

# Perpetual Resources Limited ACN 154 516 533 (Company)

## Corporate Governance Policies: Board Charter

### 1. Role of the Board

This Board Charter sets out the principles for the operation of the board of directors (**Board**) of the Company and describes the functions of the Board and those functions delegated to management of the Company.

The Board is accountable to shareholders for the performance of the Company. The Board must at all times act honestly, fairly and diligently in all respects in accordance with relevant laws and corporate regulations and must act in the best interests of the shareholders and other stakeholders.

This Board Charter, and any charters adopted by the Board for committees established by the Board, have been prepared and adopted on the basis that good corporate governance procedures add to the performance of the Company and the creation of shareholder value.

### 2. Responsibilities of the Board

#### 2.1 Board responsibilities

The Board is responsible for the management of the affairs of the Company, including:

- (a) Strategic and financial performance
  - (i) Developing and approving the corporate strategy.
  - (ii) Evaluating, approving and monitoring the strategic and financial plans of the Company.
  - (iii) Evaluating, approving and monitoring the annual budgets and business plans.
  - (iv) Evaluating, approving and monitoring major capital expenditure, capital management and all major corporate transactions, including the issue of securities of the Company.
  - (v) Appointment of the Chairman and Company Secretary of the Company.
- (b) Executive management
  - (vi) Appointing, monitoring, managing the performance of, and if necessary terminating the employment of management personnel. The Board will consider management's authorities and accountabilities, as well as performance indicators to provide monitoring benchmarks.
  - (vii) Managing succession planning for key management positions which may be identified from time to time.
  - (viii) Liaising with the management in relation to the appointment and termination of any key personnel which may be identified from time to time.
- (c) Audit and risk management
  - (i) Approving the Company's risk and audit framework, including (but not limited to) systems of risk management and internal control. Approving compliance with the Company's risk and audit policies and protocols.

- (ii) Monitoring the Company's operations in relation to, and compliance with relevant regulatory and legal requirements.
- (d) Strategic planning
- (i) The Board will be actively and regularly involved in strategic planning and reviewing, developing and considering strategic planning issues.
  - (ii) Strategic planning will be based on the identification of opportunities and the full range of business risks that will determine which of those opportunities are most worth pursuing.
  - (iii) The Board will, on an ongoing basis, review with management how the strategic environment is changing, what key business risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted.
- (e) Corporate governance
- (i) The Board must review and approve all disclosures related to any departures from the ASX principles of good corporate governance.
  - (ii) The Board must review and approve the disclosure of any of the Company's policies and procedures to the general public.
  - (iii) The Board will supervise the public disclosure of all matters that the ASX Corporate Governance Council recommends be publicly disclosed, consistent with the Company's Continuous Disclosure Policy approved by the Board.
  - (iv) The Board will establish and monitor performance and reporting of committees of the Board.
  - (v) The Board is responsible for the appointment of Directors to committees established by the Board.
  - (vi) The Board will approve and monitor delegations of authority.
- (f) Shareholder Communication

The Board is committed to:

- (i) ensuring that shareholders and the financial markets are provided with full and timely information about the Company's activities in a balanced and understandable manner;
- (ii) complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the *Corporations Act 2001 (Cth)*; and
- (iii) communicating effectively with its shareholders and making it easier for shareholders to communicate with the Company.

To promote effective communication with shareholders and encourage effective participation at general meetings, the Board approves information for communication to shareholders:

- (i) through the release of information to the market via the ASX;
- (ii) through the distribution of the Annual Report;

- (iii) through conducting the annual general meeting and other shareholder meetings;
- (iv) through letters and other forms of communications directly to shareholders; and
- (v) by posting relevant information on the Company's website.

### **3. Structure of the Board**

#### **3.1 Overview**

The Board determines its size and composition subject to the terms of the constitution of the Company.

The Directors appoint the Chairman of the Board.

#### **3.2 Directors**

Each Director is bound by all the Company charters and policies.

The Directors of the Company will:

- (a) conduct their duties with a high level of honesty and integrity;
- (b) observe the law and comply with applicable standards;
- (c) maintain the confidentiality of all information acquired in the course of conducting the role and not make improper use of, or disclose to third parties, any confidential information unless that disclosure has been authorised by the Board, or is required by law or by the ASX Listing Rules;
- (d) observe the principles of independence, accuracy and integrity in dealings with the Board, Board committees, internal and external auditors and senior management within the Company;
- (e) disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the Director becomes aware and which the Director reasonably believes may compromise the reputation or performance of the Company; and
- (f) set a standard of honesty, fairness, integrity, diligence and competency in respect of the position of Director.

### **4. Statement of the division of authority between the Chairman and management**

#### **4.1 Objective**

The Company recognises that it is important that the Chairman and the management have defined roles in the organisation and function in accordance with clear functional lines.

#### **4.2 Role of the Company Chairman**

The Company has appointed a Chairman. The Chairman will be selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.

### 4.3 Specific duties of the Chairman

The Chairman will:

- (a) chair Board meetings;
- (b) establish the agenda for Board meetings, in consultation with the management and the Company Secretary;
- (c) chair meetings of members, including the annual general meeting of the Company;
- (d) be the primary channel of communication and point of contact between the Board (and the Directors) and the Managing Director;
- (e) provide guidance to the Managing Director;
- (f) chair the Managing Director evaluation process through the Remuneration Committee;

### 4.4 Role and responsibilities of management

Management will have primary responsibility to the Board for the affairs of the Company. Key management personnel appointed by the Board will:

- (a) with the Board, develop, implement and monitor the strategic and financial plans for the Company, the annual budgets and business plans, major capital expenditure, capital management and all major corporate transactions, including the issue of any securities of the Company;
- (b) manage the appointment of senior management positions;
- (c) develop, implement and monitor the Company's audit and risk management framework;
- (d) consult with the Chairman and the Company Secretary in relation to establishing the agenda for Board meetings as well as all matters of significance where it is appropriate to do so;
- (e) in consultation with the Company Secretary consider and approve all disclosures of information to the ASX in accordance with the Continuous Disclosure Policy of the Company;
- (f) be the primary channel of communication and point of contact between the executive management and the Board (and the Directors);
- (g) keep the Chairman fully informed of all material matters which may be relevant to the Board, in their capacity as Directors of the Company;
- (h) provide strong leadership to, and effective management of, the Company;
- (i) ensure that the Company has regard to the interests of employees and customers of the Company and the community and environment in which the Company operates; and
- (j) otherwise carry out the day to day management of the Company.

## **5. Confidential Information**

The Board has established the following principles to apply in respect of information of the Company:

- (a) the Board must approve the nature of any information to be disclosed to any third party and the manner in which such information can be disclosed; and
- (b) all Directors, including any Directors nominated by a shareholder, are required to keep all information provided to them in their capacity as a Director confidential.

## **6. Conflicts of interest**

The Directors of the Company are required to act in a manner which is consistent with the best interests of the Company as a whole, free from conflicts of interest.

If a Director considers that he or she might be in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interests of any associated person, or his or her duties to any other company, on the one hand, and the interests of the Company or his or her duties to the Company, on the other hand, the Board will require that the Director to:

- (a) fully and frankly inform the Board about the circumstances giving rise to the conflict; and
- (b) if such conflict is a material personal interest, abstain from voting on any motion relating to the matter and absent himself or herself from all Board deliberations relating to the matter including receipt of Board papers bearing on the matter.

If a Director believes that he or she may have a conflict of interest or duty in relation to a particular matter, the Director should immediately consult the Chairman.

## **7. Meetings**

### **7.1 Overview**

The Board will meet as frequently as is required to deal with Company matters; and more frequently as may otherwise be required to deal with urgent matters.

The Chairman should ensure the availability and, if necessary, the attendance at the relevant meeting, of any member of executive management responsible for a matter included as an agenda item at the relevant meeting.

### **7.2 Agenda**

An agenda will be prepared for each Board meeting. The agenda will be prepared by the Company Secretary in consultation with the Chairman.

## **8. Board committees**

The Board may establish various committees in order to assist it in fulfilling its duties.

The composition of the membership of any Committees so established will be as determined by the Board from time to time.

The Board will consider and approve the charters of the various Committees. These charters will identify the areas in which the Board will be assisted by each respective Committee.

**9. Independent advice**

Subject to Board approval, a Director of the Company is entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of his or her responsibilities. Any advice received shall be circulated to the Board.

**10. Remuneration**

The Board is responsible for making recommendations regarding Director and management remuneration packages.

**11. Continuous Disclosure**

The Board has adopted a Continuous Disclosure Policy related to the disclosure obligations of the Company under the ASX Listing Rules and the Corporations Act. The Company Secretary will oversee the implementation of that policy and the Board will consider continuous disclosure as a standing item at Board meetings.

**12. Independence**

The Company will aim, over time, to ensure that a majority of the Board are independent Directors, although acknowledge that this will not always be possible or desirable for periods of time.

A Director will be considered independent if he or she:

- (a) is not a substantial shareholder of the Company, being a shareholder who does not have more than a 5% interest in the Company;
- (b) has not been employed within the last 3 years as an executive of the Company;
- (c) has not within the last 3 years been a principal of a material professional adviser or consultant to the Company;
- (d) is not a material supplier, customer or other contractor of the Company; and
- (e) is otherwise considered by the Board to be independent.

**13. Review of this Charter**

The Board is responsible for the effectiveness of this Board Charter and the operations of the Board.

This Board Charter may be amended by the Board at any time. The Board is responsible for recommending amendments where considered necessary.

**Approved by the Board on 31 August 2020**