

14 January 2017

1. Role of the Proposal Committee

The Board of St Barbara Ltd (**the Company**) has established a **Proposal Committee** to:

- consider and evaluate, having regard to the best interests of the Company's shareholders, certain merger and acquisition proposals (including as target, bidder or 'friendly' scheme of arrangement) that may arise from time to time (**Proposal**);
- make a recommendation to the Board as to the appropriate way forward in relation to any Proposal; and
- if applicable but subject to further Board approvals, supervise implementation of a Proposal.

The Board will determine whether a Proposal is to be referred to the Proposal Committee. The Proposal Committee provides a mechanism to manage actual or perceived conflicts of interest when considering certain proposals.

This Charter provides a summary of the role and responsibilities of the Proposal Committee.

2. Composition

2.1. Membership of the Committee

The Board appoints the Proposal Committee members from time to time, such that:

- the Committee shall comprise at least three Directors;
- the Committee shall comprise a majority of Non-Executive Directors;
- members of the Committee shall appoint the Chair of the Committee from time to time;
- the Chair of the Committee shall be an independent Non Executive Director;
- the Chair of the Board may act as Chair of the Committee.

2.2. Secretary

The Secretary of the Proposal Committee will be the Company Secretary of St Barbara Ltd.

The Secretary may attend each meeting of the Proposal Committee and will liaise with the Proposal Committee members to ensure that:

- the time, date, location and agenda of each meeting is communicated prior to the scheduled meeting;
- any meetings which are cancelled are appropriately notified; and
- minutes are prepared and distributed as appropriate following the meeting.

3. Role of the Proposal Committee

The Proposal Committee shall have all necessary powers to evaluate any Proposal and shall make recommendations to the Board about a Proposal.

In executing its role and responsibilities, the Proposal Committee has the authority to delegate tasks to Management or advisors and obtain such expert advice and assistance as it considers necessary.

It is envisaged that the Proposal Committee (or such of its members as it determines appropriate) will:

- oversee liaison with any external party involved in any Proposal and the relevant advisors engaged by any such external party;
- agree the terms of any Confidentiality Agreement or governance arrangements that are considered necessary or appropriate by the Proposal Committee in order to perform its role in accordance with this Charter;



- in conjunction with Management, determine the internal and external resources that are required to support the Proposal Committee in the performance of its role, and have the ability to propose amendments or supplements to any agreement that governs the resourcing relationship;
- authorise Management to appoint advisors and agree work programmes for advisors;
- oversee due diligence as may be required to evaluate the terms of any Proposal, the intention being that if a proposal is to be initiated it will maximise value for the Company's shareholders;
- oversee negotiations with any relevant external party on the terms of any Proposal and any agreements required to give effect to such a Proposal, subject in all cases to the final agreement to the terms thereof requiring Board approval following receipt by the Board of the Proposal Committee's recommendation in relation thereto; and
- make recommendations for the Board's approval regarding disclosure of information about a Proposal to the ASX in accordance with the Company's continuous disclosure obligations.

4. Confidentiality

The Proposal Committee shall seek to establish rules to ensure strict restrictions on information disclosure and access, confidentiality and related matters including, if it considers appropriate:

- requiring external parties to whom confidential information is disclosed in connection with any Proposal to enter into written agreements restricting their ability to disclose such information; and
- excluding from participation in the Proposal Committee's activities in relation to any Proposal (or matters ancillary to any Proposal) any external party that the Proposal Committee considers has or may have a conflict of duties in relation to a Proposal or any ancillary matter which should disqualify that party from such participation.

5. Other matters

5.1. Quorum

A quorum for a meeting of the Proposal Committee shall be two members.

5.2. Attendance

Each Proposal Committee member may invite an adviser appointed by the Proposal Committee to attend a meeting of the Proposal Committee, but their attendance is subject to the prior approval of the Proposal Committee.

5.3. Minutes

Draft minutes of each Proposal Committee meeting shall be prepared by the Secretary promptly following the meeting for review by the Chair of the Proposal Committee. Following the Chair's approval, the draft minutes shall be included in the Proposal Committee meeting papers distributed to Proposal Committee members for the next meeting, for final review and approval.

5.4. Frequency of Meetings

Meetings of the Proposal Committee will be scheduled at times as agreed by the Proposal Committee.

5.5. Operation of the Proposal Committee

The Proposal Committee may determine how it operates to fulfil its role. One Proposal Committee member may, with the approval of the other Proposal Committee members, undertake authorised activities on behalf of the Committee, including, but not limited to, meeting with relevant financial, legal and other advisers.



6. Review and Board reference

- a) The establishment of the Proposal Committee and of the processes contemplated by this Charter have been approved by unanimous resolution of the Board. Any material amendment to or departure from the terms of this Charter shall require the prior approval of the Board.
- b) The Proposal Committee will liaise with the Board in relation to any difficulties it experiences in implementing this Charter.

7. Further Board Decisions

The Board will be responsible for making decisions in relation to, as applicable, any Proposal after the Proposal Committee has delivered its recommendations to the Board.

If a Proposal is to proceed, the Board will consider and approve any changes to this Charter, or the composition of the Proposal Committee, that are appropriate or advisable in connection with the implementation phase.

Date approved 14 January 2017