



ERA

Energy Resources of Australia Ltd

ABN 71 008 550 865

BOARD CHARTER

1. INTRODUCTION

In carrying out its responsibilities and powers, the Board of Energy Resources of Australia Ltd (“ERA”) will at all times recognise its over-riding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of ERA’s shareholders, employees and community.

ERA is a member company of the Rio Tinto Group and generally will adopt the requirements of the various policies adopted throughout the Rio Tinto Group.

ERA’s core values, reflected in ERA’s Code of Business Conduct, are to:

- Create shareholder value through the sustainable development of our resources
- Place paramount importance on the safety and well being of our people
- Respect different cultures, traditions and employment practices
- Undertake our business with integrity, honesty, fairness and respect for human rights
- Comply with the law and principles of good corporate governance
- Support the aspirations of local Traditional Owners and the regional community
- Protect the World Heritage values of Kakadu National Park
- Minimise impacts on the environment and rehabilitate our operations appropriately

These values form the fundamental basis of our conduct as a business.

2. RESPONSIBILITIES

The Board is responsible for the overall governance of ERA and its strategic direction. This includes:

- (a) ensuring that ERA’s strategic direction and operations provide value to its shareholders;
- (b) ensuring that appropriate policies, plans and financial objectives are implemented to achieve the strategic direction and monitoring ERA against the implemented policies, plans and financial objectives;
- (c) reviewing and ratifying systems of risk management;
- (d) ensuring ERA’s internal control, compliance and reporting systems are adequate, effective and ethical; and
- (e) monitoring compliance with all regulatory requirements.

3. POWERS

In addition to the matters expressly required to be approved by the Board by law, the powers specifically reserved for the Board are as follows:

- (a) confirming the appointment of a Chief Executive proposed by Rio Tinto and the terms and conditions of the Chief Executive's employment;
- (b) appointment of the Chair of the Board and members of Board Committees;
- (c) any matters in excess of discretions that it may have delegated to the Chief Executive and set out in the Schedule of Matters Reserved for Decision of Consideration by the Board; and
- (d) approval, subject to the Rules of the Company, the Corporations Act and the ASX Listing Rules, of each of the following:
 - (i) the issue of new shares or other securities in the company;
 - (ii) incurring of debt (other than trade creditors incurred in the normal course of business)
 - (iii) capital expenditure in excess of \$5,000,000;
 - (iv) the acquisition, divestment or establishment of any significant business assets;
 - (v) changes to the discretions delegated from the Board;
 - (vi) the annual operating plan;
 - (vii) changes to the capital and operating approval limits of senior management; and
 - (viii) the annual report and full-year/half-year results.

4. CODE OF BUSINESS CONDUCT / THE WAY WE WORK

The Board will:

- (a) comply with and ensure compliance by management with ERA's Code of Business Conduct and Rio Tinto's Policy "The way we work"; and
- (b) review the Code of Business Conduct regularly to ensure it adequately addresses the issues facing ERA.

5. AUDIT COMMITTEE

The Board has established an Audit Committee and adopted an Audit Committee Charter setting out the matters relevant to the composition, responsibilities and administration of the Audit Committee.

The Board will regularly review the Audit Committee Charter and recommend any necessary changes.

6. BOARD MEMBERSHIP/INDEPENDENCE

The Board is responsible for ensuring that its composition is sufficient to protect the interests of all stakeholders. Directors will discharge their duties in the best interests of all shareholders. The composition of the Board will recognise the majority ownership position of Rio Tinto. The Directors believe that it is appropriate corporate behaviour for controlling shareholders to ensure that their nominees constitute a majority of directors on the Board. The Board believes that there are adequate controls in place (under the Corporations Act and ASX Listing Rules) to protect all shareholders from matters arising under related party transactions.

The Board will review its composition regularly to ensure that the Board:

- (a) has a proper understanding of, and competence to deal with, the current and emerging issues of the business; and
- (b) can effectively review and challenge the performance of management and exercise independent judgment.

The Board will ensure that there is a procedure in place to allow Directors to obtain independent advice at ERA's expense.

7. INTERNAL CONTROL QUESTIONNAIRE

Each year the Board will review and sign-off on management's responses to the Internal Control Questionnaire distributed by Rio Tinto.

8. DIRECTORSHIPS/SHARE PURCHASE

Each Director will advise the Chairman and the Company Secretary of:

- (a) all other directorships held by the Director and any changes to those directorships; and
- (b) all purchases or sales of any securities in ERA, Rio Tinto Limited, Rio Tinto plc or any related company.

9. MANAGEMENT REPORTS AND INFORMATION

Management will provide the Board with:

- (a) a monthly review of operations and financial position; and
- (b) half-year and full year financial results.

The Board shall have unlimited access to all Company sites, documents, reports, records and personnel in pursuit of its objectives. Enquiries shall be directed to the Chief Executive or the Company Secretary.

10. REMUNERATION POLICY

The Board will determine the remuneration policy for ERA, taking into account Rio Tinto's remuneration and human resources policies.

11. SAFETY & HEALTH AND ENVIRONMENT POLICIES

The Board will comply with and review ERA's compliance with ERA's safety, health and environment policies taking into account all relevant Rio Tinto safety, health and environment policies.

12. PUBLIC STATEMENTS & DISCLOSURE MATTERS

ERA will make full and timely disclosure to its shareholders and the market in accordance with its legal and regulatory obligations and the ERA continuous disclosure policy. The Chief Executive and Chief Financial Officer/Company Secretary will be responsible for such disclosures and will immediately advise the Board of any such disclosures.

13. MEETINGS

The Board and Audit Committee:

- (a) shall receive papers at least five (5) days prior to any relevant meeting; and
- (b) shall meet as required but a minimum of three times a year.

14. CONFIDENTIALITY

The Board and each Director will maintain the confidentiality of all trade or business secrets or other confidential information of ERA, and will use their best endeavours to prevent the disclosure or publication of such information (except so far as is reasonably necessary to perform the Director's functions or as may be required by law or the Listing Rules).

15. SELF-ASSESSMENT

- (a) The Board will undertake an annual performance evaluation of itself, consistent with principles of good corporate governance.
- (b) The performance evaluation will be conducted in a manner that the Board deems appropriate.

Ends.