



LATITUDE CONSOLIDATED LIMITED ("COMPANY")

BOARD CHARTER

1. Role of the Board

The role of the Board is to:

- (a) protect and enhance shareholder value;
- (b) provide strategic direction for the Company, establish goals for management and monitor the achievement of those goals; and
- (c) operate on the principle that Management formulates (proposals), the Board ratifies, then Management implements and the Board monitors.

2. Responsibility of the Board

The Board is collectively responsible for promoting the success of the Company by:

- (a) monitoring the Company's framework of control and accountability systems to enable risk to be assessed and managed which includes but is not limited to (b) to (k);
- (b) ensuring the Company is properly managed for example by:
 - (i) appointing and removing the managing director of the Company;
 - (ii) ratifying the appointment and, where appropriate, the removal of the chief financial officer and the Company secretary;
 - (iii) input into and final approval of management's development of corporate strategy and performance objectives;
 - (iv) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance;
 - (v) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
- (c) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- (d) approval of the annual budget;
- (e) monitoring the financial performance of the Company;
- (f) approving and monitoring financial and other reporting;
- (g) overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;
- (h) liaising with the Company's external auditors and Audit Committee;
- (i) monitoring the environmental performance of the Company;
- (j) approving employee and community relations policy; and
- (k) safety and health policy.



The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities.

The Board may from time to time, delegate some of its responsibilities listed above to its senior management team (except for paragraphs (a), (b), (f) and (g) and where any matter exceeds the Materiality Threshold as defined below).

3. Materiality Threshold

The Board has agreed on the following guidelines for assessing the materiality of matters:

(a) Materiality – Quantitative

The Board monitors what it considers to be an appropriate level of materiality, from time to time, but in any event this amount will not exceed a maximum of 5% of shareholders' funds.

(b) Materiality – Qualitative

Items are also material if:

- (i) they impact on the reputation of the Company;
- (ii) they involve a breach of legislation;
- (iii) they are outside the ordinary course of business;
- (iv) they could affect the Company's rights to its assets;
- (v) if accumulated they would trigger the quantitative tests; or
- (vi) they involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items.
- (vii) They will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

(c) Material Contracts

Contracts will be considered material if:

- (i) they are outside the ordinary course of business;
- (ii) they contain exceptionally onerous provisions in the opinion of the Board;
- (iii) they impact on income or distribution in excess of the quantitative tests
- (iv) there is a likelihood that either party will default and the default may trigger any of the quantitative tests;
- (v) they are essential to the activities of the Company and cannot be replaced or cannot be replaced without an increase in cost of such a quantum as may trigger any of the quantitative tests;
- (vi) they contain or trigger change of control provisions;
- (vii) they are between or for the benefit of related parties; or



(viii) they otherwise trigger the quantitative tests.

Any matter which falls within the above guidelines is a matter which triggers the materiality threshold ("Materiality Threshold").

4. The Chairperson

The chairperson is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function. The chairperson is also responsible for shareholder communication and arranging Board performance evaluation.

5. Independent Directors

Where the chairperson is not an independent director, the Company will appoint a lead independent director. The lead independent director will take over the role of the chairperson when the chairperson is unable to act in that capacity as a result of his or her lack of independence.

The independent directors, along with all directors, are responsible for the reviewing and challenging executive performance. They are also responsible for contributing to the development of strategy.

6. The Chief Executive Officer

The Chief Executive Officer is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy approved by the Board. In carrying out his/her responsibilities the Chief Executive Officer must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

7. Role and Responsibility of Management

The role of management is to support the Chief Executive Officer and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Management is responsible for reporting all matters which fall within the Materiality Threshold at first instance to the Chief Executive Officer or if the matter concerns the Chief Executive Officer then directly to the chairperson or the lead independent director, as appropriate.