

SUCCESS RESOURCES GLOBAL LIMITED

BOARD CHARTER

1. OVERVIEW

- 1.1 Success Resources Global Ltd (“SGU” or “Company”) Board is primarily responsible for ensuring that SGU has an appropriate corporate governance structure to ensure the creation and protection of shareholder value.
- 1.2 The Board is also responsible for ensuring the Company recognises its legal and other obligations to all legitimate stakeholders from time to time where and to the extent appropriate. “Stakeholders” are groups that are likely to feel a social, environmental or economic impact from SGU’s actions. They include shareholders, employees, contractors, regulatory bodies and members of the communities where SGU operates and are affected by SGU’s activities.
- 1.3 This Board Charter explains the Company’s commitment to corporate governance and sets out the role, responsibilities and conduct of the Board. It is not an “all inclusive” document and should be read as an expression of principle.
- 1.4 The Company endorses and seeks to follow the Australian Securities Exchange (ASX) Corporate Governance Council’s Corporate Governance Principles and Recommendations (ASX Principles & Recommendations), where it is practical and appropriate for a Company of SGU’s size and operations.
- 1.5 This Board Charter sets out the principles for the operation of the SGU Board.

2. COMPLIANCE AND GOVERNING MATERIALS

2.1 Constitution

SGU’s Constitution (Constitution) is the Company’s key governance document. The Board must ensure that it and the Company comply at all times with the provisions of the Constitution.

2.2 Compliance with Laws

As a public company incorporated in Australia and listed on the Australian Securities Exchange (ASX), the Company must comply with the Corporations Act, the ASX Listing Rules (Listing Rules), as well as all other applicable laws, moral codes and statutes. Examples of applicable areas of regulation include:

- (a) occupational health & safety legislation;
- (b) environmental protection legislation;
- (c) employment related laws; and
- (d) anti-discrimination legislation.

2.3 Governance Materials

The operations and conduct of SGU are administered in accordance with all governance materials approved by the SGU Board from time to time.

3. BOARD COMPOSITION

3.1 Number of Directors

- (a) In accordance with the Constitution and the Corporations Act, the Board shall at all times have at least 3 directors.
- (b) The Board size, diversity and composition is periodically determined and reviewed by the Board as a whole. In relation to the composition, the Board will consider, and regularly review, the number and balance of directors with non-executive and independent status.

3.2 Selection of Chairman

In accordance with the Constitution and the Corporations Act, the Board is to elect one of its directors to serve as Chairman. The role of Chairman may be held by an Executive or Non-Executive director.

Should the Chairman be absent from a Board meeting, the remaining directors are to agree by majority which other director should act as Chairman of the meeting.

3.3 Alternate Directors

Directors may appoint Alternate directors in accordance with the Constitution of the Company.

3.4 Appointment and Removal of Directors

Directors will be appointed and removed in accordance with the Corporations Act and the Constitution.

In selecting new directors, the Board must ensure that the candidate has the appropriate range of skills, experience and expertise that will best complement Board effectiveness. In addition, appropriate checks of any candidate's character, experience, criminal record and bankruptcy history will be conducted prior to appointment and prior to recommending appointment to shareholders.

In addition, any candidate must confirm that they have the necessary time to devote to their SGU Board position.

3.5 Nomination and Rotation of Directors

Nomination and rotation of directors will be governed by the *Corporations Act*, the Listing Rules and the Constitution.

Procedure for Nomination to Board

The Board's procedure for selection of candidates and recommendation to the Board following identification of the needs of the Board is to:

- (a) assess the competencies and skills required by the Board, having regard to the current and future business of SGU;

- (b) identify individuals with the competencies required by the Board, including engaging recruitment consultants to assist in the identification process, including appropriate checks (for example, as to the person's character, experience, education, criminal record and bankruptcy history), as required;
- (c) develop a short list of candidates based upon competencies and ability to fit within the existing Board; and
- (d) approve the most appropriate person from the short list to be invited by the Board to become a director of SGU.

Other Nomination Related Matters

The responsibilities of the Board with regard to nomination related matters (without limiting its scope) are to:

- (a) review the composition of the Board and its Committees (if any);
- (b) assess the necessary and desirable competencies of directors, including development of a skills matrix setting out the mix of skills and diversity that the Board has and is looking to achieve in the future;
- (c) ensure the directors have the appropriate mix of competencies to enable the Board to discharge its responsibilities effectively;
- (d) oversee the directors' induction program;
- (e) ensure that directors have access to appropriate continuing education to update and enhance their skills and knowledge;
- (f) develop Board succession plans to ensure an appropriate balance of skills, experience and expertise is maintained;
- (g) review the time commitment required from non-executive directors and whether directors are meeting that commitment; and
- (h) evaluate the collective performance of the Board, the Chairman of the Board, the individual performance of all the directors and senior management.

3.6 Board Committees

Pursuant to the Constitution of the Company and to assist the Board in fulfilling its duties and responsibilities, the Board may delegate its powers to a committee or committees consisting of such of their number as they think fit, from time to time.

Any such committees established will have formal charters. With the exception of certain limited delegations contained in the committees' charters, recommendations of such committees are to be referred to the Board for approval.

3.7 Independence

Independent directors are those who have the ability to exercise their duties unfettered by any business or other relationships and are willing to express an objective opinion.

It is the approach and attitude of each non-executive director which is critical to determining independence and this must be considered in relation to each director while taking into account all other relevant factors, which may include whether the non-executive director or any of his or her close family:

- (a) is a substantial shareholder (defined as owning more than 5% of the issued share capital of the Company), or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (b) has, within the last three years, been employed in an executive capacity by the Company or any other Group company;
- (c) has, within the last three years, been a principal of a material professional adviser or a material consultant to the Company or an employee materially associated with the service provided. In this context, the relationship with the professional adviser or consultant shall be deemed to be material if payments from the Company exceed 5% of the SGU consolidated annual expenditure to all professionals and consultants or exceed 5% of the recipient's annual revenue for advisory or consultancy services;
- (d) has within the last three years, been a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with, a material supplier or customer. In this context, the relationship with the supplier or customer shall be deemed to be material if annual payments to or from that supplier or customer exceed 5% of the annual consolidated gross revenue of either SGU or of that supplier or customer;
- (e) has any contractual relationship with SGU other than as a director which could, or could reasonably be perceived to interfere with the director's ability to act in the best interests of SGU;
- (f) is free from any interest and any business or other relationship which could, or could reasonably be perceived to interfere with the director's ability to act in the best interests of SGU; or
- (g) has been a director of the entity for such a period that his or her independence may have been compromised.

4. INFORMATION AND INDEPENDENT ADVICE

4.1 Due Diligence Information

Prior to any formal offer, any potential director must be given sufficient information about SGU as part of his/her personal due diligence. The information will extend to non-public information after the potential director has signed a confidentiality agreement.

4.2 Appointment Letter

Upon appointment, a new director will be given a formal letter of appointment from the Chairman setting out the key terms, conditions and responsibilities of their position.

4.3 Induction Program

Upon appointment, the Company Secretary is responsible for arranging for the new director to undertake an induction program to enable them to gain an understanding of:

- (a) SGU's operations and the industry sectors in which it operates;
- (b) the culture and values of SGU;
- (c) SGU's financial, strategic, operational and risk management position;
- (d) their rights, duties and responsibilities; and
- (e) any other relevant information.

Directors will also be offered ongoing professional development opportunities as appropriate.

Ongoing Information

The Executive Chairman, Chief Executive Officer, Chief Financial Officer, Company Secretary and any other Executive Officers must ensure that updated information is provided to the Board in a timely fashion to enable them to effectively discharge their duties as directors. This may be part of, or in addition to, the periodic Board reporting process.

4.4 Requested Information

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. Any director has the authority to seek any information he/she requires from any employee or contractor (Employee) of the SGU Group and all Employees must comply with such requests.

Unless a conflict exists or to do so would be inconsistent with the director's duties, the director is to request such information via the CEO.

4.5 Independent Advice

Any director may take such independent legal, financial or other advice as they consider necessary at the reasonable expense of SGU on any matter connected with the discharge of his or her responsibilities. Any director seeking independent advice must first discuss the request with the Chairman who will facilitate obtaining such advice. The Chairman may determine that any advice received by a director be circulated to the Board.

All directors are entitled to the benefit of SGU's standard Deed of Indemnity which provides Directors' and Officers' Insurance to the extent permitted by law. The Deed also provides ongoing access to Board Papers and at the Company's expense, Directors' and Officers' Insurance for seven years after the director leaves the Board.

5. DUTIES AND RESPONSIBILITIES

5.1 The Board is responsible for setting SGU's values and standards of conduct and ensuring that these are adhered to, in the interests of SGU's stakeholders and, generally in safeguarding SGU's reputation.

5.2 The Board is responsible for setting the strategic direction of the SGU Group and for the Senior Executives of the SGU Group, including:

- (a) financial strategic objectives;

- (b) overseeing the risk management system which is designed to identify, assess, monitor and manage risk;
- (c) oversight of control and accountability systems;
- (d) the appointment, appraising, removal and remuneration of the:
 - (i) Executive Chairman;
 - (ii) Chief Executive Officer;
 - (iii) Chief Financial Officer; and
 - (iv) Company Secretary (who is responsible to the Board of Directors through the Chairman);
- (e) input into and final approval of corporate strategy;
- (f) evaluating and approving the annual operating budget and business plans and holding management accountable for delivery of same;
- (g) reviewing and approving half and full year financial statements, including reviewing the CEO and CFO half yearly and annual declarations in terms of the Corporations Act and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively;
- (h) evaluating, approving and monitoring the progress of major capital and operating expenditure, capital management and all major corporate transactions;
- (i) monitoring compliance with all legal and regulatory and ethical obligations;
- (j) reviewing, monitoring and ratifying the Group's audit function and risk management system and internal compliance and controls, including an annual review of the risk management framework;
- (k) reviewing progress against any objectives that may be set under SGU's diversity policy;
- (l) approving remuneration policies for the Group;
- (m) approving employment terms and conditions for Non-Executive Directors and Senior Executives;
- (n) establishing criteria for and monitoring performance of Senior Executives;
- (o) approving and monitoring financial and other reporting to the market, shareholders, employees and other stakeholders;
- (p) determining SGU's dividend policy (if required), the operation of dividend re-investment plan (if any) and the amount and timings of all dividends (if any);
- (q) appointing the Chairman of the Board;
- (r) oversee shareholder communications;
- (s) approving incorporation and deregistration of all group entities; and
- (t) overseeing the subsidiary governance framework.

5.3 It is the role of senior executives and management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties. The Board shall approve all delegations of authority. The responsibility of senior executives and management includes:

- (a) managing the day to day operations of the Company;
- (b) implementing the financial strategic objectives of the Board;
- (c) implementing, maintaining and control and accountability of financial and operating systems;
- (d) the employment, supervision and the setting terms and conditions of human resources;
- (e) input into the corporate strategy process;
- (f) preparing and implementing the annual operating budget and business;
- (g) implementing and monitoring the progress of major capital and operating expenditure, capital management and all major corporate transactions;
- (h) compliance with all legal and regulatory and ethical obligations;
- (i) reviewing progress against objectives (if any) set under SGU's diversity policy; and
- (j) establishing criteria for and monitoring performance of management and staff.

5.4 In discharging his/her duties, each director must:

- (a) exercise care and diligence;
- (b) act honestly and in good faith in the best interests of the Company as a whole;
- (c) not improperly use his/her position or misuse information of the Company;
- (d) 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 the Company; and
- (e) commit the time necessary to discharge effectively his/her role as a director.

5.5 All directors are entitled to be heard at all meetings and to the extent practicable, should bring an objective judgement to bear in decision-making.

5.6 All directors have access to the Company Secretary, who is accountable to the Board, through the Chairman, on all governance matters.

6. EXTERNAL AUDITOR

In relation to the external auditor, the Board should:

- i. observe the policies and procedures for the selection, appointment and re-appointment of the external auditor and the rotation of external audit engagement partners;
- ii. approve:
 - a. appointment and removal of the external auditor;
 - b. terms of appointment or re-appointment of the external auditor; and
 - c. level of fees payable to the external auditors;
- iii. at least annually, assess the performance and independence of the external auditor and whether the independence of this function is maintained having regard to the provision of non-audit related services, and provide to the Board the written advice as required by section 300(11D)(a) of the *Corporations Act*;
- iv. on an annual basis, obtain and review a report from the external auditor describing:
 - a. the audit firm's internal quality control and conflict procedures;
 - b. any material issues raised by the most recent quality control, or peer review, of the audit firm, and any steps taken to address such issues; and
 - c. all relationships between the external auditor and SGU.

7. THE CHAIRMAN

The Chairman is responsible for:

- (a) leadership of the Board;
- (b) developing and maintaining key strategic relationships;
- (c) overseeing the Board in the effective discharge of its supervisory role;
- (d) the efficient organisation and conduct of the Board's function and meetings;
- (e) facilitating the effective contribution of all directors;
- (f) briefing all directors in relation to issues arising at meetings;
- (g) the promotion of constructive and respectful relations between directors; and
- (h) committing the time necessary to discharge effectively his/her role as Chairman.

8. MEETINGS

The Board will meet as frequently as required to manage the business and deal with urgent matters which might arise between the scheduled meetings.

A meeting of the Board will usually be convened by the Chairman, although a meeting may be called by any director or the Company Secretary.

All directors are expected to diligently prepare for, attend, and participate in all Board meetings. At a minimum, a quorum of directors under SGU's Constitution is two.

Meetings of the Board may be held or participated in by conference call or similar means.

The Chairman should ensure the availability and, if necessary, the attendance at the relevant meeting, of any member of the Senior Executives responsible for a matter included as an agenda item at the relevant meeting.

The external auditor should meet with the Board together with, then separately of Management in the course of preparing the half-yearly and annual accounts.

9. DIRECTOR SHARE TRADING

The Company's Security Trading Policy imposes restrictions on the trading of shares by Directors and others with undisclosed price sensitive information. All Directors must comply with this Policy.

10. CORPORATE GOVERNANCE

10.1 The Board is responsible for the adoption, oversight and administration of the Company's corporate governance materials.

10.2 The Annual Report will include a Corporate Governance Statement which will contain the content required by the ASX Principles & Recommendations (as well an explanation of any departures from the best practice Recommendations).

10.3 As part of an effective communications strategy, the Company will maintain and keep current its Corporate Governance website.

11. PERFORMANCE

To determine whether it is functioning effectively, the Board shall:

(a) review this Charter annually; and

(b) undertake an evaluation of its performance at intervals considered appropriate by the Chairman.

A copy of this Charter is available on the Company's website (www.srglobal.com).

Approved by the Board 28 May 2014.