directors

The Board is responsible for the overall governance of Boulder Steel Limited (**Boulder** or **the Company**) and its strategic direction and performance.

Specifically, the Board is responsible for:

- (a) Appointing and removing the senior executives;
- (b) The Strategic and financial performance of the company through;
 - developing in consultation with senior executives and approving its corporate strategy, policy and direction
 - approving budgets and capital expenditure
 - approving all accounting policies, financial and other corporate reporting
 - determining the company's dividend policy including the amount and timing of such dividends
- (c) Audit, risk management and compliance
 - Considering recommendations of the Audit and Risk Committee and appointing the external auditor
- (d) Corporate Governance
 - Regularly reviewing the effectiveness of Boulder's corporate governance policies and procedures and considering any amendments to those policies and procedures
 - Approving the appointment of Directors to the Board and to Committees established by the Board
- (e) Performance evaluation
 - Conducting an annual review and evaluation of the performance of the Board, each Board Committee, each individual Director and the senior executives against the relevant charters, corporate governance policies and agreed goals and objectives

- Following such reviews and evaluations, considering ways in which the Board can improve its performance
- (f) Appointing and removing the Company Secretary

The Company Secretary must monitor compliance with Board policy and procedures to ensure they are followed. The Company Secretary is accountable to the Board, through the Chairman, on all corporate governance matters not otherwise dealt with through special purpose committees and reporting. All directors shall have access to the Company Secretary.

2. Board Composition

A majority of the directors must be independent, non-executive directors with an appropriate cross section of skills and experience.

A director is regarded as independent if that director is a non-executive director who is not a member of management and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided. At present an advisory relationship or contract where the Company pays in excess of \$200,000 in a year is regarded as material;
- is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer. At present an advisory relationship or contract where the Company pays in excess of \$200,000 in a year is regarded as material;
- does not have a material contractual relationship with the Company or another group member other than as a director of the Company. At present an advisory relationship or contract where the Company pays in excess of \$200,000 in a year is regarded as material;
- 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;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

3. Obligations of Directors

The Directors of Boulder must:

- (a) conduct their duties at the highest level of honesty and integrity;
- (b) observe the rule and spirit of the law and comply with any relevant ethical and technical standards;
- (c) maintain the confidentiality of all information acquired in the course of conducting the 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 ;
- (d) refrain from communicating on behalf of the Board or Boulder without prior consultation with the Chairman;
- (e) bring independent judgement to bear in decision-making;
- (f) observe the principles of independence, accuracy and integrity in dealings with the Board, its Committees, the company's auditors and its senior management;
- (g) 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 Boulder;
- (h) in relation to any matter where a Director considers there is a reasonable possibility of conflict between his or her personal or business interests, the interests of any other person associated with the Director, or his or her duties to any other company, on the one hand, and the interests of Boulder or his or her duties as a Director of Boulder, on the other hand, the Director must abstain from voting on any motion relating to such a matter and absent himself or herself from all Board deliberations relating to the matter, except in circumstances where the Corporations Act permits otherwise; and
- (i) set a standard of honesty, fairness, integrity, diligence and competency in respect of the position of Director.

4. Role and Specific Duties of the Chairman

The position of Chairman must be filled by an independent, non-executive director.

The same individual must not exercise the roles of Chairman or Deputy Chairman and the Senior Executive Director.

The Chairman will:

- (a) chair Board meetings;
- (b) be an ex-officio member of any Board Committees, unless the Board otherwise expressly determines;
- (c) establish the agenda for Board meetings in consultation with the senior executive and the Company Secretary;
- (d) chair meetings of shareholders, including any Annual General Meeting of Boulder;
- (e) with assistance from the Senior Executive Director, be the primary spokesperson for Boulder at any Annual General Meeting of Boulder; and
- (f) in consultation with the Senior Executive Director, represent the views of the Board to shareholders, the general public, government, regulators and other stakeholders.

5. Role and Specific Duties of the Senior Executive Director

The Senior Executive Director will be appointed by the Board and has primary responsibility to the Board for the affairs of Boulder.

The Senior Executive Director will:

- (a) be responsible for implementing decisions of the Board;
- (b) consult with the Chairman and the Company Secretary in relation to establishing the agenda for Board meetings;
- (c) develop in consultation with other senior executives and the Board corporate strategy, performance objectives, business plans, budgets etc for review and approval;
- (d) develop appropriate policies and procedures for the management and control of the business; and
- (e) be accountable for the day to day management of Boulder and in conjunction with other Boulder executives, review and monitor all matters material to the interests of Boulder.

6. Related Party Transactions

The Directors must ensure that any dealings between Boulder and any member of the Boulder Steel Limited group of companies is conducted in accordance with the Corporations Act, the ASX Listing Rules and any other laws or regulations in respect of related party transactions.

The Board may adopt policies or procedures from time to time to assist in identifying and appropriately managing related party transactions.

7. Board Meetings

The Board will formally meet not less than four times per annum and as frequently as may otherwise be required.

Board meetings will usually be convened by the Chairman, although a meeting may be called by any Director.

All Directors are expected to diligently prepare for, attend, and participate in all Board meetings.

Participation in meetings of the Board may be facilitated by telephonic or other means of telecommunication.

Resolutions of the Board may be passed by a properly convened meeting of Directors or by a circular resolution of Directors.

The Company Secretary shall coordinate the timely completion and despatch of the Board agenda and briefing material for each meeting.

8. Board Committees

To assist it in fulfilling its duties, the Board will establish an Audit and Risk Committee, a Nominations and Remuneration Committee and other such permanent or *ad hoc* committees as it determines appropriate.

In respect of those committees established on a permanent basis, the Board will consider, approve and from time to time review charters for such committees identifying the areas in which the Board will be assisted by those committees.

The Board will determine the terms of reference for any *ad hoc* committees at the time the committee is established.

The Board may co-opt persons other than Directors to membership of Board Committees.

Members of Board Committees are bound by duties and obligations applicable to Directors in respect to their participation in the work of Board Committees.

Although the Board may delegate powers and responsibilities to a Committee, the Board retains ultimate accountability for the discharge of its duties.

9. Independent Advice

A Director of Boulder is entitled to seek independent professional advice (including, but not limited to, legal, accounting and financial advice) at Boulder's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out below:

- (a) a Director must consult the Chairman, or where the advice sought relates to an issue in respect of which the Chairman has declared an interest or where it would be otherwise inappropriate for the Chairman to approve the seeking of independent professional advice, the Chairman of the Audit and Risk Committee;
- (b) as part of such consultation, the Director must provide the Chairman or the Chairman of the Audit and Risk Committee (as the case may be) with details of the nature of the professional advice, the likely cost of such advice, and the details of the independent advisor he or she proposes to engage;
- (c) the Chairman or the Chairman of the Audit and Risk Committee (as the case may be) may set a reasonable limit on the amount Boulder will contribute towards the cost of obtaining such advice;
- (d) all documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to Boulder, and to the Director in his or her personal capacity;
- (e) the Chairman or the Chairman of the Audit and Risk Committee (as the case may be) may determine that any advice received by an individual Director will be circulated to the other members of the Board.

The right of a Director to obtain independent advice subject to this section does not extend to advice concerning matters of a personal or private nature.

10. Ethical Standards

Directors and management are expected to conduct themselves in accordance with the highest ethical standards in their behaviour and their business dealings.

All Directors and employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of Boulder.

In maintaining its ethical standards, Boulder will:

- behave with integrity in all its dealings with customers, shareholders, government, employees, suppliers and the community
- ensure that its actions comply with applicable laws and regulations
- as a good corporate citizen, maintain harmonious relations and make a positive contribution to the communities in which its operations are located
- maintain and implement policies that will enable its employees to avoid situations where conflicts of interest could arise
- not engage in any activity that could be construed as offering improper inducements to other parties
- achieve a working environment where
 - equal opportunity is practised
 - harassment and other offensive behaviour is not tolerated
 - confidentiality of commercially sensitive information is protected
 - employees are encouraged to discuss concerns about ethical behaviour with their supervisor.

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