



## APPOINTMENT AND SELECTION OF NEW DIRECTORS

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### 1. OVERVIEW

- 1.1 This summary outlines the procedure for the appointment and selection of new directors and the re-election of incumbent directors of Audalia Resources Limited (**Audalia Resources** or the **Company**).
- 1.2 To the extent practicable, the Company has followed the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations with 2010 and 2012 Amendments* (3<sup>rd</sup> Edition) (the **Recommendations**).

### 2. PROCEDURE FOR THE SELECTION AND APPOINTMENT OF DIRECTORS TO FILL A CASUAL VACANCY

- 2.1 Assess the current Board's skills and qualities.
- 2.2 Assess the needs of the Company currently and going forward.
- 2.3 Develop selection criteria for potential board candidate(s).
- 2.4 Informal discussion by the Board to generate a list of potential candidates who may fill the stated criteria.
- 2.5 Where considered necessary, use of the services of an independent executive search firm to assess the appropriateness of potential candidates or to supplement a candidate list provided by directors.
- 2.6 Measure the final potential candidate(s) against the selection criteria.
- 2.7 The Board examines the final list of candidate(s) and agrees on order of preference.
- 2.8 Chairman approaches desired candidate(s).
- 2.9 Candidate is appointed to the Board in accordance with the Constitution of Audalia Resources.

### 3. PROCEDURE FOR RE-ELECTION OF INCUMBENT DIRECTORS

- 3.1 Assess the current Board's skills and qualities.
- 3.2 Assess the needs of the Company currently and going forward.
- 3.3 Develop criteria required.
- 3.4 Measure the retiring director's skills against the criteria.
- 3.5 Directors discuss and agree whether the retiring director should stand for re-election at the next annual general meeting.

- 3.6 If recommended for re-appointment, the retiring director stands for re-election at the next annual general meeting in accordance with the Constitution of Audalia Resources, the ASX Listing Rules and the *Corporations Act*. Otherwise the new director selection process commences.

#### **4. REVIEW OF POLICY**

The Board will review this Policy from time to time to ensure it remains consistent with the Board's objectives and responsibilities.

#### **5. PUBLICATION OF POLICY**

This Policy will be available on the Company's website and the key features will be published in the corporate governance statement.

**Approved by the Board of Audalia Resources Limited on 29 September 2015.**