

## **BOARD CHARTER**

The Board of Directors of FMR Resources Ltd (“Company”) has adopted a Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged, adopting principles of good governance practice that accord with applicable laws in the jurisdictions in which the Company operates, including as a result of being a public Australian company listed on the Australian Securities Exchange (“ASX”).

### **1. BOARD COMPOSITION**

#### **1. Board composition and size**

- a. Directors are appointed by the Board and elected or re-elected by the shareholders. Non-executives Directors are engaged through a letter of appointment (or similar documentation, as approved by the Board).
- b. The Directors will determine the Board size and composition, subject to the limits set out in the Company’s Constitution.
- c. The Board will periodically review the mix of skills and diversity represented by Directors and determine whether that mix remains appropriate.

#### **2. Independent Directors**

- a. Where practicable, a majority of the Board shall be independent Directors.
- b. In assessing independence, the Board will have regard to the factors set out in the criteria for independence set out in Schedule 1.
- c. The independence of Directors will be assessed annually or as soon as practicable after there is a change in circumstances in respect of a Director which may affect their independence.

#### **3. Chairperson**

- a. Where practicable, the Board will elect one of the independent, non-executive Directors to the office of chairperson.
- b. The chairperson should not exercise the role of the Chief Executive Officer of the Company.
- c. The Board will develop a succession plan for the office of chairperson and will periodically review and update the plan.
- d. The Board will, if practicable, identify an independent non-executive Director to act as an alternate chairperson if the chairperson is unable to perform their role for any reason.

## **Role and responsibilities of the Board**

The Board has ultimate responsibility to set policy regarding the business and affairs of the Company and its subsidiaries for the benefit of its shareholders and other stakeholders and is accountable to shareholders for the performance of the FMR Resources companies.

The principal responsibilities of the Board as a collective body are:

- To enhance shareholder value;
- To approve the Company's statement of values and code of conduct to underpin a culture of acting lawfully, ethically and responsibly;
- To define the Company's purpose and setting its strategic objectives;
- To review and approve the strategic direction of the company, as detailed from time to time in the long term corporate strategy and the annual business plan, which should be prepared in accord with the approved strategy and should include achievable and measurable targets and milestones;
- To monitor senior management's performance and implementation of strategy and to ensure that appropriate resources are available;
- To review and approve budgets and strategic operational targets and review performance against them, initiating corrective action where required;
- To establish and approve appropriate policies on key issues including risk management, external and internal compliance and control and codes of conduct, to review these policies as appropriate and to monitor adherence;
- To appoint and, when required, remove the Chief Executive Officer (CEO) and evaluate the CEO's ongoing performance against predetermined criteria;
- To appoint and, when required, remove the Chief Financial Officer (CFO) and Company Secretary;
- To review and approve the Company's remuneration policies in order to ensure that executive remuneration is fair and reasonable and that its relationship to corporate and individual performance is well defined and appropriately balances the interests of shareholders and management;
- To review and approve the total emoluments of the CEO and direct reports;
- To review and approve succession plans for the CEO and direct reports;
- To review the structure and composition of the Board and Board Committees to ensure that the Board adds value and is of a size and composition to adequately discharge its responsibilities;
- To judiciously test management assertions by questioning and challenging them when appropriate and to require the Board be kept fully informed of operational and financial performance and strategic initiatives;
- To implement an appropriate framework for relevant information to be reported by management to the Board, and whenever required, challenging management and holding it to account;
- To review and ratify systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- To recommend the appointment of auditors to the members of the Company and to oversee the audit process and review audit reports; and
- To require and monitor systems for keeping key stakeholders informed in a timely and meaningful fashion, including financial reporting.

## **Delegation of Authority**

### *Delegation to Management*

The Board has ultimate responsibility for the strategic direction and control of the Company. The Board delegates management of the Company's resources to the executive management team (EXCO) under the leadership of the CEO to deliver the strategic direction and goals determined by the Board.

The CEO is responsible to the Board for the leadership, management and performance of the Company. CEO's Responsibilities include:

- Taking and approving all and any actions and initiatives required to deliver the Company's strategy, mission, vision and operating plans as approved by the Board;
- Ensuring all risks are identified and managed and that there is a robust internal control system in place which ensure compliance with all relevant obligations of the Company set by authorities;
- Maintaining, and developing as required, an effective management team, including ensuring the existence of viable succession plans;
- Ensuring that the Board is fully informed of the performance of the Company and any other significant matters;
- Managing expenditures within approved authorities and budgets;
- Ensuring that all actions comply with the Company's policies and standards in force from time to time; and
- Other responsibilities as delegated from time to time by the Board.

The Chairperson's role and responsibilities are to:

- ensure the efficient organisation and conduct of the Board's functions;
- facilitate the effective contribution of all Directors;
- promote constructive and respectful relations between Board members and between the Board and management;
- be responsible for ensuring that the principles and processes of the Board are maintained;
- review the agenda for each meeting prepared by the Company Secretary or the Chief Executive Officer (any Director may request that an item be added to the agenda);
- report to the Board and committees of the Board as appropriate on decisions and actions taken between meetings of the Board; and
- chair annual, general and extraordinary meetings of the Company's shareholders.

The Chairperson has authority to act and speak for the Board between its meetings, including engaging with the Chief Executive Officer.

The Company may use external suppliers to undertake appropriate checks on any potential Director or senior executive appointments. Under the Company's Constitution, all Directors appointed throughout the year as an additional Director or to fill a casual vacancy, hold office until conclusion of the next Annual General Meeting ("AGM").

All Directors, whether appointed throughout the year as an additional Director or to fill a casual vacancy or who are due for election under the ASX Listing Rules, are disclosed in the Notice of AGM, with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

On appointment, Directors are provided with a formal letter of appointment and executive management with written employment agreements incorporating job descriptions (where relevant). Directors may, with the consent of the Chairperson, seek independent professional advice at the expense of the Company on any matter connected with the discharge of their responsibilities. A copy of any advice so received will be made available to all Directors.

The Company Secretary is appointed by and is responsible to the Board through the Chair, on all matters to do with the proper functioning of the board. The roles and responsibilities of the Company Secretary are to:

- a) advise the Board and its committees on governance matters;
- b) monitor that Board and committee policies and procedures are followed;
- c) coordinate the timely completion and dispatch of Board and committee papers;
- d) ensure that business at Board and committee meetings is accurately captured in the minutes;
- e) if requested by the board, facilitate the induction and professional development (if applicable) of Directors; and
- f) communicate with regulatory bodies and the Australian Securities Exchange and attend to all statutory and other filings.

The Company Secretary's advice and services shall be available to all Directors and committees of the Board.

## **2. CONDUCT OF DIRECTORS**

### **1. Duties**

Each Director must have regard to their general law and statutory duties, which require, among other things, that each Director:

- a. exercises due care and diligence;
- b. exercises their power and discharges their duties in good faith in the best interests of the Company;
- c. not improperly use his or her position or misuse information of the Company; and
- d. commits the time necessary to discharge effectively his or her role as a Director.

Directors commit to the collective, group decision-making processes of the Board. Directors will debate issues openly, constructively and respectfully, and will be free to question or challenge the opinions presented at meetings where their own judgement differs from that of other Directors.

All Directors are expected to utilise their range of relevant skills, knowledge and experience for all matters discussed at Board meetings.

Directors will use all reasonable endeavours to attend Board meetings in person. Members unable to attend a meeting must advise the Chairperson and Company Secretary.

## **2. Conflict of interest and conflict of duty**

If a Director has a material personal interest in a matter that relates to the affairs of the Company, or a situation has arisen where the Director's duty to the Company conflicts with a duty to another person, the Director must:

- a. act in accordance with the Company's Constitution, any applicable policy of the Company and any applicable law; and
- b. abstain from voting or taking part in any discussion concerning the matter or at a Directors' meeting where that matter is being considered.

Where necessary, the Company Secretary will implement appropriate procedures designed to ensure that the interests of the Company are protected and the Director acts in accordance with his or her legal obligations.

## **3. BOARD MEETINGS**

### **1. Conduct of meetings**

- a. All Board meetings must be conducted in accordance with the Company's Constitution.
- b. Any Director may convene a meeting of the Board by contacting the Chairperson or the Company Secretary.
- c. The Company Secretary must distribute the agenda and any Board papers to the Directors prior to each Board meeting to enable them to read the papers and properly prepare for the Board meeting.
- d. Any Director may request that an item be added to the agenda for a Board meeting.
- e. The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable.
- f. Non-executive Directors will periodically meet without executive Directors or executive management present.
- g. Where deemed appropriate by the Board, meetings and subsequent approvals and recommendations may occur by written resolution or conference call or other electronic means of audio or audio-visual communication.

### **2. Minutes**

- a. The Company Secretary must prepare draft minutes of each Board meeting and promptly provide them to the Chief Executive Officer for review after each Board meeting.

- b. Once the draft minutes have been reviewed by the Chief Executive Officer and circulated to the Board, the draft minutes must be tabled at the next Board meeting for final review and approval.

#### **4. BOARD COMMITTEES**

- a. The Board will establish committees (including ad hoc committees) to assist the Board in the exercise of its authority.
- b. The committees will have access to sufficient resources to carry out their activities effectively.
- c. Each committee will have their own charters setting out the membership, responsibilities and the authority delegated by the Board to the committee.
- d. Committees will maintain minutes of their meetings and the Chairperson of each committee will report back on committee meetings to the Board at the next full Board meeting.
- e. The permanent committees of the Board are the [Audit and Risk Committee] and the [Remuneration and Nominations Committee].

#### **5. INDUCTION AND TRAINING**

New Directors will be provided with an induction programme to assist them in becoming familiar with the Company, its managers and its business following their appointment. Directors may, with the approval of the Chairperson, undertake appropriate professional development opportunities (at the expense of the Company) to maintain their skills and knowledge needed to perform their role.

#### **6. INDEPENDENT ADVICE**

Directors may, with the consent of the Chairperson, seek independent professional advice at the expense of the Company on any matter connected with the discharge of their responsibilities. A copy of any advice so received will be made available to all Directors.

#### **7. SUBSIDIARY COMPANIES' GOVERNANCE**

Subsidiary companies' governance will generally be in accordance with the constitutions of the subsidiaries, applicable local laws and Company's Boards of Subsidiaries policy (to be determined by the Board).

#### **8. PERIODIC EVALUATION**

The Board will annually evaluate the performance of:

- a. the Board;

- b. each Director;
- c. each Board Committee; and
- d. senior management.

Evaluations will be undertaken against a set criterion and where appropriate seek to identify areas where performance could be improved. Where the Board considers it appropriate, third party advisers may be engaged to provide assistance.

The Board will disclose in the Company's annual reporting documentation whether a performance evaluation has been undertaken during the relevant reporting period.

## **9. REVIEW OF CHARTER**

The Board Charter will be reviewed periodically and updated as required to ensure it remains consistent with the Board's objectives and developments in current law and practice. The latest version of this Charter can be found on the Company's website or obtained from the Company Secretary.

## **SCHEDULE 1 - GUIDELINES OF THE BOARD OF DIRECTORS – INDEPENDENCE OF DIRECTORS**

Section 2.2 of the Board Charter refers to the ‘independence’ of Directors.

Without limiting the Board’s discretion, the Board has adopted the following guidelines to assist in considering the independence of Directors.

The Board considers an independent Director to be a non-executive Director who is free of any interest, position, association 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.

Examples of interests, positions and relationships that might raise issues about the independence of a Director of the Company include if the Director:

- a. is, or has been, employed in an executive capacity by the Company or any of its subsidiaries 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 (e.g. as a supplier, professional adviser, consultant or customer) with the Company or any its subsidiaries, 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 fall within any of the categories described at paragraphs (a) to (d) above; or
- f. has been a Director of the Company for such a period that their independence from management and substantial holders may have been compromised.

### **Materiality thresholds**

The Board will consider thresholds of materiality for the purposes of determining ‘independence’ on a case by case basis, having regard to both quantitative and qualitative principles. Without limiting the Board’s discretion in this regard, the Board has adopted the following guidelines:

- a. The Board will determine the appropriate base to apply (eg revenue, equity or expenses), in the context of each situation.
- b. In general, the Board will consider a holding of 5% or more of the Company’s shares to be material.
- c. In general, the Board will consider an affiliation with a business which accounts for less than 5% of the relevant base to be immaterial for the purposes of determining independence. However,



where this threshold is exceeded, the materiality of the particular circumstance with respect to the independence of the particular Director should be reviewed by the Board.

- d. Overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the Director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the Director's ability to act in the best interests of the Company.