

BENDIGO MINING LIMITED - CORPORATE GOVERNANCE POLICY

THE ROLE OF THE CHAIRMAN

The Chairman plays an important leadership role to ensure that the Board functions effectively to oversee the successful operation of the Company. The Chairman as the 'lead' director has a great duty of care to diligently discharge the responsibilities of the role. The Chairman is expected to demonstrate leadership by setting an example to the rest of the Board and demonstrate wisdom, ethics, competence and commitment to the Company.

Election of Chairman

The Board elects the Chairman who is a Non-Executive Director in accordance with the Board Charter and the Constitution. The role is reviewed annually in accordance with the Board Charter.

Specific Roles of the Chairman

The Chairman is responsible for facilitating all Boardroom processes and decision making, to build a sound relationship with the CEO, to ensure effective communication between management and the Board and to promote continuous improvement of the Board. In achieving these responsibilities the Chairman will:

- Mentor the CEO's development of the Company's vision and strategy.
- Develop Board consensus on future direction.
- Monitor achievement of strategic objectives.
- Manage the agenda, papers, frequency, length and conduct of Board meetings.
- Lead the Board in monitoring the management of the Company, assessing the Company's financial position and performance, and establishing a culture which encourages the discussion of risks and or material adverse developments.
- Facilitate constructive communication between Board members and encourage their contribution to Board deliberations.
- Manage the relationship between the Board and the CEO.
- Be the key spokesman and have responsibility for managing proceedings at the Company's Annual General Meeting.
- Provide mentoring to the CEO and regularly review all significant corporate issues.
- Chair the CEO evaluation process.
- Lead the annual process of Board and Director performance evaluation.
- Ensure a culture of compliance with Corporate Governance Principles and all relevant laws and regulations exists within the Company.

All expenses of the Chairman will be ratified by the CEO or the Chairman of the Audit Committee. The Chairman will ratify the expenses of all the other Directors and the CEO.

Removal of Chairman

In accordance with the Constitution, the Chairman may be removed from office by a resolution of the Directors when fourteen (14) days' notice of this resolution is given to all directors.