

# Board Charter

NORTHAM RESOURCES LTD  
ACN 619 335 321

<b>Approved by Board</b>	
<b>Approved on</b>	14/07/2022
<b>Next Review Date</b>	14/07/2023

## 1. Role of the Board

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The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from the Company's Constitution.

## 2. The Board's Relationship with Management

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2.1 The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer/Managing Director.

2.2 Specific limits on the authority delegated to the Chief Executive Officer/Managing Director and the team of executives as appointed by the Company (**Executive Team**) must be set out in the delegated authorities approved by the Board.

2.3 The role of management is to:

- a. support the Chief Executive Officer/Managing Director;
- b. implement the Company's strategic direction, running of the general operations and financial business of the Company;
- c. instil and reinforce the Company's values;
- d. operate within the Company's values, Code of Conduct, budget and risk appetite set by the Board; and
- e. provide the Board with accurate, timely and clear information on the Company's operations to enable the Board to perform its responsibilities,

in accordance with the delegated authority of the Board.

2.4 In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Company and its subsidiaries (if any) (**Group**) to facilitate the effective carrying out of their duties as Directors.

2.5 The Board will regularly review the division of functions between the Board and management to ensure that it continues to be appropriate to the needs of the Group.

## 3. Specific Responsibilities of the Board

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In addition to matters it is expressly required by law to approve, the Board has reserved the following matters to itself:

- a. Demonstrating leadership, driving the strategic direction of the Company and defining the Company's purpose, ensuring appropriate resources are available to meet objectives and monitoring management's performance.

- b. Approving the Company's statement of values and Code of Conduct to ensure the desired culture within the Company is maintained and monitoring the implementation of such values and culture at all times.
- c. Ensuring that an appropriate framework exists for relevant information to be reported by management to the Board.
- d. When required, challenging management, and holding it to account.
- e. Selecting and appointing the Chairperson of the Board, and if the Company has one, the deputy chair or senior independent director.
- f. Appointment and replacement of the Chief Executive Officer/Managing Director, other senior executives and the Company Secretary and the determination of the terms and conditions of their employment including remuneration and termination.
- g. Overseeing management in its implementation of the Company's strategic direction, instilling of the entity's values and performance generally.
- h. Approving the Company's remuneration framework and ensuring it is aligned with the Company's purpose, values, strategic objectives, and risk appetite.
- i. Monitoring the timeliness and effectiveness of reporting to shareholders.
- j. Overseeing the Company's processes for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.
- k. Reviewing and ratifying systems of audit, risk management (for both financial and non-financial risk) and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters.
- l. Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures.
- m. Approving and monitoring the budget and the adequacy and integrity of accounting, financial and other corporate reporting, including the external audit, such that the financial performance of the Company has sufficient clarity to be actively monitored.
- n. Approving the annual, half yearly and quarterly accounts.
- o. Approving significant changes to the organisational structure.
- p. Approving decisions affecting the Company's capital, including determining the Company's dividend policy and declaring dividends.
- q. Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the Corporation Act 2001 (Cth) and ASX Listing Rules if applicable).
- r. Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making.

- s. Monitoring the effectiveness of the Group's governance practices, having regard to existing and emerging issues relevant to the Group.
- t. Procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively and to deal with new and emerging business and governance issues.

#### **4. Composition of the Board**

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- 4.1** The Board should comprise Directors with a mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.
- 4.2** The number of Directors and the composition of the Board must at all times be appropriate to the Company to achieve efficient decision making and adequately discharge its responsibilities and duties.
- 4.3** In appointing new members to the Board, consideration must be given to the demonstrated ability and also future potential of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.
- 4.4** The composition of the Board is to be reviewed regularly against the Company's Board skills matrix prepared and maintained by the remuneration and nomination committee to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction and to deal with new and emerging business and governance issues.
- 4.5** Where practical, the majority of the Board should be comprised of non-executive Directors who can challenge management and hold them to account as well as represent the best interests of the Company and its shareholders as a whole rather than those of individual shareholders or interest groups. Where practical, at least 50% of the Board should be independent.
- 4.6** An independent Director is a director who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.
- 4.7** In considering whether a Director is independent, the Board should consider the factors relevant to assessing the independence of a director detailed in Box 2.3 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (4th Edition)* as set out in Annexure A (**Independence Tests**).
- 4.8** All Directors, whether independent or not, should bring an independent judgement to bear on all Board decisions.

- 4.9 Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the remuneration and nomination committee to ensure that they continue to contribute effectively to the Board.
- 4.10 The Company must disclose the length of service of each Director in, or in conjunction with, its annual report (**Annual Report**).
- 4.11 The Company must ensure that Shareholders are provided with all material information in the Board's possession relevant to a decision whether or not to elect or re-elect a Director, including disclosing the relevant qualifications and experience of each Director.

## 5. Director Responsibilities and Tenure

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- 5.1 If a Director is or becomes aware of any information, facts or circumstances which may affect that Director's independence, he or she must immediately disclose all relevant details in writing to the Company Secretary and the Chairperson.
- 5.2 The Board may consider a director to be independent notwithstanding that the Director has an interest, position or relationship of the type described in the Independence Tests. In these circumstances, the Board will take into account:
  - a. the nature and extent of the interest or relationship;
  - b. the type of transactions that are normally entered into between the Group member and the other party, the nature of the transactions and whether the Director has been personally involved in negotiating the terms and conditions of any of the transactions; and
  - c. any other matters the Board considers relevant to its assessment.
- 5.3 Where a Director has an interest, position or relationship of the type described in the Independence Tests, but the Board is of the opinion that it does not compromise the independence of the Director, the Company must disclose the nature of the interest or relationship in question and an explanation of why the Board is of that opinion.
- 5.4 Directors must disclose their interests, positions, or relationships. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.
- 5.5 Directors (including candidates for election as Directors) are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.
- 5.6 Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- 5.7 Non-executive Directors must inform the Chairperson of the Board and the chair of the remuneration and nomination committee before accepting any new appointment as a director

of another listed entity, any other material directorship or any other position with a significant time commitment attached.

- 5.8 Directors are expected to maintain the skills required to discharge their obligations to the Company and should undertake continuing professional development to the extent necessary.
- 5.9 The continued tenure of each individual Director is subject to re-election from time to time, in accordance with the Constitution.
- 5.10 Directors must retire from office in accordance with the Constitution. Retiring directors may be eligible for re-election.
- 5.11 The Company will have a written agreement with each person appointed as a director setting out the terms of their appointment.
- 5.12 No member of the Board (other than a Managing Director) may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.

## 6. The Role of the Chairperson

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- 6.1 The Chairperson of the Board is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings, ensuring that adequate time is available for discussion of all agenda items (including strategic issues), ensuring then approving that an accurate record of the minutes of Board meetings is held by the Company and conducting the shareholder meetings.
- 6.2 Where practical, the Chairperson of the Board should be a non-executive Director. If a Chairperson of the Board ceases to be an independent Director, then the Board will consider appointing a lead independent Director.
- 6.3 Where practical, the Chief Executive Officer/Managing Director should not be the Chairperson of the Board of the Company during their term as Chief Executive Officer/Managing Director or in the future.
- 6.4 The Chairperson of the Board must be able to commit the time to discharge the role effectively. The Chairperson's other positions should not be such that they are likely to hinder effective performance of the role.
- 6.5 The Chairperson of the Board should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.
- 6.6 In the event that the Chairperson of the Board is absent from a meeting of the Board then the Board shall appoint a Chairperson for that meeting in an acting capacity.

## 7. Board Committees

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- 7.1** Once the Board is of a sufficient size and structure, reflecting that the Company's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties, the Board must establish the following committees, each with written charters:
- a. audit and risk committee; and
  - b. remuneration and nomination committee.
- 7.2** The charter of each committee must be approved by the Board and reviewed following any applicable regulatory changes.
- 7.3** The Board will ensure that the committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.
- 7.4** Members of committees are appointed by the Board. The Board may appoint additional Directors to committees or remove and replace members of committees by resolution.
- 7.5** The Company must disclose the members and Chairperson of each committee in, or in conjunction with, its Annual Report.
- 7.6** The minutes of each committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such committee meeting.
- 7.7** The Company must disclose in, or in conjunction with, its Annual Report, in relation to each reporting period relevant to a committee, the number of times each committee met throughout the period and the individual attendances of the members at those committee meetings.
- 7.8** Where the Board does not consider that the Company will benefit from a particular separate committee:
- a. the Board must carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee; and
  - b. the Company must disclose in, or in conjunction with, its Annual Report:
    - i. the fact a committee has not been established; and
    - ii. if:
      - A. an audit and risk committee has not been established, the processes the Board employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner, and the process it employs for overseeing the Company's risk management framework;
      - B. a remuneration and nomination committee has not been established, the processes the Board employs to address board succession issues and to

ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

## 8. Board Meetings

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- 8.1 The Board will meet regularly, in accordance with a schedule agreed prior to the commencement of each calendar year. Additional meetings may be held as required to enable the Directors and the Board to fulfil their duties and responsibilities to the Group.
- 8.2 Board meetings and proceedings of directors are governed by the Company's Constitution and the Corporations Act.
- 8.3 Non-executive Directors may confer at scheduled times without management being present.
- 8.4 The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairperson of the Board, and circulated to Directors after each meeting.
- 8.5 The Company Secretary shall ensure that the business at Board and committee meetings is accurately captured in the minutes.
- 8.6 The Company Secretary shall co-ordinate the timely completion and distribution of Board and committee papers for each meeting of the Board and any committee.
- 8.7 Minutes of meetings must be approved at the next Board meeting.

Further details regarding Board meetings are set out in the Company's Constitution.

## 9. The Company Secretary

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- 9.1 When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its committees and between senior executives and non-executive Directors.
- 9.2 The Company Secretary is accountable directly to the Board, through the Chairperson of the Board, on all matters to do with the proper functioning of the Board.
- 9.3 The Company Secretary is to facilitate the induction and professional development of Directors.
- 9.4 The Company Secretary is to organise and facilitate and monitor the implementation of Board policies and procedures.

- 9.5 The Company Secretary is responsible for monitoring that Board and committee policies and procedures are followed.
- 9.6 The Company Secretary is to provide advice to the Board on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and applicable other laws.
- 9.7 All Directors have access to the advice and services provided by the Company Secretary.

## 10. Access to Information and Advice

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- 10.1 All Directors have unrestricted access to Company records and information except where the Board determines that such access would be adverse to the Company's interests.
- 10.2 All Directors will receive briefings on material developments in industry-related matters, laws, regulations, and accounting standards relevant to the Company.
- 10.3 All Directors will be expected to attend periodic site visits scheduled and co-ordinated by management to aid their understanding of the business of the Company.
- 10.4 All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
- 10.5 All new Directors will be offered induction training, tailored to their existing skills, knowledge, and experience, to position them to discharge their responsibilities effectively and to add value. This will include:
  - a. having interviews with key senior executives to gain an understanding of the Company's structure, business operations, history, culture, and key risks, and conducting site visits of key operations;
  - b. training on legal duties and responsibilities as a Director under the key legislation governing the Company and the ASX Listing Rules (including ASX's continuous and periodic reporting requirements); and
  - c. training on accounting matters and on the responsibilities of Directors in relation to the Company's financial statements.

- 10.6 The Board or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairperson of the Board. Except in circumstances of competing interests between the directors or a director and the Company, a copy of any such advice received is made available to all members of the Board.

## 11. Foreign Directors

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- 11.1 In the event that a Director does not speak the language in which key corporate documents are written or Board or shareholder meetings are held, the Company will ensure that:

- a. such documents are translated into the Director's native language; and
- b. a translator is present at all Board and shareholder meetings.

In this case, "key corporate documents" includes the Company's Constitution, prospectuses, product disclosure statements, corporate reports, and continuous disclosure announcements.

## **12. Performance Review**

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Once the Company is of sufficient size to establish a remuneration and nomination committee, that Committee shall conduct an annual performance review. The review of the Board will be undertaken by the remuneration and nomination committee and shall ensure that:

- a. compares the performance of the Board with the requirements of this Charter;
- b. critically reviews the mix of the Board to ensure it covers the skills needed to address existing and emerging business and governance issues relevant to the Company and to ensure the currency of each Director's knowledge and skills and whether the Director's performance has been impacted by other commitments; and
- c. suggests any amendments to this Charter as are deemed necessary or appropriate.

## Annexure A – Independence Tests

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Examples of interests, positions and relationships that might raise issues about the independence of a director of an entity include if the director:

- a. 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;
- b. receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the entity;
- c. is, or has been within the last three years, in a material business relationship (eg 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;
- d. is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- e. has close personal ties with any person who falls within any of the categories described above; or
- f. 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 interests of the entity as a whole rather than in the interests of an individual security holder or other party.