



Board Charter

E2 Metals Limited
ACN 116 865 546 (**Company**)

Board Charter

1. Introduction

- 1.1 This Board Charter sets out the principles for the operation of the Board of Directors (**Board**) of E2 Metals Limited (**Company**) and describes the functions of the Board. The Company and its controlled entities are collectively referred to as the Group.
- 1.2 The Board is responsible for the corporate governance of the Group. This Charter sets out the roles and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, as well as the membership and operation of the Board.
- 1.3 The Board derives its authority to act from the Company's Constitution.

2. Composition of the Board

- 2.1. The Directors will determine the size of the Board, subject to the Company's Constitution, which provides there must be a minimum of three directors. The Board should comprise Directors with an appropriate mix of skills, experience from a diverse range of backgrounds and expertise in order to achieve efficient decision making and adequately discharge its responsibilities and duties.
- 2.2. The Directors appoint the Chairperson of the Board who, where practical, must be an independent non-executive Director. The Chief Executive Officer is to be an executive officer.
- 2.3. It is noted that, ideally the Board should comprise a majority of independent non-executive Directors. An independent non-executive Director is one who:
 - (a) is independent of management;
 - (b) is free of any business or other relationship that can materially interfere with, or can reasonably be perceived to materially interfere with, the exercise of their judgement and prevent them from acting in the best interests of the Company as a whole; and
 - (c) otherwise meets the criteria for independence set out in the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council.
- 2.4. The Board should regularly assess whether a non-executive Director is 'independent' in accordance with the above criteria.
- 2.5. The Nomination Committee is responsible for recommending candidates for appointment to the Board.
- 2.6. Each Director is appointed by a formal letter of appointment setting out the terms and conditions of their appointment to ensure that each Director clearly understands the Company's expectations on him or her.
- 2.7. The continued tenure of each individual Director is subject to re-election from time to time, in accordance with the Company's Constitution.

3. Responsibilities of the Board

- 3.1. The Board acts in the best interests of the Company as a whole and is accountable to shareholders for the overall strategic direction, financial management and corporate governance of the Group.
- 3.2. In addition to matters it is expressly required by law to approve, the Board is responsible for:
- (a) Demonstrating leadership.
 - (b) Defining the Company's purpose and set the strategic direction and objectives of the Company, including ensuring appropriate resources are available to meet objectives and monitoring management's performance.
 - (c) Approving the Company's statement of values and Code of Conduct to underpin the desired culture within the Company.
 - (d) Appointing the Chair and, if the Company decides to so, to appoint a deputy Chair and or a Senior Independent Director.
 - (e) Appointing, and where necessary, replacing, the Managing Director, other senior executives and Company Secretary, and to determine their terms and conditions of their appointment and termination.
 - (f) Overseeing management in its implementation of the Company's strategy objectives, instilling of the Company's values and performance generally.
 - (g) Monitoring the timeliness and effectiveness of reporting to shareholders.
 - (h) Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures in line with Delegation of Authorities.
 - (i) Approving and monitoring the budget and the adequacy and integrity of financial and other reporting such that the financial performance of the company has sufficient clarity to be actively monitored.
 - (j) Overseeing the integrity of the entity's accounting and corporate reporting systems, including the external audit. This will include the review and approval of the Company's financial accounts, and the review and ratification of audit systems, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters.
 - (k) Overseeing the Company's process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have a material effect on the price or value of the Company's securities.
 - (l) Satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate.
 - (m) Satisfying itself that the Company has in place a proper process for regularly reviewing, preferably annually, the performance of the Board, its committees and individual directors.
 - (n) Satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board.
 - (o) Whenever required, challenging management and holding it to account.
 - (p) Approving the Company's remuneration framework and satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite, and

- (q) Monitoring the effectiveness of the Company's governance practices.
- (r) Approving significant changes to the organisational structure.
- (s) Approving decisions affecting the Company's capital structure, including determining the Company's dividend policy and declaring dividends.
- (t) Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them.
- (u) Procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.
- (v) Identifying occupational health, safety and environmental issues, formulating and implementing policies to address and manage them, as well as managing the compliance and effectiveness of such policies.

4. Relationship between the Board and Management

- 4.1. The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director. The Managing Director has authority to sub-delegate to the Executive Team. The Managing Director and the Executive Team are collectively referred to as the Senior Executive Team.
- 4.2. Specific limits on the financial authority delegated to the Managing Director and the Executive Team must be set out in the Delegation of Authority approved by the Board.
- 4.3. The role of the Executive Team is to support the Managing Director and implement the running of the general operations and financial business of the Company, in accordance with the Delegation of Authority of the Board.
- 4.4. The Senior Executive Team will be responsible for implementing the Company's strategic objectives and instilling and reinforcing its values, all the while operating within the values, Code of Conduct, budget and risk appetite set by the Board.
- 4.5. The Senior Executive Team will be responsible for providing the Board with accurate, timely and clear information on the Company's operations to enable the Board to perform its responsibilities. This is not just limited to information about the financial performance of the Company, but also its compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or Code of Conduct of the Company.
- 4.6. In addition to formal reporting structures, members of the Board are encouraged to have direct communications with senior executives within the Group to facilitate the carrying out of their duties as Directors.
- 4.7. The Senior Executive Team are ultimately accountable to the Board.
- 4.8. The Board has in place procedures to assess the performance of the Managing Director and the Executive Team.

5. Director Responsibilities

- 5.1. Directors are expected to attend and participate in Board meetings and meetings of committees on which they serve.
- 5.2. Directors are expected to spend the time needed, and meet as often as necessary, to properly discharge their responsibilities.
- 5.3. Directors are expected to review meeting materials before Board meetings and committee meetings.
- 5.4. Directors, more particularly non-executive Directors, must seek the Company's approval before accepting any new roles that can impact on their time commitment or which can give risk to potential conflict of interest.
- 5.5. Directors must disclose their interests, positions, associations or relationships. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.
- 5.6. 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.
- 5.7. Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- 5.8. Directors must keep Board information, discussions, deliberations and decisions that are not publicly known, confidential.
- 5.9. Directors must comply with their legal duties when discharging their responsibilities as directors. Broadly, these duties are to:
 - (a) to act in good faith and in the best interests of the Company;
 - (b) act with care and diligence;
 - (c) act for proper purposes;
 - (d) avoid a conflict of interest or duty; and
 - (e) refrain from making improper use of information gained through the position of director or taking improper advantage of the position of director.
- 5.10. Each Director is bound by all the Company charters, policies and codes of conduct, including without limitation:
 - (d) the Company's Code of Conduct;
 - (e) the Company's Securities Trading Policy; and
 - (f) the Company's Continuous Disclosure Policy.
- 5.11. No member of the Board 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

- 6.1. The Chairperson is responsible for the leadership of the Board, facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between the Board and management.
- 6.2. The Chairperson is responsible for setting the agenda of the Board, ensuring that adequate time is available for discussion of all agenda items (including strategic issues), conducting the Board meetings in consultation with the Managing Director and Company Secretary, ensuring that an accurate record of the minutes of board meetings is held by the Company, conducting the shareholder meetings (including annual general meetings) and providing guidance to the Managing Director.
- 6.3. Where practical, the Chairperson must be a non-executive Independent Director. If a Chairperson ceases to be an independent Director, then the Board may consider appointing a lead independent Director.
- 6.4. Where practical, the Managing Director must not be the Chairperson of the Company during his or her term as Managing Director or in the future.
- 6.5. The Chairperson must be able to commit the time to discharge the role effectively.
- 6.6. In the event that the Chairperson is absent from a meeting of the Board then the Board shall appoint a Chairperson for that meeting in an Acting capacity.

7. The Managing Director

- 7.1. The Managing Director has primary responsibility to the Board for the affairs of the Company.
- 7.2. The Managing Director will:
 - (a) develop with the Board, implement and monitor the strategic and financial plans for the Company, its policies, 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 executive positions;
 - (c) develop, implement and monitor the Company's risk and audit management framework;
 - (d) consult with the Chairperson and 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 Chairperson 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.

8. The Company Secretary

- 8.1. The Company must have at least one Company Secretary appointed by the Board.
- 8.2. The Company Secretary acts as the secretary of the Board, attending all meetings of the Board and its Committees as required.
- 8.3. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- 8.4. The Company Secretary is to facilitate the induction and professional development of Directors.
- 8.5. The Company Secretary is to facilitate and monitor the implementation of Board policies and procedures.
- 8.6. The Company Secretary is to provide advice to the Board and its committees on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and applicable other laws.
- 8.7. The Company Secretary is to coordinate the timely completion and despatch of Board and committee papers.
- 8.8. The Company Secretary is to ensure that business at Board and committee meetings is accurately captured in the minutes.
- 8.9. All Directors have access to the advice and services provided by the Company Secretary.
- 8.10. The Board has the responsibility for the appointment and removal, by resolution, of the Company Secretary.

9. Board Committees

- 9.1. 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 may establish the following committees, each with written charters:
 - a) Audit and Risk Committee; and
 - b) Nomination and Remuneration Committee.
- 9.2. The charter of each Committee must be approved by the Board and reviewed following any applicable regulatory changes.
- 9.3. The Board will ensure that the Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.
- 9.4. 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.
- 9.5. The Company must disclose the members and Chairperson of each Committee in, or in conjunction with, its annual report.
- 9.6. 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.
- 9.7. 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.
- 9.8. Where the Board does not consider that the Company will benefit from a particular separate committee:

- a) the Board must:
 - i. carry out the duties and discharge the responsibilities that would ordinarily be assigned to that committee as set out in the Charter for that committee; and
 - ii. ensure that it has appropriate balance of skills, experience, independence and knowledge of the Company to enable it to discharge its duties and responsibilities effectively; and
- b) the Company must disclose in, or in conjunction with, its annual report the following, as applicable:
 - i. the fact a Committee has not been established; or
 - ii. if 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;
 - iii. if a Nomination Committee has not been established, the processes the Board employs to address Board succession issues; and
 - iv. if a Remuneration Committee has not been established, the processes the Board employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

10. Board Meetings

- 10.1. There must be a minimum of two Directors present at a meeting to constitute a quorum necessary for the transaction of business at a meeting, however Directors may determine a greater number of Directors is required to constitute a quorum.
- 10.2. The Board will ordinarily meet not less than 6 times formally per annum and as frequently as may otherwise be required to deal with urgent matters.
- 10.3. The Chairperson in conjunction with the Managing Director should ensure that availability and, if necessary, the attendance at the relevant meeting
- 10.4. Non-executive Directors may confer at scheduled times without management being present.
- 10.5. The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairperson and circulated to Directors after each meeting.
- 10.6. The Company Secretary shall ensure that the business at Board and committee meetings is accurately captured in the minutes.
- 10.7. 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.
- 10.8. Minutes of meetings must be approved at the next Board meeting.
- 10.9. Further details regarding Board meetings are set out in the Company's Constitution.

11. Conflicts

- 11.1. Directors are required to act in a manner which is consistent with the best interests of the Company as a whole, free of any actual or potential conflicts of interest.
- 11.2. If a Director considers that they might be in a position where there is a reasonable possibility of conflict between their personal or business interests, the interests of any associated person, or their duties to any other company and the interests of the Company or their duties to the Company or the Group, the Board requires that the Director must:
 - (a) Disclose to the Chairperson of the Board (or in their absence the Deputy Chairperson) any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;
 - (b) Take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
 - (c) Comply with the Corporations Act and the Company's Constitution in relation to disclosing material person interests and restriction on voting.
- 11.3. If a conflict exists, unless the Board otherwise determines, abstains from voting on any motion relating to the matter and absents themselves from all Board deliberations relating to the matter.
- 11.4. Directors are expected to inform the Chairperson (or in their absence the Deputy Chairperson) of the Board of any proposed appointment to the board or executive of another company as soon as practicable, and to obtain the Board's approval before taking up such role.

12. Access to Information and Independent Advice by Directors

- 12.1. All Directors have unrestricted access to company records and information except where the Board determines that such access would be averse to the Company's interests for example if a conflict or related party disclosure issue exists.
- 12.2. All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
- 12.3. The Board, Committees 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. A copy of any such advice received is made available to all members of the Board.

13. Remuneration

- 13.1. The level of non-executive Director remuneration will be set by the Board and is subject to any Listing Rule or Corporations Act requirements.

14. Performance Review

- 14.1. The Board undertakes ongoing self-assessment and review of the performance of the Board, Committees and individual directors annually. This is to ensure that the Board and their Committees are operating effectively.
- 14.2. The Company's goals for the year will be set out in the Company's Annual Report and these are used as the basis for evaluating performance of the Executive Team. Performance evaluations are undertaken annually, by the Managing Director. The Managing Director's performance evaluation is also undertaken annually by the Board.

15. Induction

- 15.1. The Company has induction procedures in place to allow new directors to gain an understanding of the Company (including its culture and values) and their rights, duties and responsibilities, the roles and responsibilities of Senior Management, the role of Board Committees, and meeting arrangements and director interaction.

16. Continuous Disclosure

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

17. Communication of Information

- 17.1. The Board will:
 - (a) communicate effectively with shareholders;
 - (b) give shareholders ready access to relevant and timely information about the Company; and
 - (c) make it feasible for shareholders to participate in general meetings.

18. Review of this Charter

- 18.1. The Company Secretary will review this Charter annually or as often as he or she considers necessary.
- 18.2. Any amendment to this Charter must be approved by the Board.

19. Approved and Adopted

- 19.1. This Charter was approved and adopted by the Board on 12 February 2020.