



1. Purpose

Berkut Minerals Limited (the "**Company**") is committed to conducting its business ethically and in accordance with the highest standards of corporate governance. In determining these standards, the ASX Corporate Governance Council's Corporate Governance Principals and Recommendations (as amended from time to time) (the "**ASX Corporate Governance Principles**") have been referred to.

The board of directors of the Company (the "**Board**") has approved the following charter ("**Charter**") which sets out the role and responsibilities of the Board and Executives (the "**Executives**") of the Company.

The Charter is only a summary of the matters reserved to the Board and Executives and should be used as a general guide only. The roles and responsibilities may evolve as the Company moves forward and may differ in a legal context.

2. Role and Responsibilities

The Board

The Board is collectively responsible for promoting the success of the Company and in achieving this objective, the interests of shareholders and stakeholders should be promoted and protected.

The Board has the following key responsibilities:

- leading and setting the strategic direction / objectives of the Company;
- appointing the Chairman of the Board;
- appointing, and when necessary replacing, the Managing Director or CEO (Collectively referred to as Managing Director);
- approving the appointment, and when necessary replacement, of Executives and the Company Secretary;
- overseeing the Executive's implementation of the Company's strategic objectives and performance generally;
- approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- approving the Company's remuneration framework.

Each member of the Board should have a formal letter of appointment, setting out the terms of their appointment.

Chairman

The Chairman should be, where practicable, an independent director. If the Chairman is not independent, or ceases to be an independent director, the Board will consider appointing another director who will act as a lead independent director.

The Chairman has the following responsibilities:

- to commit adequate time to discharge the role of Chairman effectively;
- leading the Board;
- facilitating efficient organisation of board meetings and effective contribution by all directors ;
- chairing shareholder meetings; and
- promoting constructive and respectful relations between members of the Board and the Executive's.

In the event that the Chairman is absent from a meeting of the Board, the Board shall appoint a chairman for that meeting.



Managing Director

The Managing Director should not be the Chairman of the Company during his term as Managing Director.

The Managing Director has the following key responsibilities:

- overseeing the day-to-day operations and administration of the Company (this function is delegated by the Board);
- leading and supervising the Executives; and
- keeping the Board informed of any material issues or developments within the Company.

Executive's

The Executives have the following key responsibilities:

- assisting the Managing Director with the Company's day to day operations;
- implementing the strategic direction / objectives provided by the Board;
- supplying the Board with information they require in a timely and clear manner;
- developing control and accountability systems in respect of compliance, risk management and corporate governance;
- operating within the risk appetite set by the Board; and
- maintaining accurate financial and other reporting.

The Executive's should have a formal job description and employment contract (or letter of appointment) setting out their term of office, duties, rights and responsibilities, and entitlements on termination.

In addition to formal reporting structures, members of the Board are encouraged to have direct communications with Executive's and other employees within the Company and/or its subsidiaries, to facilitate the carrying out of their duties as directors.

Company Secretary

The Company Secretary supports the effectiveness of the Board.

The Company Secretary has the following key responsibilities:

- advising the Board on governance issues;
- monitoring compliance with Board and Board committee policies and procedures;
- coordinating the timely completion and circulation of Board and Board committee papers;
- ensuring appropriate minutes are taken at board and board committee meetings;
- coordinating the induction of new Board members; and
- organising professional development activities requested by the Board.

3. Composition of the Board

Skills, Diversity and New Appointees

The Board should comprise directors with a mix of qualifications, experience and expertise that will ensure the effective discharge of duties imposed on it by law and that will assist the Company in achieving growth and value for its shareholders. The composition of the Board is to be reviewed regularly, to ensure the mix of skills and expertise is appropriate.

The Board will ensure that appropriate professional development opportunities are provided to directors, to maintain the skills and knowledge needed to perform their duties.

To assist the Board in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board will maintain a Board Skills Matrix.



In appointing new members to the Board, consideration should be given to the ability of the appointee to:

- properly understand, and be competent to deal with, current and emerging issues of the business;
- effectively review and challenge the performance of Executive's;
- exercise independent judgement;
- commit the necessary time to fulfill the requirements of the role effectively; and
- contribute to the development of the strategic direction of the Company.

When appointing new members, the Board should:

- (with consent from the appointee) conduct appropriate background checks before a person is nominated for appointment, including in respect of his or her character, experience, education, criminal record and bankruptcy history;
- collect written confirmation from the appointee that he or she has sufficient time to fulfill the role of director of the Company; and
- once the appointment is complete, ensure an appropriate induction is carried out, to allow the new member to participate fully and actively in Board decision-making at the earliest opportunity.
- comply with the Company's Diversity Policy;

Independence

The Board should be comprised of a majority of independent directors. An independent director is independent of the Executives and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with the exercise of independent judgement.

The Company considers an independent director to be a non-executive director who:

- is not a substantial shareholder of the Company (as defined in section 9 of the Corporations Act 2001 (Cth));
- within the last 3 years has not been employed in an executive capacity by the Company;
- within the last 3 years been a partner, director or senior employee of a provider of material professional services or material consultant to the Company;
- is not a material supplier or customer of the Company;
- has no material contractual relationship with the Company other than as a director of the Company;
- has no close family ties with any person who falls within any of the categories above; and
- has not been a director of the Company for such a period that his or her independence may have been compromised.

The assessment of whether a director is considered independent (both from the perspective of the Company and the director) is based on the following materiality thresholds:

- payments made by the Company to the director or any of his associated entities for the provision of goods and/or services does not exceed 2% of the annual gross expenditure of the Company; or
- payments received by the director for the provision of goods and/or services to the Company, does not exceed 25% of the annual income or business turnover of the director or his associated entities.

Directors must disclose their interests on a regular basis and their independence should be assessed in light of the interests disclosed by them. Directors are expected to bring their independent views and judgement to the Board and must declare immediately any potential or active conflicts of interest with the Company. If there is a change in a director's interest, positions, associations or relationships that could bear upon his or her independence, that director must notify the Board as soon as practicably possible.

Non-executive directors are encouraged to confer without the presence of the Executives, whenever they deem necessary.



Tenure

Other than the Managing Director, no member of the Board may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the Company's shareholders.

Prior to the Board proposing re-election of non-executive directors, their performance will be evaluated by the Nomination and Remuneration Committee, to ensure that they continue to contribute effectively to the Board.

4. Board Committees

Whilst there are no Committees in place at present, the Board will continue to assess the requirement for, and benefits of, establishing separate committees as the Company's operations develop.

5. Board and Executive Evaluation

Board

The Board shall undertake an annual performance evaluation of itself that:

- compares the performance of the Board, and each individual director, with the requirements of the Charter;
- sets the goals and objectives of the Board for the upcoming year;
- effects any improvements to the Charter deemed necessary, or desirable; and
- performs such other functions as prescribed by law.

Another non-executive director should be nominated to conduct a performance evaluation of the Chairman, ensuring all other directors are consulted during the process.

The performance evaluations shall be conducted in such manner as the Board deems appropriate.

Executives

The Executive's performance should be evaluated on an annual basis. This evaluation should include:

- a comparison of performance of the Executive with the requirements of the Charter;
- measurement of performance against previously agreed key performance indicators ("**KPIs**"); and
- setting new KPIs.

6. Access to Advice

All members of the Board have unrestricted access to company records and information, except where the Board determines that such access would be adverse to the Company's interests.

The Board may consult with Executive's and with the Company Secretary at all times. It may also consult with Company employees, but only where necessary to enable them to discharge their duties as directors.

The Board, committees of the Board and individual directors may seek independent external professional advice as considered necessary, at the expense of the Company, but subject to prior consultation with the Chairman. A copy of any such advice received is to be made available to all members of the Board.

7. Review of Charter

This Charter will be reviewed by the Board annually, to ensure that it continues to reflect the letter and spirit of all applicable laws and regulations and the Company's commitment to its staff and the community.