

Powers, Duties & Responsibilities

1. Derivation

The powers, duties and responsibilities of the Board are prescribed by the Corporations Act and the Company's Constitution. The standards and conduct adopted by the Board will also reflect the standards for corporate governance practised by highly regarded publicly listed companies.

2. Role

(1) The Board will determine the objectives and broad policies of Grange Resources Limited and its controlled entities ("the Group") which must aim to enhance shareholder value. The Board will provide the overall strategic direction that is necessary to ensure that these policies are carried out, and will exercise stewardship of the Group's resources in a manner that enables the objectives to be met.

(2) With respect to Grange and companies where particular shareholder agreements apply, it is understood that the Board will do its best to ensure that the objectives, policies, strategies and plans applicable to the Group are met.

3. Functions

The main functions of the Board in carrying out its role are as follows:

- (1) appointment of the Managing Director and review of his performance;
- (2) setting objectives, policies and strategies;
- (3) monitoring the performance of executive management;
- (4) delegating clear responsibility and authority to the committees of the Board, the Managing Director and directors or groups of directors, and monitoring and reviewing regularly the performance of those who hold delegated powers;
- (5) keeping under review the general progress and long-term development of the Group in the light of the political, economic and social environments in which it operates;
- (6) defining the powers to be reserved to the Board;
- (7) monitoring the financial state and performance of the Group (including investment and finance plans), determining the desired financial objectives and approving the Group's budget;
- (8) approve major changes in organisation and the shape of the Group, including entry into new fields of operation and departure from those which are no longer appropriate;

- (9) approving major expenditures and transactions with other companies including, for example, acquisitions, disposals, joint ventures and significant supply arrangements;
- (10) supporting the Managing Director in the discharge of his responsibilities;
- (11) ensuring that the Group adheres to appropriate standards and values and that proper policies are developed and followed in relation to:
 - (a) compliance with laws
 - (b) safety, health and environment matters, and
 - (c) corporate governance;
- (12) determining that the Company accounts are true and fair;
- (13) determining that satisfactory arrangements are in place for auditing the Company's financial affairs, including selecting and recommending any changes to auditors as required at general meetings, and that the scope of the internal audit is adequate;
- (14) giving approval or support as appropriate to the most senior appointments in the Group and ensuring that adequate career development, succession and remuneration arrangements exist for them;
- (15) reviewing the Board's structure and performance from time to time and making decisions on new appointments to the Board.

While responsible to the shareholders of the Company, the Board will have regard to the interests of the Group as a whole, including its employees in general, its customers and to the Group's social responsibilities to the communities where its operations have an impact.