

# **GOPACIFIC RESOURCES LTD**

## **BOARD CHARTER**

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## BOARD CHARTER

### 1. INTRODUCTION

The Board of the Company (Board) has the ultimate responsibility to its shareholders for the strategy and performance of the Company in general. The Board is dedicated to fulfilling these duties in a lawful and professional manner, and with the utmost integrity and objectivity. As such, the Board actively pursues best practice governance processes.

### 2. PURPOSE

The purpose of this Board Charter is to set out the role and key responsibilities of the Board and the manner in which the Board will exercise and discharge such role and responsibility. It also sets out where authority may be delegated to Management.

The Company's Board Charter has four major sections:

Part A – Defining Governance Roles;

Part B – Board Processes;

Part C – Key Board Functions; and

Part D – Director Protection and Continuing Improvement.

The Company recognises the overriding importance of its legal obligations which arise from various sources. Accordingly, nothing in this Charter must conflict with the Company's Constitution (Constitution), the Corporations Act 2001 (*Cth*) or the ASX Listing Rules. If such a conflict occurs, the Constitution, Corporations Act and the ASX Listing Rules shall prevail.

Any reference to gender in this Charter should be interpreted as applicable to both males and females.

## **PART A - DEFINING GOVERNANCE ROLES**

### **1. THE ROLE AND RESPONSIBILITIES OF THE BOARD**

The role of the Board is to determine on behalf of Shareholders the strategic direction of the Company, regularly review whether this remains appropriate and oversee its implementation. It has the ultimate responsibility to govern the Company rather than to manage it and the Directors must act in the best interests of the Company as a whole. The Board shall endeavour at all times to act in a manner that is designed to achieve business success and create and continue to build long term value for Shareholders.

It is the role of Management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of Management in carrying out these delegated duties.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

#### **STRATEGY AND STEWARDSHIP**

##### **1.1 accountability to shareholders by:**

- 1.1.1 protecting and enhancing shareholder value and to be accountable to Shareholders for performance of the Company; and
- 1.1.2 ensuring corporate accountability to Shareholders primarily through adopting an effective shareholder communications strategy, encouraging effective participation at general meetings and, through the Chair, being the key interface between the Company and its Shareholders.

##### **1.2 providing leadership to the Company by:**

- 1.2.1 guiding the development of an appropriate culture and a system of values for the Company through the establishment and review of a Vision and Values Statement, Code of Conduct, policies, rules and procedures to enforce ethical behaviour and provide guidance on appropriate work methods;
- 1.2.2 always acting in a manner consistent with the Company's defined culture, Values and Code of Conduct; and
- 1.2.3 provide Management with guidance and oversight and, whenever required, challenge Management and hold it to account.

##### **1.3 overseeing the development and implementation of an appropriate strategy by:**

- 1.3.1 working with Executive Management to ensure that an appropriate strategic direction and array of goals are in place; and
- 1.3.2 regularly reviewing and amending or updating where required the Company's strategic direction and goals.

## FINANCIAL

- 1.4 when required, overseeing planning activities including the development and approval of strategic plans, annual plans; financial objectives, annual corporate budgets and long-term budgets including operating budgets, capital expenditure budgets and cash flow budgets.
- 1.5 reviewing the progress, operational performance and financial position of the Company in meeting these plans and corporate objectives.
- 1.6 overseeing the control and accountability systems that ensure the Company is progressing towards the goals set by the Board and in line with the Company's purpose, the agreed corporate strategy, legislative requirements and community expectations.
- 1.7 overseeing the integrity of the entity's accounting and corporate reporting systems, determining satisfactory arrangements are in place for auditing the Company's financial affairs and assessing performance and independence of the auditors.

## RISK MANAGEMENT

- 1.8 ensuring robust and effective risk management, compliance and control systems (including legal compliance) are in place and operating effectively.
- 1.9 reviewing the Company's Risk Management Framework at least annually and ensuring that the Company is operating with due regard to the risk appetite set by the Board.
- 1.10 reviewing the management of significant financial and non-financial facing the Company including consideration of emerging risks and the controls and monitoring systems in place to manage and to the extent possible, mitigate the impact.
- 1.11 monitoring compliance with significant legal and contractual obligations.

## PEOPLE AND SUCCESSION PLANNING

- 1.12 being responsible for oversight of the Company's Management and personnel including:
  - 1.12.1 directly managing the performance of the Chief Executive Officer (CEO) including:
    - appointing and remunerating the CEO;
    - providing advice and counsel to the CEO including formal reviews and feedback on his or her performance; and
    - overseeing the development or removal of the CEO, where necessary;
  - 1.12.2 ratifying the appointment, the terms and conditions of the appointment and, where appropriate, removal of the CFO, other personnel reporting directly to the CEO and Company Secretary; and
  - 1.12.3 ensuring that an appropriate succession plan for the CEO, CFO, other personnel reporting directly to the CEO and Company Secretary is in place.
- 1.13 Monitoring the performance of the CEO's direct reports with reference to the individual and collective accountabilities.
- 1.14 Provide oversight and evaluation of the application of the remuneration framework (including incentive plans) for the Company, Non-Executive Directors and specific senior executive remuneration and related performance standards.
- 1.15 ensuring appropriate human resource systems (including OH&S systems) are in place to ensure the well-being and effective contribution of all employees.
- 1.16 approving policies and practices and measurable objectives for achieving diversity.

## GOVERNANCE

- 1.17 Establishing a governance framework with reference to the ASX Corporate Governance Principles and Recommendations that is 'fit for purpose' in a Geopacific context.
- 1.18 Adopting formal processes for the selection and induction of new directors and performance of the Board, its sub-committees and individual directors – see section 2 below for more detail.
- 1.19 Approving and promoting a Corporate Vision and Values Statement, Code of Conduct, Anti-Bribery and Anti-Corruption Policy and Whistleblower Policy that establishes a corporate culture with high ethical standards in the conduct of all its business activities and monitoring compliance.
- 1.20 Establishing and reviewing corporate policies that comply with the Company's legal obligations (including high environmental standards, providing a safe workplace and operating in a socially responsible way) and the ASX Listing Rules including continuous disclosure, securities trading and shareholder communication. In addition, ensuring that checks are in place to monitor compliance.
- 1.21 Ensuring that an appropriate framework for management reporting is place along with clear definition of the delegation of appropriate powers to the CEO, Management and Board Committees to ensure the effective day- to-day management of the business. In addition, ensuring checks are in place to monitor the exercise of these powers.
- 1.22 Monitoring and reviewing the Company's performance including the implementation of agreed strategies and financial outcomes.

The detail of some Board functions will be handled through Board Committees based on factors such as the size and scale of operations. However, the Board as a whole is responsible for determining the extent of powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.

## **2. BOARD STRUCTURE**

### **2.1 NUMBER OF DIRECTORS**

The Board has determined that, consistent with the Constitution and the size of the Company and its activities, the Board shall be comprised of a minimum three (3) Directors.

The Board's policy is that where possible the majority of Directors shall be independent and Non-executive Directors. This will ensure that all Board discussions or decisions have the benefit of outside views and experience, and that the majority of Directors will be free of any interests or influences that could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

In relation to determining a director's independence, the Board has adopted the definition of independence set out in the Glossary to the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (4th Edition).

The independence of the Company's Non-executive Directors will be assessed on an ongoing basis and reported annually.

In the opinion of the Board, all Directors should bring specific skills and experience that add value to the Company.

When considering the potential reappointment of an existing director, the Board will take into account its Skills Matrix which sets out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

When considering vacancies, the Board will take into account a candidate's capacity to enhance the Skills Matrix and experience of the Board.

### **2.2 APPOINTMENT OF DIRECTORS**

The Company may, by ordinary resolution, increase or decrease the number of Directors in accordance with the Constitution.

The Board together with the Remuneration and Nomination Committee will undertake appropriate background checks before appointing a person to a casual vacancy and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

### **2.3 SKILLS REQUIRED ON THE BOARD**

The Board together with the Remuneration and Nomination Committee will review capabilities, technical skills and personal attributes of its directors. It will normally review the Board's composition against those attributes and its Skills Matrix and recommend any changes in Board composition that may be required. An essential component of these considerations will be the time availability of Directors.

### **2.4 WRITTEN AGREEMENT**

The Company shall have a written agreement with each Director and Executive setting out the terms of their appointment.

### **2.5 DURATION OF APPOINTMENT**

In the interest of ensuring a continual supply of new talent to the Board, Non-executive Directors will serve for a maximum of 10 years unless there are exceptional circumstances. The exception to this policy is that a Director who is serving as Chair at the conclusion of the usual maximum term may serve an additional term in that role. If a Director has served in their position for more than 10 years, the Board will regularly assess if their independence may have been compromised.

## 2.6 VACATION OF OFFICE

Subject to clause 2.5, it is envisaged that Directors shall remain on the Board until required to vacate the office by law or as detailed in the Constitution. No Director will hold office for more than three years without being re-elected at an annual general meeting.

## 3. THE ROLE OF INDIVIDUAL DIRECTORS

As members of the peak decision-making body in the Company, Directors share ultimate responsibility for the Company's overall success. Therefore, Directors have an individual responsibility to ensure that the Board is undertaking its responsibilities in accordance with Part A Section 1 above. Specifically, Directors need to ensure that the Board is providing:

- leadership to the Company, particularly in the areas of ethics and culture;
- a clear and appropriate strategic direction;
- accountability to key stakeholders, particularly shareholders;
- oversight of policies;
- oversight of all control and accountability systems including all financial operations and solvency, risk management and compliance;
- oversight to ensure establishment of an effective senior management team and appropriate personnel policies; and
- timely and effective decisions on matters reserved to it.

### 3.1 DIRECTORS' CODE OF CONDUCT

In accordance with legal requirements and agreed ethical standards, Directors of the Company:

- a) will act honestly, in good faith and in the best interests of the whole Company;
- b) owe a fiduciary duty to the Company as a whole;
- c) have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
- d) will undertake diligent analysis of all proposals placed before the Board;
- e) will act with a level of skill expected from directors of a publicly listed company;
- f) will use the powers of office for a proper purpose, in the best interests of the Company as a whole;
- g) will demonstrate commercial reasonableness in decision making;
- h) will not make improper use of information acquired as Directors;
- i) will not disclose non-public information except where disclosure is authorised or legally mandated;
- j) will keep confidential, information received in the course of the exercise of their duties and such information remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information is provided, or is required by law;
- k) will not take improper advantage of the position of Director or use the position for personal gain or to compete with the Company;
- l) will not take advantage of Company property or use such property for personal gain or to compete with the Company;

- m) will protect and ensure the efficient use of the Company's assets for legitimate business purposes;
- n) will not allow personal interests, or the interest of any associated person, to conflict with the interests of the Company;
- o) have an obligation to be independent in judgment and actions and Directors will take all reasonable steps to be satisfied as to the soundness of all decisions of the Board;
- p) will make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally, towards achieving its goals;
- q) will not engage in conduct likely to bring discredit upon the Company;
- r) will encourage fair dealing and cultural respect by all employees with the local communities in which the Company operates;
- s) will encourage fair dealing by all employees with the Company's customers, suppliers, competitors and other employees as and when those dealings occur;
- t) will encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations in good faith;
- u) will give their specific expertise generously to the Company; and
- v) have an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Charter and the Code of Conduct.

### **3.2 EXPECTATIONS OF DIRECTORS IN BOARD PROCESS**

Since the Board needs to work together as a group, Directors need to establish a set of standards for Board meetings. It is expected that Directors shall, in good faith, behave in a manner that is consistent with generally accepted procedures for the conduct of all board meetings.. This will include, but not be limited to:

- a) behaving in a manner consistent with the letter and spirit of the Code of Conduct at 3.1 above;
- b) acting in a business like manner;
- c) acting in accordance with the Constitution and Board policies;
- d) addressing issues in a confident, firm and friendly manner;
- e) preparing thoroughly for each Board or Committee event;
- f) using judgment, common sense and tact when discussing issues;
- g) minimising irrelevant conversation and remarks;
- h) ensuring that others are given a reasonable opportunity to put forward their views; and
- i) refraining from interruption or interjection when a speaker has the floor; and being particularly sensitive in interpreting any request or direction from the Chair that aims to ensure the orderly and good-spirited conduct of the meeting.

Directors are expected to be forthright in Board meetings and have a duty to question, request information, raise any issue, and fully canvas all aspects of any issue confronting the Company, and cast their vote on any resolution according to their own judgment.

Outside the boardroom, however, Directors will support the letter and spirit of Board decisions in discussions with all stakeholders including any shareholders, special interest groups, local communities, customers, staff, suppliers and any other parties.

Directors will keep confidential all Board discussions and deliberations. Similarly, all confidential information

received by a Director in the course of the exercise of the Director's duties remains the property of the Company and is not to be discussed outside the boardroom. It is improper to disclose it, or allow it to be disclosed, unless that disclosure is required by law and in any event should not be disclosed without appropriate authorisation.

### **3.3 CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS**

#### **3.3.1 CONFLICTS OF INTEREST**

Each Director has an obligation at board meetings and concerning the Company generally, to reach decisions which he or she believes to be in the best interests of the Company, free of any actual or possible personal or other business related conflict of interest.

Directors must disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director and the interests of the Company. On appointment, Directors will have an opportunity to declare any such interests.

Directors should update this disclosure by notifying the Company Secretary in writing as soon as they become aware of any conflicts (actual, potential or perceived). Directors are also expected to indicate to the Chair any actual or potential conflict of interest situation as soon as it arises.

The Board can request a Director to take reasonable steps to remove the conflict of interest. If a Director cannot or is unwilling to remove a conflict of interest then the Director must absent himself or herself from the room when discussion and voting occur on matters to which the conflict relates (including not being provided with board papers pertaining to the matter). The entry and exit of the Director concerned will be minuted by the Company Secretary. Directors do not have to give notice of a conflict or absent themselves in accordance with section 191(2) or Section 195 of the Corporations Act, including, without limitation when either:

- a) conflict of interest relates to an interest common to all Company members/shareholders; or
- b) the Board passes a resolution that:
  - i. identifies the Director, the nature and extent of the Director's interest; and
  - ii. clearly states that the other Directors are satisfied that the interest should not disqualify the Director concerned from discussion and/or voting on the matter.

#### **3.3.2 RELATED PARTY TRANSACTIONS**

Related party transactions include any financial transaction between a Director or Officer and the Company and will be reported in half yearly and annual reports.

In general, the Corporations Act requires related party transactions to be approved by the Shareholders. Consequently, the Board cannot, except in certain limited circumstances, approve these transactions. Examples of exemptions to this requirement occur where the financial benefit is given on arm's length terms, or is considered to be reasonable remuneration to an Officer or employee.

The Board has also resolved that where employment applications or other business dealings are made by a related party to a Director or Officer of the Company then the Director or Officer shall exclude himself/herself from the approval process. A Related Party for this process has the meaning given to that term in Section 228 of the Corporations Act and includes:

- a) a spouse or de facto spouse of the Director or Officer; or
- b) a parent, son or daughter of the Director or Officer or their spouse or de facto spouse; or

- c) an entity over which the Director or Officer or a related party defined in (a) or (b) has a controlling interest.

### **3.4 EMERGENCY CONTACT PROCEDURES**

As there is the occasional need for urgent decisions, Directors should leave with the Company Secretary any contact details, either for themselves or for a person who knows their location, so that all Directors can be contacted within 24 hours in cases of a written resolution or other business.

## **4. THE ROLE OF THE CHAIR**

The Chair's role is a key one within the Company. The Chair is considered the "lead" Director and utilises his/her experience, skills and leadership abilities to facilitate the governance processes.

There are two main aspects to the Chair's role. They are the Chair's role within the boardroom and the Chair's role outside the boardroom.

### **4.1 INSIDE THE BOARDROOM**

Inside the boardroom the role of the Chair is to:

- a) establish the agenda for Board meetings in consultation with the CEO;
- b) chair Board meetings;
- c) be clear on what the Board has to achieve, both in the long and short term;
- d) provide guidance to other Board members about what is expected of them;
- e) promote constructive and respectful relations between Directors and between the Board and Management;
- f) ensure that Board meetings are effective in that:
  - i) the right matters are considered during the meeting (for example strategic and important issues);
  - ii) matters are considered carefully and thoroughly;
  - iii) all Directors are given the opportunity to effectively contribute; and
  - iv) the Board comes to clear decisions and resolutions are noted;
- g) brief all Directors in relation to issues arising at Board meetings;
- h) ensure that the decisions of the Board are implemented properly;
- i) lead a review of the performance of the Board and Board Committees on a regular basis; and
- j) ensure that the Board behaves in accordance with its Code of Conduct.

### **4.2 OUTSIDE THE BOARDROOM**

Outside the boardroom the role of the Chair is to:

- a) in conjunction with the MD/CEO, undertake appropriate public relations activities;
- b) be the spokesperson for the Company at the AGM and in the reporting of performance and profit figures;
- c) be the major point of contact between the Board and the CEO;
- d) be kept fully informed of current events by the CEO on all matters which may be of interest to Directors;

- e) regularly review with the MD/CEO, and such other senior officers as the MD/CEO recommends, progress on important initiatives and significant issues facing the Company; and
- f) provide mentoring for the MD/CEO.

## 5. THE ROLE OF THE COMPANY SECRETARY

The Company Secretary is charged with facilitating the Company's corporate governance processes and as so holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively. The Company Secretary is accountable to the Board, through the Chair, on all governance matters and reports directly to the Chair as the representative of the Board. The Company Secretary is appointed and dismissed by the Board and all Directors have a right of access to the Company Secretary.

The tasks of the Company Secretary shall include:

### 5.1 MEETINGS AND MINUTES

- notifying the Directors in advance of a meeting of the Board;
- ensuring that the agenda and Board papers, are prepared and forwarded to Directors prior to Board meetings;
- recording, maintaining and distributing the minutes of all Board and Board Committee meetings as required;
- maintaining a complete set of Board papers at the Company's main office, preparing for and attending all annual and extraordinary general meetings of the Company; and
- recording, maintaining and distributing the minutes of all general meetings of the Company.

### 5.2 COMPLIANCE

- overseeing the Company's compliance program and ensuring the Company's compliance and reporting obligations are met;
- ensuring all requirements of ASX, ASIC and any regulatory bodies are fully met; and
- providing counsel on corporate governance principles and Director liability.

### 5.3 GOVERNANCE ADMINISTRATION

- maintaining a Register of Company Policies as approved by the Board;
- maintaining, updating and ensuring that all Directors have access to an up-to-date copy of the Board Charter and associated governance documentation;
- maintaining the complete list of the delegations of authority;
- reporting at Board meetings the documents executed under a power of attorney, or under the common seal; and
- any other services the Chair or Board may require.

## 6. THE ROLE OF THE MD/CEO

The Chief Executive Officer (CEO) (or Managing Director (MD) if that title is to be used for the person appointed to lead the Company's management) is responsible for the attainment of the Company's goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by the Board. The position reports directly to the Board.

The MD/CEO's primary objective is to ensure the ongoing success of the Company through being responsible for all aspects of the management and development of the Company. The MD/CEO is of critical importance to the Company in guiding the Company to develop new and imaginative ways of winning and conducting

business. The MD/CEO must have the industry knowledge and credibility to fulfil the requirements of the role.

The MD/CEO will, as and when the size, nature and scale of the Company's activities requires it, manage a team of executives responsible for all functions contributing to the success of the Company.

The MD/CEO's specific responsibilities will include:

- develop, in conjunction with the Board, the Company's vision, values, and goals;
- responsibility for the achievement of corporate goals and objectives;
- development of short, medium and long term corporate strategies and planning to achieve the Company's vision and overall business objectives;
- preparation of business plans and reports with the senior management; developing with the Board the definition of ongoing corporate strategy;
- implementing and monitoring strategy and reporting/presenting to the Board on current and future initiatives;
- advise the Board regarding the most effective organisational structure and oversee its implementation;
- assessment of business opportunities of potential benefit to the Company;
- responsibility for proposals for major capital expenditure to ensure their alignment with corporation strategy and justification on economic grounds;
- sustain competitive advantage through maximising available resources, encouraging staff commitment and strategically aligning the corporate culture with the organisation's goals and objectives;
- establish and maintain effective and positive relationships with Board members, shareholders, local communities, customers, suppliers and other government and business liaisons;
- undertake the role of key Company spokesperson;
- recommend policies to the Board in relation to a range of organisational issues including delegation of authority, consultancies and performance incentives;
- ensure statutory, legal and regulatory compliance and comply with corporate policies and standards;
- ensure appropriate risk management practices and policies are in place;
- develop and motivate direct reports and their respective teams;
- select and appoint key staff as and when required (direct reports); and
- ensure there is an appropriate staff appraisal system in place in the Company.

## **PART B – BOARD PROCESSES**

### **1. BOARD MEETINGS**

Board meetings are a fundamental component of governance processes. Each Board meeting is critical, as it is the main opportunity for directors to:

- a) obtain and exchange information with the senior management team;
- b) obtain and exchange information with each other; and
- c) make decisions.

The Board meeting agenda is equally as important because it shapes the information flow and subsequent discussion.

#### **1.1 MEETING FREQUENCY**

Given the size of the Company and the scale of its activities the Board will meet on an adds needs basis but not less than six times per year

#### **1.2 MEETING TIME AND LOCATION**

The Board will usually but is not limited to meeting at the offices of the Company in Australia.

#### **1.3 CONDUCT OF MEETING**

The Chair will determine the degree of formality required at each meeting while maintaining the decorum of such meetings. As such the Chair will:

- a) ensure that all members are heard;
- b) retain sufficient control to ensure that the authority of the Chair is recognised. This may require a degree of formality to be introduced if this is necessary to advance the discussion;
- c) take care that the decisions are properly understood and well recorded;
- d) ensure that the decisions and debate are completed with a formal resolution recording the conclusions reached; and
- e) periodically facilitate discussion without the presence of Management to address matters such as succession planning, Board operation and effectiveness.

#### **1.4 QUORUM AND VOTING AT MEETINGS**

In order for a decision of the Board to be valid a quorum of Directors must be present. A quorum will be 2 Directors present, in person or by instantaneous communication device or as otherwise stipulated in the Constitution. Questions arising at Board meetings are to be decided by a majority vote of Directors who are present and entitled to vote.

#### **1.5 EMERGENCY DECISION MAKING**

A resolution in writing signed by all Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held and otherwise in accordance with the Company's Constitution.

### **2. BOARD MEETING AGENDA**

#### **2.1 AGENDA CONTENT**

An agenda will be prepared for each Board and Committee meeting.

## **2.2 AGENDA PREPARATION**

The Company Secretary, in consultation with the Chair and the MD/CEO is responsible for preparing an agenda for each Board meeting. However, any director may request items to be added to the agenda for upcoming meetings.

## **3. BOARD PAPERS**

### **3.1 PREPARATION AND CIRCULATION OF BOARD PAPERS**

The Company Secretary together with the MD/CEO is responsible for the preparation and circulation of Board papers. The Board papers will be circulated to Directors prior to the Board meeting. If a Board paper relates to a matter in which there is a known conflict of interest with a particular Director then the relevant Board paper will be removed by the Company Secretary on the instructions of the Chair, from the set of Board papers sent to that Director. In the case of the Chair having a conflict of interest, the Board will appoint another Director to make final decisions on the forwarding of Board papers to the Chair.

### **3.2 RETENTION OF BOARD PAPERS**

The Company Secretary maintains a complete set of Board papers at the Company's headquarters or saved in a secure and protected folder on the Company's server. However, individual Directors may retain their own Board papers in a secure location.

## **4. BOARD MINUTES**

Minutes are to be a concise summary of the matters discussed at a Board Meeting. Minutes will contain a brief reference to relevant Board papers tabled plus any official resolutions adopted by Directors. All decisions will be recorded in the minutes by means of a formal resolution.

## **5. COMMITTEES**

When the size of the Company and the scale of its activities warrant it, the Board can institute committees to deal with specific matters including:

- Audit and Risk Committee;
- Remuneration and Nomination Committee;
- Project Oversight Committee; and
- Environmental Social & Governance Committee

The Committee Charters will be approved by the Board and be the subject of regular review.

## **PART C – KEY BOARD FUNCTIONS**

### **1. THE BOARD AND STRATEGY**

The Board will approve a formal strategic planning process that articulates the respective roles and levels of involvement of the Board, Senior Management and other employees and will review the strategic plan for the Company on a regular basis.

### **2. CONTACTS AND ADVISORY ROLE**

#### **2.1 MD/CEO ADVISORY ROLE**

It is recognised that a key directorial duty is providing a sounding board for MD/CEO ideas and challenges. Recognising that the MD/CEO-Board relationship is critical to effective corporate governance, Directors should provide frank and honest advice to the MD/CEO. It is expected that the Chair will play a key part of this role and will maintain regular contact with the MD/CEO. All advice should be constructive in nature and provided in a positive manner. Where appropriate, Directors should recommend alternative advisers if they do not feel adequately trained to assist.

#### **2.2 PROTOCOL FOR INTERACTION WITH INTERNAL AND EXTERNAL PARTIES**

##### **2.2.1 MEDIA CONTACT AND COMMENT**

The Board has designated the MD/CEO or the Chair to speak to the press on matters associated with the Company. In speaking to the press, the MD/CEO or the Chair will not comment on price sensitive information that has not already been disclosed to a relevant authority, however, they may clarify previously released information. To assist in safeguarding against the inadvertent disclosure of price sensitive information the MD/CEO and the Chair will be informed of the Company's previous disclosures to the market on any issue prior to briefing anyone outside the Company.

Subject to the policies of the Board and any Committee that the Board may appoint from time to time, the Chair is authorised to comment on:

- a) Annual, half yearly and quarterly results at the time of the release along with the MD/CEO;
- b) resolutions to be put to General Meetings of the Company;
- c) changes in Directors, any matter related to the composition of the Board or Board processes;
- d) any speculation concerning Board meetings or the outcomes of Board meetings; and
- e) other matters specifically related to Shareholders.

Subject to the policies of the Board and any Committee that the Board may appoint from time to time, the MD/CEO is authorised to comment on:

- a) the Company's future outlook;
- b) any operational matters;
- c) queries concerning operational issues reflecting either positively or negatively on the Company;
- d) proposed or actual legal actions; and
- e) queries and general discussion concerning the Company's industry.

### **2.2.2 EXTERNAL COMMUNICATIONS INCLUDING ANALYST BRIEFINGS AND RESPONSES TO SHAREHOLDER QUESTIONS**

The Company discloses its financial and operational results to the market each year/half year/quarter as well as informing the market of other events throughout the year as they occur. Annual, half yearly and quarterly financial reports, media releases and AGM speeches are all lodged with the appropriate authority. As all financial information is disclosed, the Company will only comment on factual errors in information and underlying assumptions when commenting on market analysts' financial projections, rather than commenting on the projections themselves.

In addition to the above disclosures, the Company does conduct briefings and discussions with analysts and institutional investors. However, price sensitive information will not be discussed unless that particular information has been previously formally disclosed to the market via an announcement. Slides and presentations used in briefings will also be released immediately prior to the briefing to the market.

After the conclusion of each briefing or discussion if any price sensitive information was disclosed, it will be announced immediately to the market.

## **3. MONITORING**

Another essential function of the Board is to monitor the performance of the organisation in implementing its strategy and overall operational performance.

## **4. RISK AND COMPLIANCE MANAGEMENT**

The Board is charged with overseeing, reviewing and ensuring the integrity and effectiveness of the Company's risk and compliance systems. The Board has an external independent auditor who is responsible for verifying the Company's financial compliance systems and reporting to the Board on those systems. The Board through the Audit and Risk Committee may elect to appoint independent experts to conduct reviews of the Company's operational compliance systems.

Since risk management is a complex and critical component of the Company's governance, the Board has established an Audit and Risk Committee to oversee and guide the detail of this topic. The MD/CEO is charged with implementing appropriate risk systems within the Company. Aspects of this process may be delegated. The risk management system will be based on best practice.

Risk management is considered a key governance and management process. It is not an exercise merely to ensure regulatory compliance. Therefore, the primary objectives of the risk management system at the Company will be to ensure:

- a) all major sources of potential opportunity for and harm to the Company (both existing and potential) are identified, analysed and treated appropriately;
- b) business decisions throughout the Company appropriately balance the risk and reward trade off;
- c) regulatory compliance and integrity in reporting is achieved; and
- d) senior management, the Board and investors understand the risk profile of the Company

In line with these objectives, the risk management system will cover:

- a) operations risk;
- b) financial reporting; and
- c) compliance.

The Audit and Risk Committee reviews all major strategies and investments for their impact on the risk facing the Company and makes appropriate recommendations to the Board. The Company reviews annually its operations to update its risk profile. This occurs in conjunction with the strategic planning process.

As specified by Recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition), the CEO and CFO provide a written declaration of assurance that their opinion, that the financial records of the Company for any financial period have been properly maintained, comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

## **5. DELEGATION OF AUTHORITY**

Directors are responsible for any delegations of their responsibilities with regard to corporate operations. As such, they decide as a Board what Company matters are delegated to either specific Directors or management. In addition, they outline what controls are in place to oversee the operation of these delegated powers. As a consequence, Non-executive Directors have no individual authority to participate in the day-to-day management of the Company including making any representations or agreements with member companies, suppliers, customers, employees or other parties or organisations.

The exception to this principle occurs where the Board explicitly delegates an authority to the Director individually. Additionally, it is recognised that all Executive Directors will carry significant delegated authority by virtue of their management position.

Similarly, Committees and their members require specific delegations from the Board as a whole and these will be contained in each Committee's respective Terms of Reference.

### **5.1 GENERAL DELEGATIONS**

In general, the Board delegates all powers and authorities required to effectively and efficiently carry out the Company's business. Listed below are the exceptions to these delegations, whereby the Board or appropriate Committee reserves the powers as indicated.

### **5.2 DECISIONS REQUIRING BOARD APPROVAL**

In addition to those decisions requiring approval pursuant to the respective Committee Charters, the following decisions must be referred to the Board for approval:

- a) Directors acquiring or selling shares of the Company;
- b) issuing shares of the Company;
- c) acquiring, selling or otherwise disposing of property in excess of the amount set out in the Company's approval matrix (Delegated Authorities Policy and Procedure);
- d) founding, acquiring or selling subsidiaries of or any company within the Company, participating in other companies or dissolving or selling the Company's participation in other companies (including project joint ventures);

- e) acquiring, relinquishing or selling mineral, licences or intellectual property rights of the Company;
- f) founding, dissolving or relocating branch offices or other offices, plants and facilities;
- g) starting new business activities, terminating existing business activities or initiating major changes to the field of the Company's business activities;
- h) approving and/or altering the annual business plan (including financial planning) for the Company or any part of the Company;
- i) taking or granting loans which exceed the amount set out in the Company's approval matrix (including, without limitation, the placing of credit orders, issuing of promissory notes or loans against IOUs);
- j) granting securities of any type;
- k) granting loans to Company officers or employees and taking over guarantees for the Company's officers and employees;
- l) entering into contracts for capex or opex in excess of the limits set in the approval matrix;
- m) entering into agreements for recurring, voluntary, or additional social benefits, superannuation agreements or agreements for general wage and salary increases;
- n) determining the total amount of any bonuses, structure of short and long term performance incentives and gratuities for Company officers and employees;
- o) determining the appointment, termination, prolongation of employment or amendment to conditions of employment of members of the Board of Directors; and
- p) granting or revoking a power of attorney or limited authority to sign and/or act on behalf of the Company.

## **PART D – DIRECTOR PROTECTION AND CONTINUING IMPROVEMENT**

### **1. DIRECTOR PROTECTION**

#### **1.1 INFORMATION SEEKING PROTOCOL**

Directors will adhere to the following protocol when seeking information:

- a) approach the MD/CEO/Company Secretary to request the required data;
- b) if the data is not forthcoming, approach the Chair; and
- c) if the information is still not forthcoming, write a letter to all Board members and the CEO detailing the information that is required, purpose of the information, and who the Director intends to approach in order to obtain the information.

#### **1.2 ACCESS TO PROFESSIONAL ADVICE**

A Director of the Company is expected to exercise considered and independent judgment on the matters before them. To discharge this expectation a Director may, from time to time, need to seek independent, expert opinion on matters before them. All Directors have the individual authority to commit the company to up to \$5,000 per annum in professional advice.

Prior to seeking professional advice, a director shall inform the Chair about the nature of the opinion or information sought, the reason for the advice, the terms of reference for the advice and the estimated cost of the advice. Where more than one Director is seeking advice about a single issue, the Chair shall endeavour to coordinate the provision of the advice.

If the cost of professional advice is likely to exceed \$5,000, the Director shall seek authority from the Chair prior to engaging an external expert. The Chair has delegated authority to authorise expenditures up to \$10,000. If the Chair withholds authorisation, the Director has the right to seek authority from the Board at the next Board meeting. If the cost of professional advice is likely to exceed \$10,000, then the Board's approval for the engagement of an external expert is required.

The Chair shall decide if any advice received by an individual Director will be circulated to the remainder of the Board.

#### **1.3 ACCESS TO BOARD PAPERS**

The Directors have the right to access board papers as granted by the Corporations Act. Such access shall be provided on a timely basis.

#### **1.4 INSURANCE**

The Company currently holds Directors' and Officers' (D&O) Insurance Policies. The Company will ensure that all new Directors and Officers are included on the Company's insurance policies. The Company will also review the D&O Insurance Policies on at least an annual basis to ensure that they are sufficient.

### **2. BOARD AND SENIOR EXECUTIVE EVALUATION**

#### **2.1 EVALUATION PROCESS**

The Board considers the evaluation of its own and senior executive performance as fundamental to establishing a culture of performance and accountability.

## **2.2 BOARD AND DIRECTOR EVALUATIONS**

The Board considers the ongoing development and improvement of its own performance as a critical input to effective governance. As a result, the Board or the Remuneration and Nomination Committee will arrange for a performance evaluation of the Board, its Committees and individual Directors to be conducted on an annual basis.

The Board will consider the outcome of such reviews and develop a series of actions and goals to guide improvement. The Chair will provide each Director with confidential feedback on his or her performance. This feedback is to be constructively used to assist with the ongoing professional development of each Director. The Board does not endorse the reappointment of a Director who is not satisfactorily performing the role.

## **2.3 BOARD COMMITTEE EVALUATIONS**

Once a Committee is established, the Board will set a number of expectations for the Committee through the development and approval of a Charter after considering an assessment of the Company's current and future needs. The Board may amend or revoke the Committee Charter at any time.

The Board will review the performance of the Committees and itself against expectations. Based upon these reviews, individuals and groups will be provided with feedback on their performance. The results of the review will be a key input into the expectations set by the Board.

## **2.4 SENIOR EXECUTIVE EVALUATIONS**

All senior executives at the Company will be subject to an annual performance evaluation. Each year, senior executives (including the CEO) will establish a set of performance targets. These targets are aligned to overall business goals and the Company's requirements of the position. In the case of the CEO, these targets are negotiated between the CEO and the Board and signed off by the whole Board.

The Remuneration and Nomination Committee has been delegated the responsibility of overseeing the annual performance evaluation process.

# **3. EXECUTIVE DIRECTOR REMUNERATION**

## **3.1 COMPOSITION**

Remuneration packages for Executive Directors and other senior executives include an appropriate balance of fixed remuneration and performance-based remuneration in accordance with the Company's remuneration framework

## **3.2 FIXED REMUNERATION**

Fixed remuneration is reasonable and fair, taking into account the Company's obligations at law and labour market conditions, and is relative to the scale of the Company's business. It reflects core performance requirements and expectations.

## **3.3 PERFORMANCE-BASED REMUNERATION**

Performance-Based remuneration should be linked to clearly specified performance targets. These targets should be aligned to the Company's short and long-term performance objectives and should be appropriate to its circumstances, goals and risk appetite.

### **3.4 EQUITY BASED REMUNERATION**

The Company strives to have a well-designed equity-based remuneration, including options or performance rights, which can be an effective form of remuneration, especially when linked to hurdles that are aligned to the Company's longer-term performance objectives. The Company takes care in the design of equity-based remuneration schemes to ensure that they do not lead to "short-termism" on the part of senior executives or the taking of undue risks.

### **3.5 TERMINATION AND OTHER BENEFITS**

Termination payments, if any, for senior executives are agreed in advance and the agreement clearly addresses what will happen in the case of early termination. There is no payment for removal for misconduct.

## **4. NON-EXECUTIVE DIRECTOR REMUNERATION**

### **4.1 COMPOSITION**

Non-executive Directors are remunerated by way of cash fees, superannuation contributions and non-cash benefits in lieu of fees (such as salary sacrifice into superannuation or equity).

### **4.2 FIXED REMUNERATION**

Levels of fixed remuneration for Non-executive Directors reflect the time commitment and responsibilities of the role.

Non-executive Directors are paid their fees out of the maximum aggregate amount approved by Shareholders for the remuneration of Non-executive Directors. The sum each Non-executive Director is paid is determined by the Board from time to time. Additional fees can be paid for participation on Board Committees; however, the total fees paid to Non-executive Directors, including fees paid for participation on Board Committees, are kept within the total amount approved by Shareholders.

### **4.3 PERFORMANCE-BASED BONUS**

Non-executive Directors do not receive performance-based remuneration as it may lead to bias in their decision-making and compromise their objectivity.

### **4.4 EQUITY-BASED REMUNERATION**

It is generally acceptable for Non-executive Directors, subject to Shareholder approval, to receive securities as part of their remuneration to align their interests with the interests of other security holders. However, Non-executive Directors generally should not receive options with performance hurdles attached or performance rights as part of their remuneration as it may lead to bias in their decision-making and compromise their objectivity.

### **4.5 SUPERANNUATION BENEFITS**

Non-executive Directors should not be provided with retirement benefits other than superannuation.

## **5. DIRECTOR DEVELOPMENT**

The Company is committed to continuing development of its Directors and Executives. In line with this commitment, there is an expectation that all Directors and the CEO will commit to professional development each year. The Board encourages Directors to participate in training and development programs. Any Director wishing to undertake either specific directorial training or personal development courses is expected to

approach the Chair for approval of the proposed course. Development may be in both governance and governance processes or in the Company's industry.

## **6. DIRECTOR INDUCTION**

New directors will undergo an induction process in which they will be given a full briefing on the Company. This will include meeting with key executives, tours of the operations, an induction package and presentations. Information conveyed to the new Director will include:

- a) Further details of the roles and responsibilities of a Director as set out in this Charter;
- b) formal policies on Director appointment as well as conduct and contribution expectations;
- c) details of all relevant legal requirements pertaining to the operations of the Company;
- d) details of past, recent and likely future developments relating to the Board including anticipated regulatory changes;
- e) background information on and contact information for key people in the organisation including an outline of their roles and capabilities;
- f) an analysis of the company including:
  - core competencies of the Company;
  - an industry background briefing;
  - a recent competitor analysis;
  - details of past financial performance;
  - current financial structure; and
  - any other important operating information;
- g) a synopsis of the current strategic direction of the Company including a copy of the current strategic plan and annual budget;
- h) access to a copy of the Constitution of the Company;
- i) Directors Deed of Indemnity and Right of Access to Documents; and
- j) Access to board meeting papers and minutes for the past 12 months.

Approved by the Board: 6 December 2021