

EURASIAN NATURAL RESOURCES CORPORATION PLC

BOARD CHARTER AND MATTERS RESERVED FOR THE BOARD

In this document the "Board" shall mean the board of directors of the Company; the "Company" refers to Eurasian Natural Resources Corporation PLC; and the "Group" shall mean the Company and its subsidiaries.

Approved and adopted on March 1, 2007

BOARD CHARTER

The Board is responsible for the good management of the Company and its principle aim shall be to enhance the Company's long-term value for the benefit of shareholders.

GOVERNANCE PRINCIPLES

1. STRATEGY

- 1.1 The Board shall agree a business strategy for the Company that shall be reviewed and refreshed as necessary with a view to ensuring that shareholder value is protected and enhanced.

2. PERFORMANCE

- 2.1 The Board shall monitor on a regular basis the Company's performance against an agreed strategy and business plan. In addition, it shall agree key objectives for the Chief Executive on an annual basis and will monitor performance against these.
- 2.2 The Board shall evaluate critically on a regular basis its own performance, that of its committees and individual Directors.

3. STANDARDS AND VALUES

- 3.1 The Board shall set values and standards and agree policies and processes that shall to be used to guide the affairs of the Company.
- 3.2 All directors shall receive induction on joining the Board and shall regularly update and refresh their skills and knowledge.
- 3.3 All directors shall have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are complied with.

4. OVERSIGHT

- 4.1 The operational management of the Company within an agreed strategy and business plan shall be delegated to the Chief Executive but the Board shall exercise oversight over the discharge of this delegation. Such oversight shall be based on:

Controls

The Board shall ensure that an effective system of internal controls is in place at all times. Such a system shall be used to identify and manage risks that threaten the fulfilment of the Company's business objectives.

Information

The Board shall ensure that it receives accurate and timely information on the performance of the Company and shall agree with the Chief Executive the nature and scope of the information to be provided. The Chief Executive shall be obliged to bring to the Board's attention all matters that materially affect, or are capable of materially affecting, the performance of the Company and the achievement of its strategy.

Delegated Authorities

The Board shall approve the delegation of certain responsibilities and authorities but shall maintain a schedule of matters to be reserved specifically for its decision (see below).

SCHEDULE OF MATTERS RESERVED FOR THE BOARD

1. STRATEGY AND MANAGEMENT

- 1.1 Responsibility for the overall management of the Group.
- 1.2 Approval of the Group's long term objectives and commercial strategy.
- 1.3 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.4 Oversight of the Group's operations ensuring:
 - (A) competent and prudent management;
 - (B) sound planning;
 - (C) an adequate system of internal controls;
 - (D) adequate accounting and other records; and
 - (E) compliance with statutory and regulatory obligations.
- 1.5 Review of performance in the light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.6 Any decision to cease to operate all or any material part of the Group's business.

2. STRUCTURE AND CAPITAL

- 2.1 Changes relating to the Group's capital structure including reduction of capital, share issues (except under employee share plans), share buy backs (including the use of treasury shares).
- 2.2 Major changes to the Group's corporate structure.
- 2.3 Any changes to the Company's listing or its status as a public company.

3. FINANCIAL REPORTING AND CONTROLS

- 3.1 Approval of preliminary announcements of interim and final results, following the recommendation of the audit committee.
- 3.2 Approval of the annual report and accounts, (including the corporate governance statement and remuneration report), following the recommendation of the audit committee.
- 3.3 Approval of the dividend policy.
- 3.4 Declaration of the interim dividend and recommendation of the final dividend.
- 3.5 Approval of any significant changes in accounting policies or practices following the recommendation of the audit committee.

4. INTERNAL CONTROLS

- 4.1 Ensuring maintenance of a sound system of internal control and risk management including:
 - (A) receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives
 - (B) undertaking an annual assessment of these processes
- 4.2 Approving an appropriate statement for inclusion in the annual report, following the recommendation of the audit committee.

5. CONTRACTS

- 5.1 Major capital projects (exceeding 10% of the Company's Net Asset Value).

6. COMMUNICATION

- 6.1 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.2 Approval of all circulars and listing particulars (approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights could be delegated to a committee).
- 6.3 Approval of press releases concerning matters decided by the Board.

7. BOARD MEMBERSHIP AND OTHER APPOINTMENTS

- 7.1 The Board shall appoint one of the independent non-executive directors to be the senior independent director. The senior independent director shall be available to shareholders if they have concerns which contact through the normal channels of the Chairman, the Chief Executive or the Finance Director has failed to resolve or for which such contact is inappropriate.
- 7.2 Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee
- 7.3 Ensuring adequate succession planning for the Board and senior management
- 7.4 Appointments to the Board, following recommendations by the Nomination Committee.

- 7.5 Appointment of key senior management with family ties to shareholders.
- 7.6 Selection of the Chairman of the Board and the Chief Executive.
- 7.7 Appointment of the Senior Independent Director.
- 7.8 Ensuring that directors, especially non-executive directors, have access to independent professional advice at the company's expense where they judge it necessary to discharge their responsibilities as directors.
- 7.9 Terms and conditions of employment of directors and the CEO (and, if applicable, other executive directors) including the reimbursement of directors's and the CEO's expenses.
- 7.10 Membership and Chairmanship of Board committees, following recommendations by the Nomination Committee.
- 7.11 Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate, following recommendations by the Nomination Committee.
- 7.12 Continuation in office of any director at any time.
- 7.13 Appointment or removal of the Company Secretary.
- 7.14 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following recommendations of the Audit Committee.

8. REMUNERATION

- 8.1 Determining the remuneration policy for the directors, Company Secretary and CEO (and, if applicable, other executive directors), following recommendations of the Remuneration Committee.
- 8.2 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.
- 8.3 Approval of any long-term incentive plans for directors and senior management.
- 8.4 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval, following recommendations of the Remuneration Committee.

9. DELEGATION OF AUTHORITY

- 9.1 The division of responsibilities between the Chairman, the Chief Executive (and, if applicable, other executive directors) which should be in writing.
- 9.2 Approval of terms of reference of Board committees.
- 9.3 Receiving reports from Board committees on their activities.

10. CORPORATE GOVERNANCE MATTERS

- 10.1 Undertaking a formal and rigorous review (annually) of its own performance, that of its committees and individual directors.
- 10.2 Determining the independence of directors.

10.3 Considering the balance of interests between shareholders, employees, customers and the community.

10.4 Review of the Group's overall corporate governance arrangements.

10.5 Receiving reports on the views of the Company's shareholders.

11. POLICIES

11.1 Approval of policies, including

(A) Code of Conduct;

(B) Share dealing code;

(C) Health and safety policy;

(D) Environmental policy;

(E) Communications policy (including procedures for the release of price sensitive information);

(F) Corporate social responsibility policy;

(G) Risk management strategy;

(H) Whistle blowing policy; and

12. OTHER

12.1 The making of political donations.

12.2 Prosecution, defence or settlement of litigation (being material to the interests of the Group as a whole).

12.3 Approval of the Group's Directors' & Officers' Liability insurance (and indemnification of directors).

12.4 Approval of the arrangement related to any Group pension scheme.

12.5 Ensuring that matters requiring an approval of the Company in AGM are referred to the AGM.

12.6 This schedule of matters reserved for Board decisions.

12.7 In addition, the Board shall receive reports and recommendations from time to time on any matter which it considers significant to the Group.
