RESOURCES

resourcing the new economy for a better tomorrow

BOARD CHARTER

EQ RESOURCES LIMITED
ACN 115 009 106

eqresources.com.au

Table of Contents

1. INTRODUCTION 3
2. COMPOSITION OF THE BOARD 3
4. APPOINTMENT 5
6. RESPONSIBILITIES OF THE BOARD 6
7. MATTERS RESERVED FOR THE BOARD 6
8. DELEGATION OF DUTIES AND RESPONSIBILITIES 7
8.1 Chair of the Board 7
8.2 Board Committees 8
8.3 CEO/ MD 8
8.4 Company Secretary 9
8.5 Alternate Director 10
9. BOARD MEETING PROCESS 10
9.1 Board Meetings 10
9.2 Conflicts of Interest 10
9.3 Circular Resolutions 10
10. CORPORATE GOVERNANCE POLICIES 11
11. INDEPENDENT PROFESSIONAL ADVICE 11
12. PERFORMANCE EVALUATION 11
13. CORPORATE GOVERNANCE 11
14. DIVERSITY 12
15. DIRECTORS' CONDUCT 12
16. DIRECTOR DEVELOPMENT 12
17. DIRECTOR INDUCTION 12
18. INDEPENDENT ADVICE 13
19. CHARTER REVIEW 14
20. DOCUMENT VERSION CONTROL 14

BOARD CHARTER

1. INTRODUCTION

1.1 The Board of Directors (the "**Board**") of EQ Resources Limited (the **"Company"**) has adopted this Board Charter (the "**Charter**") to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance and applicable laws.

1.2 The Board is committed to, and expects the highest standards of, behaviour and accountability from all directors, senior executives, and employees of the Company. This Charter sets out the principles for the operation of the Board and the functions and responsibilities of the Board of the Company.

1.3 This Charter sets out the following matters:

(a) the composition of the Board;

(b) the roles and responsibilities of the Board;

(c) the relationship and interaction between the Board and senior executives and the Board's ability to delegate its authority to a committee of the Board and management; and

(d) the manner of operation of the Board.

1.4 In the compilation of this Charter, the Company has, where possible and appropriate, followed the recommendations of the ASX Corporate Governance Principles and Recommendations, 4th (2019).

1.5 To the extent that there is any inconsistency between this Charter and the Company's Constitution, the Constitution will prevail to the extent of that inconsistency.

2. COMPOSITION OF THE BOARD

2.1 It is the objective of the Company to establish and maintain a Board with a broad representation of skills, and 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 To assist in achieving the objective stated above, the Board will always consist of:

(a) executive and non-executive directors (majority independent, non-executive directors);

(b) a minimum of three (3) directors; and

(c) At least two (2) directors must reside in Australia.

2.3 The Board, together with its Remuneration and Nomination Committee, must review the range of skills, experience, expertise, and diversity of its members regularly and determine whether the composition and mix remain appropriate, having regard to the Company's strategy and in accordance with the Company's constitution.

2.4 Each Director must be able to add value to the Board's deliberations. In addition, the Board must:

(d) be comprised of Directors who are financially literate, **at least one** of whom has financial expertise; and

(e) demonstrate an appropriate mix of skills, experience, diversity and knowledge to discharge its responsibilities and objectives.

3. DIRECTOR INDEPENDENCE AND TENURE

3.1 The Board considers a director to be independent if the director is free of any interest, relationship or association that may materially influence, or may reasonably be perceived to materially influence, the director's capacity to exercise their independent judgment on issues before the Board, and to act in the best interests of the Company and its shareholders. Therefore, the Board considers a non-executive director to be an independent director if they are a director who is not a member of senior executive of the Company and who:

(a) is not a substantial security holder of the Company, or an officer of, or otherwise directly associated with a substantial security holder of the Company;

(b) is not or has not been employed in an executive capacity by the Company or a subsidiary of the Company within the **last three years** and did not become a director within three years of being so employed;

(c) within the last three years, has not been a senior employee, partner or director of a provider of material professional services to the Company or a child entity of the Company;

(d) within the last three years, has not been in a material business relationship with the Company or any child entity of the Company or an officer of, or an associate to, someone with such a relationship;

(e) is not a party to a material contractual relationship with the Company or a child entity of the Company other than as a director of the Company;

(f) has not served on the Board for a period which may materially interfere with that Director's motivation to act in the best interests of the Company;

(g) has no close family ties with any person who falls within any of the categories described in clauses 3.1 (a) to 3.1 (e) above; and

(h) is free from any conflict of interest which may materially interfere with that director's motivation to act in the best interest of the Company.

3.2 The Board does not believe that it should establish an arbitrary limit on tenure. While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period, increasing insight into the Company and its operations. Accordingly, tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a director in the context of the overall Board process. However, the Board should regularly assess whether a director, who has served for more than 10 years, has become too close to management to be considered independent.

3.3 The Board shall review the independence of each non-executive director on an annual basis, having regard to the criteria set above.

3.4 If a director ceases to be independent, the director must advise in writing to the Chair of the Board and the Company Secretary immediately, and, if the Board finds that a director is no longer independent, the Board shall disclose it to the market on a timely manner.

4. APPOINTMENT

4.1 Directors are appointed in accordance with the Constitution and the Corporation Act. The Board will review and assess the suitability of new directors against fixed criteria, which include overall skills, experience and background, professional skills, potential conflicts of interest, ability to exercise independent judgment, and whether such directors can be independent.

4.2 The Board will set out the terms and conditions of the appointment of a director in a formal letter of appointment or a service agreement (including an executive service agreement where applicable).

4.3 New directors of the Company will be provided with a copy of the Constitution and all relevant policies (including this Charter) of the Board.

4.4 New directors will be fully briefed with respect to the strategic direction of the Company.

4.5 Directors will be offered regular opportunities for professional development.

4.6 The Company shall undertake appropriate checks before appointing a director or putting forward to shareholders a candidate for election or re-election as a director of the Company, including identifying the director's relevant qualifications and expertise.

4.7 The Company will provide security holders of the Company with all material information in the Company's possession which is relevant to a decision on whether to elect or re-elect a director.

5. ANNUAL REPORT DISCLOSURE

5.1 The Board may classify a director as independent and will state its reasons for making such a decision in the Company's annual report.

5.2 The Board must ensure that each annual report of the Company discloses:

(a) the names of the Directors who are considered by the Board to be independent;

(b) the reasons for considering a director to be independent;

(c) the reasons for considering a director to be independent despite failure to meet the abovementioned criteria; and

(d) the period of office of each Director.

6. RESPONSIBILITIES OF THE BOARD

6.1 The Board is responsible for the management and corporate governance of the Company.

6.2 The Board has the authority to make decisions and give directions in relation to:

(a) the development, implementation and alteration of the strategic direction of the Company, including future expansion of business activities;

(b) risk management, assessment and monitoring;

(c) ensuring appropriate external reporting to shareholders, the ASX, ASIC and other stakeholders;

(d) encouraging ethical behaviour, including compliance with the Company's governing laws and procedures and compliance with corporate governance standards; and

(e) establishing targets and goals for Senior Management to achieve and monitoring the performance of Senior Management.

6.3 The Board is responsible for monitoring organisational capability in the context of agreed plans and budgets, accountability and diversity.

7. MATTERS RESERVED FOR THE BOARD

7.1 The following matters are specifically reserved for the Board (or the Board acting upon a recommendation from a Committee of the Board):

(a) the appointment and removal of the Chair of the Board;

(b) the appointment of new directors to fill a vacancy or as additional directors;

(c) evaluating, at least annually, the performance of the Board, its committees, and individual directors

(d) the appointment, and where appropriate, the removal of the:

(i) CEO;

(ii) CFO;

(iii) Executive Directors (to the extent of their capacity as an executive);

(iv) Company Secretary; and

(v) Ratifying the appointment or removal of other Senior Management of the Company.

(e) oversight of all matters delegated to senior management;

(f) reviewing the performance of the CEO/ MD and monitoring the performance of his or her direct reports;

(g) managing succession planning for the position of CEO/ MD and overseeing succession planning for his or her direct reports;

(h) approving overall Company, director, and specific senior executive remuneration and related performance standards and their evaluation;

(i) approving the Company's statement of values and defining the Company's purpose;

(j) monitoring the effectiveness of the Company's governance practices;

(k) ensuring the Company's governance policies are operative and being complied with;

(l) regular review of and powers to amend the Company policies to ensure the policies meet the standards of corporate governance the Board is committed to;

(m) review and oversight of compliance with ASX Listing Rules, financial reporting obligations, including periodic and continuous disclosure, legal compliance and related corporate governance matters

(n) adopting an annual budget for the financial performance of the Company and monitoring performance against it;

(o) approving and monitoring major capital expenditure, capital management, acquisitions and divestitures and material contracts;

(p) approving and monitoring major Company financing matters including incurring material debt obligations;

(q) monitoring and reviewing the financial performance of the Company;

(r) monitoring and reviewing the operational performance of the Company including the viability of current and prospective operations and exploration opportunities; and

(s) calling of meetings of shareholders;

(t) ensuring proper and timely disclosure and reporting to shareholders and other stakeholders;

(u) monitoring and overseeing the management of shareholder and stakeholder relations;

(v) proposing and recommending to shareholders any changes in the capital structure of the Company.

8. DELEGATION OF DUTIES AND RESPONSIBILITIES

The Board may, in its absolute discretion and without abrogating its responsibilities, delegate other matters from time to time.

8.1 Chair of the Board

8.1.1. The Chair of the Board has the following responsibilities:

(a) leadership of the Board;

(b) the organisation and efficient conduct of the business of the Board at Board meetings and on all other occasions;

(c) ensuring all Directors are adequately informed about Board matters in a timely fashion to facilitate rigorous, effective and accurate decision making in all business of the Board;

(d) setting the agenda for meetings of the Board, guiding the meetings to facilitate open discussion and managing the conduct of, and frequency and length of such meetings, to provide the Board with an opportunity to arrive at a detailed understanding of the Company's performance, financial position, operations and challenges;

(e) liaising with the Company Secretary concerning matters of corporate governance and conveying all information to the Board;

(f) encouraging engagement, free of undue bias, and compliance by Board members with their duties as Directors;

(g) ensuring each Director is empowered to fully participate in meetings and is properly informed of Director performance expectations; and

(h) engaging with major shareholders of the Company to ensure that their views are known to the Board.

(i) oversee the systematic, effective and efficient conduct of the annual general meetings ("**AGMs**"), adopt appropriate procedures to ensure effective communication with the shareholders of the Company, and communicate any concern with respect to same to the Board.

8.2 Board Committees

8.2.1. The Board may, from time to time, establish committees to streamline the discharge of its responsibilities (collectively as "**Committees**", or each a "**Committee**").

8.2.2. The Board will adopt a formal charter for each standing Committee setting out the matters relevant to the composition, responsibilities, and administration of the Committee.

8.2.3. The permanent Committees of the Board are:

(a) Remuneration and Nomination Committee; and

(b) the Audit & Risk Committee.

8.2.4. The Board will review the effectiveness of each of the above Committees against its charter, on an annual basis, in conjunction with the chair of the relevant Committee.

8.3 CEO/ MD

8.3.1. The Chair of the Board has the following responsibilities;

(a) recommend to the Board for review and approval of the Company's strategy and strategic framework;

(b) recommend to the Board for review and approval of the annual budget including the setting of key objectives and deliverables consistent with the agreed strategy;

(c) recruit and develop appropriately skilled senior management to execute the plans of the Company;

(d) manage the Company in accordance with the directions and delegations of the Board;

(e) report to the Board in a timely fashion all matters concerning the operations of the Company and the Company's employees;

(f) coordinate the roles and responsibilities of the senior management and employees of the Company to achieve the goals set by the Board;

(g) carry out the day-to-day management of the Company;

(h) in consultation with the Company's senior management and employees, establish and implement management policies and procedures to:

(ii) achieve the financial and operational goals set by the Board;

(iii) build and maintain employee satisfaction and well-being;

(iv) build and maintain a staff identity and loyalty to the Company; and

(v) ensure a safe workplace for all employees.

8.4 Company Secretary

8.4.1. The Board will appoint at least one company secretary who is accountable to the Board on all matters to do with the proper functioning of the Board ("Company Secretary").

8.4.2. The Company Secretary must reside in Australia.

8.4.3. The duties of the Company Secretary are to:

(a) assist the Chair with the organisation of Board meetings;

(b) ensure that new directors are properly inducted and introduced to the business of the Company;

(c) ensure that directors receive all information which is necessary for the proper performance of their duties on a timely basis and ensure that such information is current, accurate, and relevant;

(d) ensure adequate time in Board meetings is allotted for consultation and decision-making by the Board;

(e) advising the Board, through the Chair, on corporate governance matters and improvements;

(f) the accurate reporting of the business of the Board, including the timely dispatch of Board agendas and briefing papers and the accurate recording and timely dispatch of the minutes of the Board;

(g) monitoring compliance with ASX Listing Rules, the Corporations Act, and laws where applicable to the Company;

(h) in conjunction with the Chair, determine whether information conveyed to the Company Secretary should be disclosed to the ASX, and liaising with the ASX in respect of Company announcements and statutory fillings.

8.5 Alternate Director

8.5.1. A director can appoint someone else to act as an 'alternate director' for a set period, in accordance with the Company's Constitution.

9. BOARD MEETING PROCESS

9.1 Board Meetings

9.1.1. Subject to the Act, a quorum for meetings of Directors may be fixed by the Directors and, unless so fixed, is two.

9.1.2. The Board will meet no fewer than six (6) times each financial year and may meet as often as required to fulfil their duties.

9.1.3. Board papers are to be provided to all proposed attendees of Board meetings no fewer than three days before the date of each Board meeting.

9.1.4. Minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chair and circulated to the directors after each meeting.

9.1.5. Minutes of meetings must be approved at the next Board meeting.

9.2 Conflicts of Interest

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

9.2.2. Directors must take all necessary and reasonable steps to avoid conflicts of interests as described in the Company's Code of Conduct.

9.2.3. At the commencement of each meeting, each director must disclose any actual or potential conflicts of interest. Ongoing conflicts of interest need not be disclosed at each meeting once acknowledged.

9.2.4. Where members are deemed to have a real or perceived conflict of interest, they will be excused from discussion on the issue where a conflict may exist.

9.2.5. Any action permitted to be taken at any meeting of the Board may be taken without a meeting, if a written consent thereto is signed by all directors entitled to vote on the resolution, provided that such written consent shall be filed with the minutes of the proceedings of the Boar

9.2.6. The Company must document all reported conflicts of interest together with the measures taken in this regard.

9.3 Circular Resolutions

9.3.1. The Board may pass resolutions in writing by circulation without holding a Board meeting.

9.3.2. Circulating resolutions may be distributed by electronic means and signed all of the directors for the resolution to be considered valid as if it had been passed at a properly constituted meeting of the Board.

9.3.3. Passing a resolution by circulation is not considered a meeting of the Board.

10. CORPORATE GOVERNANCE POLICIES

10.1 The Board has adopted the policy documents in the interest of best practice in corporate governance and to guide and assist the Company in the pursuit of its values and the achievement of its goals.

10.2 The Board will review the policies and the Committee structure periodically to ensure the Board Committees are the most cost-effective and beneficial corporate structure for the Company which reflect the values of the Company and guide the conduct of the Board consistently with those goals.

10.3 The Company will disclose its policies and practices regarding the remuneration of directors and senior management through its annual report.

11. INDEPENDENT PROFESSIONAL ADVICE

11.1. The Board, collectively and independently, are entitled to seek independent professional advice at the Company's expense to assist in their carrying out the functions and responsibilities as set out in this Charter or as regulated by applicable legislation, regulation or common law.

11.2. The Chair must approve the engagement of professional advisors acting in the best interests of the Company. If the Chair refuses approval of the engagement of professional advisors, the matter may be referred to the Board.

12. PERFORMANCE EVALUATION

12.1. The Board shall develop and disclose a process for annually evaluating the performance of the Board, its committees and individual Directors, and disclose, in relation to each reporting period, whether a performance evaluation was undertaken during that reporting period.

12.2. The Board shall monitor and evaluate the performance of the CEO and senior management in achieving the strategies and budgets set by the Board, and, where appropriate, may seek advice from the Remuneration and Nomination Committee.

12.3. The Board shall approve non-executive director remuneration, CEO/ Managing Director and senior management remuneration and any incentive or employee equity plans.

13. CORPORATE GOVERNANCE

13.1. The Board shall encourage ethical behaviour and compliance with the Company's policies and procedures, including the Company's **Securities Trading Policy**, **Continuous Disclosure Policy** and **Code of Conduct.**

13.2. The Board shall review the Company's compliance with corporate governance standards annually as reported under the Corporate Governance Statement

14. DIVERSITY

14.1. The Board shall approve the Company's **Diversity Policy** and annual measurable objectives to encourage diversity (including, but not limited to, gender diversity) across the Company.

14.2. The Board shall **annually** review the Company's progress in achieving the measurable objectives set out in the Company's Diversity Policy.

15. DIRECTORS' CONDUCT

15.1. In undertaking the responsibilities described in this Charter, the Board shall endeavour to create further value for shareholders, and in accordance with the obligations imposed upon it by law and with the Constitution.

15.2. The Directors of the Company are bound by the Company's **Code of Conduct**.

16. DIRECTOR DEVELOPMENT

16.1. The Company is committed to continuing professional development of its directors and senior management. In line with this commitment, there is an expectation all directors and senior management will commit to professional development each year when an appropriate time arises and on the basis, the professional development is of value, both financially and in terms of the content being delivered.

16.2. The Board will allocate an appropriate budget for this purpose to encourage Directors to participate in training and development programs. Any Director wishing to undertake either specific directorial training or personal development courses is expected to approach the Chair for approval of the proposed course. Development may be in both governance and governance processes or in the Company's industry.

16.3. The Chair will endeavour to evaluate director performance against criteria set by the Chair (with input from the Remuneration and Nomination Committee) annually. This performance criteria (as amended from time to time) is to be provided to Directors periodically.

16.4. The Company Secretary is responsible for implementing the director development initiative adopted by the Company.

17. DIRECTOR INDUCTION

17.1. New directors will undergo an induction process in which they will be given a full briefing on the Company, including meeting with key executives, tours of the premises (where applicable), an induction package and presentations. 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 key relevant legal requirements including:

(i) Corporations Act;

(ii) Tax Office requirements; and

(iii) other relevant, major statutory bodies;

(d) a copy of this Charter;

(e) guidelines on how the Board processes function;

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

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

(h) a current industry, business, financial and risk overview of the Company;

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

(j) a copy of the Director performance evaluation criteria;

(k) a copy of the Constitution; and

(l) Directors' Deed of Indemnity and Right of Access to Documents.

17.2. The Company Secretary is responsible for facilitating the induction of new directors.

18. INDEPENDENT ADVICE

18.1. Any Director is entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of his or her responsibilities, provided the Director:

(a) first provides the Chair with details of the nature of and reasons for the professional advice sought, the likely cost of seeking such independent professional advice and the details of the independent adviser he or she proposes to instruct;

(b) the Chair must approve the independent adviser nominated by the Director;

(c) the Chair may prescribe a reasonable limit on the amount that the Company shall contribute towards the cost of obtaining the advice; and

(d) all documentation containing or seeking independent professional advice must clearly state the advice is sought in relation to the Company and/or the Director in his or her capacity as a Director of the Company.

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

19. CHARTER REVIEW

19.1. Any changes to the Charter require approval of the Board.

19.2. The Board will review the effectiveness of the Charter at least once every two years.

19.3. The amendment or revocation of this Charter may only be effected by a resolution of the Board.

19.4. The Charter will be available on the Company's website within a reasonable time after any such updates or amendments have been approved.

20. DOCUMENT VERSION CONTROL

Policy Status:	Adoption	26 January 2019
	Version	V1.0 Approved on 26/01/2019 V1.2 Updated on 1/03/2021 V2.0 Updated on 24 July 2024
Endorsement Body:	EQ Resources Board	
Approval Body:	EQ Resources Board	
Maintained by:	Company Secretary	