Board Charter

Group 6 Metals Limited

ABN 40 004 681 734

(**Company**)

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BOARD CHARTER

Introduction

The Board of the Company (Board) has ultimate responsibility to shareholders for the strategy and performance of the Company. 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 works to maintain an effective governance framework that promote the long-term success of the Company and promote ethical and transparent actions and decision making.

Good governance policies and processes are critical to ensure the Company is operated in the best interests of all Shareholders. This document forms part of the Company's corporate governance framework in the form of a Board Charter. It defines the respective roles, responsibilities and authorities of the Board, both individually and collectively, and of management in setting the direction, and the control of the Company. It establishes the guidelines within which the Directors and Officers are to operate. It does not constitute legal advice or act as a substitute for legal advice.

The Board is cognisant of the Company's current size, nature and scale of operations and may not currently comply with all of the Corporate Governance Principles and Recommendations (4th Edition) published by the ASX Corporate Governance Council (**Governance Principles**). However, the Company will be transparent about its practices and outline in its Annual Appendix 4G and Corporate Governance Statement its current position on these matters, with the rationale, and that a regular review will be undertaken to assess the applicability of the current procedures.

The purpose of this Board Charter is to document the way in which the Board will meet its legal and other responsibilities.

The Company's Board Charter has four major sections:

Part A – Defining Governance Roles;

Part B – Establishing Board Processes;

Part C – Outlining Key Board Functions; and

Part D – Facilitating continuing Improvement.

While it is acknowledged that good governance is an important component of a successful company, it is also recognised that it is contingent upon the context in which it is practiced. Therefore, corporate governance needs to be a dynamic process. This Charter will be reviewed regularly and updated to reflect changes in the legal framework within which the Company operates, and amendments and developments in Board policies and procedures. It is the responsibility of the Company Secretary to ensure the Board is consulted regarding any changes and updates required to keep the Charter current, and the Charter is reviewed and amended periodically, and all Board members are provided with the latest versions of the Charter.

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* (**Corporations Act**) or the listing rules of the Australian Securities Exchange (**ASX Listing Rules**). If such a conflict occurs, the Constitution, Corporations Act and the ASX Listing Rules will prevail to the extent of such inconsistency.

PART A - DEFINING GOVERNANCE ROLES

1. The role of the Board

The Board is ultimately accountable for all matters relating to the operation of the Company.

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests all shareholders and the Company as a whole. It is the role of members of the Company's management team, as defined by the Board from time to time (**Senior 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. Except under the authority of a specific management portfolio or delegation to an individual director, non-executive directors must refrain from being involved in a management function.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure the Company has the personal, policies and procedures to comply with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board, working as a whole (not as individual directors) include the following:

(a) providing leadership to the Company by:

  (i) defining the Company's purpose;

  (ii) determining and approving the Company's statement of values, code of conduct, securities trading policy, anti-bribery and corruption policy, whistle-blower policy and any other Company Policies to underpin the desired culture within the Company; and

  (iii) always acting in a manner consistent with the Company Policies;

(b) oversee the development and implementation of an appropriate strategy, and to instill the Company's values and performance by:

  (i) regularly reviewing, amending and updating the Company Policies to ensure the Company meets its legal obligations now and in the future;

  (ii) working with Senior Management to ensure an appropriate strategic direction and goals are in place;

  (iii) regularly reviewing, amending or updating the Company's strategic direction and goals;

  (iv) ensure an appropriate set of internal controls are implemented and reviewed regularly;

  (v) ensure an appropriate framework exists for relevant information to be reported by Senior Management to the Board;

  (vi) approving planning activities, including the development and approval of Strategic Plans, Life of Mine Plans, and Annual Corporate Budgets, including Operating Budgets, Capital Expenditure Budgets and Cash Flow Budgets; and

(vii) review the progress and performance of the Company in meeting these plans and corporate objectives, including reporting the outcome publicly of such reviews as required or at least on an annual basis;

(c) oversee 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, agreed corporate strategy, legislative requirements and community expectations;

(d) ensure corporate accountability to the shareholders primarily through adoption of 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;

(e) ensure the integrity of the Company's accounting systems, including the external audit;

(f) ensure a robust and effective risk management (for both financial and non-financial risks), compliance, continuous disclosure and control systems (including legal compliance) are in place and operating effectively;

(g) set an appropriate risk appetite which the Board expects Senior Management to operate within;

(h) appoint the Chair;

(i) be responsible for the Company's Senior Management and personnel, including:

    (i) directly managing the performance of the Chief Executive Officer (**CEO**), including:

    (ii) appointment and remuneration the CEO;

    (iii) providing advice and counsel to the CEO, including formal reviews and feedback on their performance; and

    (iv) overseeing the development or removal of the CEO, if necessary;

    (v) ratify the appointment, terms and conditions of the appointment and, if appropriate, removal of the Chief Financial Officer (**CFO**), Company Secretary and other Senior Management;

    (vi) ensure appropriate checks are undertaken before the appointment of Senior Management;

    (vii) ensure an appropriate succession plan for the CEO, CFO and Company Secretary is in place; and

    (viii) ensure appropriate human resource systems (including OH&S systems) are in place to ensure the well-being and effective contribution of all employees;

(j) ensure the Company's remuneration & nomination policy is developed and aligned with the entity's purpose, values, strategic objectives and risk appetite;

(k) delegate appropriate powers to the CEO, management and committees to ensure the effective day-to-day management of the business and monitoring the exercise of these powers;

(l) ensure Directors receive briefings on material developments in laws, regulations and accounting standards relevant to the Company;

(m) hold management to account through scheduled engagement at Board meetings and where appropriate, challenging management ; and

(n) make all decisions outside the scope of these delegated powers.

The detail of some Board functions will be handled through Board Committees as and when the size and scale of operations require such committees. 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 size of the Company, its activities and shareholding, the Board will be comprised of a minimum of two (2) non-executive Directors. Additionally, until the company is more developed and upon further review, an Executive Chairman will lead the Board.

The Board's policy is that the majority of Directors will be independent, non-executive Directors, when the size of the Company and its activities warrants such a structure. This will ensure 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 and all shareholders.

The Board has adopted a definition of 'independence', which is in line with the Governance Principles and is set out in Annexure A.

The independence of the Company's non-executive Directors will be assessed on an ongoing basis.

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 consider its skills matrix, which sets out the mix of skills and diversity the Board currently has or is looking to achieve in its membership.

When considering vacancies, the Board will consider 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 from time to time in accordance with the Constitution and ASX listing rules.

2.3. Skills Required on the Board

The Board will review the capabilities, technical skills and personal attributes of its directors. It will normally review the Board's composition against those attributes and recommend any changes in Board composition that may be required.

2.4. Written agreement

The Company will have a written agreement with each Director and senior executive setting out the terms of their appointment. The agreement should be with the Director or senior executive personally unless the Company is engaging a bona fide professional services firm.

2.5. Vacation of office

With the exception of the designated managing director, Directors will be required to vacate the office and to submit themselves for re-election at least every three years, as required by the ASX Listing Rules and as detailed in the Constitution.

2.6. Duration of appointment

In the interest of ensuring a continual refreshment of new talent to the Board, it is expected that non-executive Directors will serve for up to of 10 years, unless there are exceptional circumstances. If a Director has served in their position for more than ten years, the Board will regularly assess if their independence may have been compromised.

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 the Board is undertaking its responsibilities. Directors need to ensure that the Board is providing:

(a) leadership to the Company, particularly in the areas of ethics and culture;

(b) a clear and appropriate strategic direction;

(c) upholding the Company's values;

(d) accountability to shareholders and key stakeholders;

(e) oversight of Company Policies;

(f) oversight of all control and accountability systems, including all financial, operational, health and safety, environmental and risk management systems.

(g) monitoring for conduct that is inconsistent with the Company's code of conduct and compliance with material legal and regulatory requirements;

(h) effective Senior Management; and

(i) timely and effective decisions on matters reserved for the board .

3.1. Directors' Code of Conduct

In accordance with the law and agreed ethical standards, the Directors of the Company will act at all times in accordance with the Company Policies and:

(a) will act honestly, in good faith and in the best interests of shareholders and 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 the office and exercising the powers attached to that office;

(d) will act with a level of skill expected from directors and key executives of a publicly listed company;

(e) will demonstrate commercial reasonableness in decision-making;

(f) will not make improper use of information acquired as Directors and key executives;

(g) 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 they hold the appropriate authority, or it is required by law;

(h) will protect and ensure the efficient use of the Company's property and/or assets for legitimate business purposes;

(i) will not allow personal interests, or the interest of any associated person, to conflict with the interests of the Company;

(j) have an obligation to be independent in judgment and actions, and directors will take all reasonable steps to be satisfied with the soundness of all decisions of the Board;

(k) will make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals;

(l) will not engage in conduct likely to bring discredit upon the Company;

(m) will encourage fair dealing by all employees with the Company's customers, suppliers, competitors and other employees as and when those dealings occur; and

(n) will encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations in good faith.

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 will, in good faith, behave in a manner that is consistent with generally accepted procedures for the conduct of meetings at all meetings of the Board. This will include, but not be limited to:

(a) behaving in a manner consistent with the Company Policies;

(b) acting in a businesslike manner;

(c) acting in accordance with the Constitution;

(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;

(i) refraining from interruption or interjection when a speaker has the floor; and

(j) being 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, 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, 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

(a) Conflicts 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. 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. 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:

(i) conflict of interest relates to an interest common to all Company members/shareholders; or

(ii) the Board passes a resolution that:

A. identifies the Director, the nature and extent of the Director's interest; and

B. 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.

(b) 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; 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 applications are made by a related party to a Director or officer of the Company, then the Director or officer will exclude himself/ herself from the approval process.

Related party for this process has the meaning given to that term in Section 228 of the Corporations Act and includes:

(i) a spouse or de facto spouse of the Director or officer;

(ii) a parent, son or daughter of the Director or officer or their spouse or de facto spouse; or

(iii) an entity over which the Director or officer or a related party defined in paragraph (i) or (ii) 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 holds a key role within the Company. The Chair is considered the "lead" Director and utilises his/her experience, skills and leadership abilities to assist 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 and approve the Board agenda;

(b) chair Board meetings;

(c) ensure adequate time in Board meetings for discussion of all agenda items, including strategic issues;

(d) be clear on what the Board needs to achieve, both in the long and short term;

(e) provide guidance to other Board members about what is expected of them;

(f) facilitate the effective contribution of all directors and promote constructive and respectful relations between directors and between the Board and management;

(g) ensure 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 and decisions are noted;

(h) brief all Directors in relation to issues arising at Board meetings;

(i) ensure the decisions of the Board are implemented properly; and

(j) ensure 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) undertake appropriate public relations activities;

(b) be the spokesperson for the Company at the AGM and in the reporting of performance and results;

(c) be the point of contact between the Board and the Company's Senior Management;

(d) be kept fully informed of current events by Senior Management on all matters which may be of interest to Directors;

(e) regularly review with the CEO and other senior officers as the Board recommends, progress on important initiatives and significant issues facing the Company; and

(f) provide mentoring for the CEO.

5. The Role of the Company Secretary

The Company Secretary is charged with facilitating the Company's corporate governance processes and so holds primary responsibility for ensuring 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, as of right, access to the Company Secretary.

The tasks of the Company Secretary will include:

Meetings and minutes

(a) notifying the directors in advance of a meeting of the Board;

(b) ensuring that the agenda and Board papers, as and when they are required, are prepared and forwarded to Directors prior to Board meetings;

(c) recording, maintaining and distributing the minutes of all Board and Board Committee meetings as required;

(d) 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

(e) recording, maintaining and distributing the minutes of all general meetings of the Company.

Compliance

(f) ensuring all requirements of ASIC, the ASX and any regulatory bodies are fully met; and

Governance administration

(g) maintaining a register of Company Policies as approved by the Board;

(h) maintaining, updating and ensuring all Directors have access to an up-to-date copy of the Board Charter and associated governance documents;

(i) maintaining the complete list of the delegations of authority;

(j) reporting at Board meetings the documents executed under a power of attorney or under section 127 of the Corporations Act; and

(k) any other services the Chair or Board may require.

6. The Role of the CEO

The CEO 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.

If there is no CEO appointed at any given time, the Board will nominate an Executive Chair to undertake the role/responsibilities assigned to the CEO under this Board Charter.

The CEO's primary objective is to ensure the ongoing success of the Company by being responsible for all aspects of the management and development of the Company. The CEO is of critical importance to the Company in guiding the Company to develop new and imaginative ways of winning and conducting business. The CEO must have the industry knowledge and credibility to fulfil the requirements of the role.

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

The CEO's specific responsibilities will include:

(a) develop, with the Board, the Company's vision, values, and goals;

(b) responsibility for the achievement of corporate goals and objectives;

(c) development of short, medium and long-term corporate strategies and planning to achieve the Company's vision and overall business objectives;

(d) preparation of business plans and reports with the Senior Management;

(e) developing with the Board the definition of ongoing corporate strategy;

(f) implementing and monitoring strategy and reporting/presenting to the Board on current and future initiatives;

(g) develop and manage the organisational structure and oversee its implementation;

(h) assessment of business opportunities of potential benefit to the Company;

(i) responsibility for proposals for major capital expenditure to ensure their alignment with corporation strategy and justification on economic grounds;

(j) sustain competitive advantage through maximising available resources, encouraging staff commitment, and strategically aligning the corporate culture with the organisation's goals and objectives;

(k) establish and maintain effective and positive relationships with Board members, shareholders, customers, suppliers and other government and business liaisons;

(l) undertake the role of key Company spokesperson;

(m) recommend policies to the Board in relation to a range of organisational issues, including delegations of authority, consultancies and performance incentives;

(n) ensure statutory, legal and regulatory compliance and comply with Company Policies and standards;

(o) ensure appropriate risk management practices and policies are in place;

(p) develop and motivate direct reports and their respective teams;

(q) select and appoint key staff as and when required (direct reports); and

(r) ensure there is an appropriate staff appraisal system in place in the Company.

PART B - BOARD PROCESSES

7. Board meetings

Board meetings are the principle method available to directors to exercise their duties. Each Board meeting is critical, as it is the main opportunity for directors to:

(a) obtain and exchange information with Senior Management;

(b) obtain and exchange information with each other; and

(c) make decisions.

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

7.1. Meeting frequency

Given the size of the Company and the scale of its activities, the Board will meet approximately twelve times per year but not less than six times per year, and unless otherwise agreed, Committees, where established, will generally meet twice a year or as required.

7.2. Meeting time and location

The Board can meet in person or electronically by teleconference. The commencement time will vary depending on the agenda of each individual meeting, the availability of key participants and the location in which the meeting is taking place.

The meeting time and location will be advised by the Company Secretary.

7.3. Meeting language

If a Director does not speak the language in which the Board meeting is proposed to be held, processes will be adopted to ensure the Director understands and can contribute to discussions at those meetings and understand and discharge their obligations in relation to those documents.

7.4. Meeting cycle

When the size of the Company and the scale of its activities warrants it, and to assist the smooth running of Board processes, the Board will adopt an indicative monthly cycle. Board papers will be sent out to the board at least five business days before the board meeting.

7.5. 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; and

(d) ensure that the decisions and debates are completed with a formal resolution recording the conclusions reached.

7.6. 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 3 Directors present, in person or by the 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.

7.7. Emergency decision making

A resolution in writing signed by all Directors will 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.

8. Board meeting agenda

8.1. Agenda content

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

8.2. Agenda preparation

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

9. Board papers

9.1. Preparation and circulation of Board papers

The Company Secretary together with the CEO is responsible for the preparation and circulation of Board papers should they be required. The Board papers if so required will be circulated to Directors at least 5 days 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.

9.2. Retention of Board papers

The Company Secretary maintains a complete set of Board papers. However, individual Directors may retain their own Board papers in a secure location.

10. 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.

11. Board calendar

In order to provide an even distribution of work over each financial year, the Board will adopt a twelve-month Board Calendar. Included will be all scheduled Board and Committee meetings as well as major corporate and Board activities to be carried out in particular months. Once initiated it will be updated and approved prior to the start of each financial year.

12. Committees

When the size of the Company and the scale of its activities warrant it, the Board will institute a Remuneration and Nomination Committee.

The Committee Charter for the Audit and Risk Committee is available on the Company's website. The Board has the ability to alter the roles of the Committee as it sees fit.

These Committee functions will be filled by the full Board, until the size and scale of Company activities increase.

13. Continuous disclosure and communication

The Company will comply with its continuous disclosure obligations arising under the ASX Listing Rules. All information released to the ASX will be posted to the Company's website as soon as practicable after notification to the ASX.

The Board will regularly review the Company's compliance with its continuous disclosure obligations. The Company Secretary is responsible for coordinating disclosure of information to the ASX, ASIC and members.

The Company's website maintains, information about recent press releases or announcements. Additionally, the full text of the Company's annual report, notice of meetings and explanatory materials are placed on the website, together with a statement of the Company's values.

13.1. Protocol for interaction with internal and external parties

(a) Media contact and comment

The Board has designated the CEO or the Chair (where appropriate) to speak to the press on matters associated with the Company. In speaking to the press, the 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 CEO and the Chair will be informed of what the Company has previously disclosed to the market on any issue prior to briefing anyone outside the Company.

Subject to the Company Policies and any committee that the Board may appoint from time to time, the Chair may comment on:

(i) annual and half yearly results at the time of the release of the annual or half yearly report;

(ii) resolutions to be put to General Meetings of the Company;

(iii) changes in Directors, any matter related to the composition of the Board or Board processes;

(iv) any speculation about Board meetings or the outcomes of Board meetings; and

(v) other maters specifically related to shareholders.

Subject to the policies of the Board and any committee that the Board may appoint from time to time, the CEO/CFO (in the CEO's absence, the CEO's delegate or the Chair) may comment on:

(i) the Company's future outlook;

(ii) any operational matter;

(iii) media queries about operational issues which reflect either positively or negatively on the Company;

(iv) proposed or actual legal actions; and

(v) queries and general discussion about the Company's industry.

See the Code of Conduct for further information relating to conduct of Employees.

(b) 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 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.

PART C – KEY BOARD FUNCTIONS

14. 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.

15. Contacts and advisory role

15.1. CEO advisory role

It is recognised that a key directorial duty is providing a sounding board for CEO ideas and challenges. Recognising that the CEO-Board relationship is critical to effective corporate governance, Directors should provide frank and honest advice to the CEO. It is expected that the Chair will play a key part of this role and will maintain regular contact with the CEO.

All advice should be constructive in nature and provided in a positive manner. Where appropriate, Directors should recommend possible alternative advisers, for consideration by the CEO, if they do not feel adequately trained to assist.

15.2. Hospitality and gifts

While the Company recognises the need from time to time to give or accept customary business gifts or courtesies in accordance with ethical business practices, Directors and officers will not solicit such courtesies and will not accept gifts, services, benefits or hospitality that might influence, or appear to influence, the Directors' and officers' conduct in representing the Company.

Directors must notify the Company Secretary of any gifts or hospitality that they are offered in the course of their role as a director, in accordance with the provisions of the Company’s code of conduct, including whether the gift was accepted or not. The Company Secretary will keep a record of the gift in the gifts and hospitality register.

16. 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 will use an external independent auditor who is responsible for verifying the Company's compliance systems and reporting to the Board on those systems.

The risk management system will be based on Standard ISO 31000:2018.

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, mitigated and / or treated appropriately;

(b) business decisions throughout the Company balance the risk and reward trade off appropriately;

(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) operational risk;

(b) financial reporting risk; and

(c) legal/ compliance risk.

The Board reviews all major strategies, and all significant acquisitions made by the Company, for their impact on the risk profile of the Company. In conjunction with the strategic planning process, the Board will review the Company risk register at least annually in order to account for any changes in the Company's risk environment.

In addition, as specified by Recommendation 4.2 of the Governance Principles, the CEO and CFO will provide a written declaration of assurance that, in their opinion the financial records of the Company (for the relevant financial period):

(a) have been properly maintained;

(b) comply with the appropriate accounting standards;

(c) give a true and fair view of the financial position and performance of the Company; and

(d) have been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board views compliance as an integral function and recognises that to maintain compliant systems and processes, it must be championed by the Board along with management.

17. Delegation of authority

Directors are responsible for any delegations of their responsibilities with regard to governance of the Company. The Board will determine what Company matters are delegated to specific Directors or management and what controls are in place to oversee 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 in writing to a Director individually, by way of definitive scope and authorisation.

It is recognised the Executive Chair / CEO will carry significant if not all delegated authority by virtue of their management duties.

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

17.1. General delegations

In general, the Board delegates to Senior Management all powers and authorities required to carry out the Company's business effectively and efficiently. Clause 18.2 contains the exceptions to these delegations, whereby the Board or appropriate Committee reserves the powers as indicated.

17.2. Decisions requiring Board approval

In addition to those decisions requiring approval pursuant to the respective Company policies or committee charters (as applicable), the following decisions must be referred to the Board for approval:

(a) Issuing shares or securities of any type of the Company;

(b) acquiring, selling or otherwise disposing of property in excess $250,000;

(c) founding, acquiring or selling subsidiaries of or any company within the Company, exercising the Company's rights as shareholder in other companies or dissolving or selling the Company's participation in other companies (including project joint ventures);

(d) starting new business activities, terminating existing business activities or initiating major changes to the field of the Company's business activities;

(e) approving and/or altering the annual business plan (including financial planning) for the Company or any part of the Company;

(f) granting loans to Company officers or employees and taking over guarantees for the Company's officers and employees;

(g) determining the total amount of bonuses and gratuities for Company officers and employees;

(h) determining the appointment, termination, extension of employment or amendment to conditions of employment of the Board, insofar as the Board does not limit the powers of shareholders on such functions; and

(i) granting or revoking a power of attorney or authority to sign and/or act on behalf of the Company.

PART D – CONTINUING IMPROVEMENT

18. Director protection

18.1. Information seeking protocol

Directors will adhere to the following protocol when seeking information:

(a) approach the 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 CEO / Chair should approach in order to obtain the information for that Director.

18.2. 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 a maximum of $5,000 per annum in professional advice.

Prior to seeking professional advice a director will inform the Chair and Company Secretary about the nature of the opinion or information to be 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 will endeavour to coordinate the provision of the advice.

If the cost of professional advice is likely to exceed $5,000, the Director will 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 Board approval for the engagement of an external expert is required.

Advice so received should be received on behalf of the Board as a whole.

18.3. Access to Board papers

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

18.4. Insurance

The Company will seek Directors' and Officers' Insurance. 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.

All Directors will be offered the benefit of entering into a Deed of Access and Insurance and Indemnity with the Company.

19. Board and Senior Executive evaluation

19.1. Evaluation process

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

19.2. 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 will undertake an annual evaluation of Board and Director performance.

The review will be based on a number of goals for the Board and individual Directors that will be established. The goals are based on corporate requirements and any areas for improvement that may be identified. The Board will consider the outcome of such reviews in a dedicated meeting 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 used to develop a development plan for each Director. The Board will not endorse the reappointment of a Director who is not performing satisfactorily in the role.

If established by the Board, 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.

19.3. Board Committee evaluations

Once established, the Board will set a number of expectations for its Committees. These expectations are to be derived after considering the results of previous reviews if any, an assessment of the Company's current and future needs, and a review of each Committee's Charter or purpose. As a result of a review, the Board may amend or revoke a Committee's Charter.

19.4. Senior Executive evaluations

All Senior Management at the Company will be subject to an annual performance evaluation. Each year, Senior Management (including the CEO) will establish a set of performance targets. These targets are to be 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.

An informal assessment of progress is carried out throughout the year. A full evaluation of the executive's performance against the agreed targets is to take place annually. This will normally occur in conjunction with goal setting for the coming year. Since the Company is committed to continuous improvement and the development of its people, the results of the evaluation form the basis of the executive's development plan. Performance pay components of executives' packages are dependent on the outcome of the evaluation.

20. Non-Executive Director remuneration

20.1. 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).

20.2. Fixed remuneration

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

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.

Executive Directors are not normally paid Board or Committee fees in addition to their annual salary.

20.3. Performance-based bonus

Start-ups and scale-ups are more likely to offer securities as part of their non-executive director pay structure, because of constraints on financial resources.

This type of remuneration needs to be balanced against the requirement for non-executive directors to be independent, notably as starts-ups/scale-ups grow and potentially attract external funding. Investors may be more willing to invest in a company where board members are independent and are in a non-executive capacity.

20.4. Equity-based remuneration

It is generally acceptable for non-executive Directors to receive securities as part of their remuneration to align their interests with the interests of other security holders.

The Company's non-executive Directors can choose to receive shares in the Company as part of their remuneration instead of receiving cash and may participate in equity schemes of the Company, such as option schemes, that are designed to encourage enhanced performance of the participant.

20.5. Superannuation benefits

The Company's non-executive Directors are entitled to statutory superannuation.

20.6. Written Agreement

The written agreement referred to in clause 2.4 of this Board Charter, should include:

(a) The time commitment expected of directors to perform their role;

(b) the requirement to disclose a director's interests and any matters which could affect the director's independence;

Details of the duties owed by directors

(c) the requirement to comply with the Company Policies and charters;

(d) the requirement to notify the Company of or seek the Company's approval before accepting, any new role that could impact upon the time commitment expected of the Director or give rise to a conflict of interests;

(e) the Company's policy around independent professional advice;

(f) indemnity and insurance arrangements;

requirements for retirement and re-election;

(g) rights of access to corporate information; and

(h) ongoing confidentiality obligations.

21. Director development

The Company is committed to continuing development of its Directors and executives. 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.

The Board will also undertake an annual review in relation to whether there is a need for existing Directors or the Board as a whole to undertake professional development.

22. Director induction

New directors will undergo an induction process in which they will be given a full briefing on the Company. Information conveyed to the new Director will include:

(a) details of the roles and responsibilities of a Director with an outline of the qualities required to be a successful Director;

(b) formal policies on Director appointment as well as conduct and contribution expectations;

(c) details of all relevant legal requirements;

(d) access to a copy of this Board Charter and all other Company Policies;

(e) guidelines on the function of the Board.;

(f) details of past, recent and likely future developments relating to the Board including anticipated regulatory changes;

(g) key accounting matters and an outline of the responsibilities of Directors in relation the Company's financial statements;

(h) background information on and contact information for key people in the Company including an outline of their roles and capabilities;

(i) an analysis of the Company including:

  (i) core competencies of the Company;

  (ii) an industry background briefing;

(iii) a recent competitor analysis;

(iv) details of past financial performance;

(v) current financial structure; and

(vi) any other important operating information;

(j) a synopsis of the current strategic direction of the Company including a copy of the current strategic plan and annual budget;

(k) access to a copy of the Constitution of the Company; and

(l) Directors Deed of Indemnity and Right of Access to Documents, if applicable.

ANNEXURE A – DEFINITION OF INDEPENDENCE

The Board considers that the relationships which may affect Director independence (as set out in Box 2.3 of the Governance Principles) include relationships or a relationship with an individual who*:*

1. is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
2. receives performance-based remuneration (including options or performance rights) from or participates in an employee incentive scheme of the entity;
3. is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
4. is, represents, or has been within the last three years an officer or employee of, or professional adviser to, an individual or entity with a 'substantial holding' (as defined in section 9 of the Corporations Act).
5. has close personal ties with any person who falls within any of the categories described above; or
6. has been a director of the entity for such a period that their independence from management and substantial holders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the board to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of all shareholders and the entity as a whole rather than in the interests of an individual security holder or other party.

The Board notes that the mere fact that a director has served on a board for a substantial period does not mean that the director has become too close to management or a substantial holder to be considered independent.