

Board Charter

Stanmore Resources Limited

1. PURPOSE

- (a) This Board Charter (**Charter**) sets out the principal role, responsibilities, structure and processes of the board of Directors (**Board**) of Stanmore Resources Limited (**Company**¹).
- (b) The Board is constituted and empowered pursuant to the Company's constitution (**Constitution**) and the *Corporations Act 2001* (Cth) (**Act**).
- (c) In carrying out its responsibilities and exercising its powers, the Board at all times recognises its overriding responsibility to act honestly, ethically, diligently and in accordance with the law in serving the interests of the shareholders of the Company, as well as its employees, customers, and the local communities where it operates.

2. ROLE AND RESPONSIBILITIES OF THE BOARD

- (a) Generally, the powers and obligations of the Board are governed by the Constitution, the Act and common law.
- (b) Without limiting those matters, the Board expressly considers itself responsible for the following:
 - (i) providing leadership and setting strategic objectives for the Company;
 - (ii) monitoring and ensuring compliance with the Act, ASX Listing Rules (where applicable) and all relevant laws;
 - (iii) developing, implementing and monitoring operational and financial targets for the Company and the framework within which management must operate;
 - (iv) appointing the Chairperson and members of executive management, including but not limited to the Chief Executive Officer and Company Secretary;
 - (v) ensuring appropriate financial, tax and risk management controls are implemented;
 - (vi) approving and monitoring financial and other reporting;
 - (vii) setting risk tolerance levels within which management is expected to operate;
 - (viii) reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance;
 - (ix) approving the Company's remuneration framework and setting, monitoring and ensuring appropriate accountability for Directors' and executive officers' remuneration;
 - (x) establishing and maintaining communications and relations between the Company and third parties, including its shareholders and ASX;
 - (xi) overseeing the Company's processes for making timely and balanced disclosure of all

¹ In this document, unless the context indicates otherwise, references to "Company" mean a reference to Stanmore Resources Limited and its controlled entities as a whole.

material information in compliance with the Company's continuous disclosure and periodic and specific reporting obligations;

- (xii) implementing appropriate strategies to monitor performance of the Board in implementing its functions and powers;
- (xiii) providing input into and final approval of management's development of corporate strategy and performance objectives;
- (xiv) monitoring management's performance and implementation of strategy;
- (xv) ensuring appropriate resources are available to management;
- (xvi) approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- (xvii) approving the annual budget;
- (xviii) monitoring the financial performance of the Company, including under management's direction, and liaising with the Company's external auditors;
- (xix) overseeing the Company's accounting and corporate reporting systems, including the external audit;
- (xx) monitoring the Company's compliance with its legal obligations, including with respect to corporate governance, and the effectiveness of its corporate governance practices; and
- (xxi) appointing and overseeing committees where appropriate to assist in the performance of the above functions and use of powers.

Selection of external auditor by the Board:

- (c) The Board is responsible for approving the appointment of the external auditor, having regard to the recommendation of the Audit and Risk Management Committee. Any appointment made by the Board must be ratified by shareholders at the next Annual General Meeting of the Company.
- (d) Candidates for the position of external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period, and the successful candidate must have arrangements in place for the rotation of the audit engagement partner on a regular basis (**Mandatory Criteria**).
- (e) Save for the Mandatory Criteria, the Board may select an external auditor based on criteria relevant to the business of the Company such as experience in the industry in which the Company operates, references, cost and any other matters deemed relevant by the Board, having regard to the recommendation of the Audit and Risk Management Committee.

3. ROLE OF MANAGEMENT

- (a) The Board has delegated to management, to be led and overseen by the Chief Executive Officer, authority for the overall operational and business management and profit performance of the Company. Management is also responsible for managing the Company in accordance with the strategy, plans and policies approved by the Board to achieve objectives agreed by the Board.
- (b) Members of management who report to the Chief Executive Officer have their roles and responsibilities defined in their respective position descriptions.

- (c) The Board may impose specific limits on the delegations to the Chief Executive Officer. These delegations of authority will be maintained by the Company Secretary and will be reviewed by the Board as appropriate from time to time.
- (d) The Chief Executive Officer's main responsibilities include but are not limited to:
 - (i) running the day-to-day affairs of the Company under delegated authority from the Board;
 - (ii) implementing the policies and strategies set by the Board;
 - (iii) ensuring all reports to the Board present a true and fair view of the Company's financial position and operating results;
 - (iv) confirming to the Board that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained in accordance with the Act and in accordance with relevant accounting standards, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively;
 - (v) developing the vision, strategies, business plans and budgets for the Company, and, to the extent approved by the Board, implementing this vision and these plans, budgets and strategies;
 - (vi) operating the Company's businesses within the parameters and having regard to the policies set by the Board from time to time, and keeping the Board informed of material developments in relation to those businesses;
 - (vii) identifying material business risks, formulating strategies in conjunction with the Board or the Audit and Risk Management Committee to manage the risks, and monitoring effectiveness of the management process and reporting to the Board and Audit and Risk Management Committee;
 - (viii) developing and managing the Group's annual budget and conducting the Group's activities in accordance with that budget;
 - (ix) developing and maintaining the Group's risk management systems, including, without limitation, internal compliance and control mechanisms;
 - (x) ensuring compliance with the Company's continuous disclosure obligations in accordance with the Company's Continuous Disclosure Policy;
 - (xi) recommending to the Board significant operational changes, major capital and operational expenditures, and investments and divestments which are beyond delegated authority;
 - (xii) assigning responsibilities to executive management and supervising and reporting on their performance to the Board; and
 - (xiii) reporting to the Board in a timely manner so as to ensure the Board is fully formed and can discharge its duties effectively.

4. BOARD COMPOSITION

Structure:

- (a) Appointments to the Board are based on merit against objective criteria that serve to maintain an appropriate balance of skills and experience on the Board.
- (b) The structure of the Board is determined in accordance with the following principles:
 - (i) so far as is practicable given the size and relative shareholding of the Company, some of the Board being independent Directors;
 - (ii) so far as is practicable given the size of the Company, a Chairperson who is not the Chief Executive Officer; and
 - (iii) to have at least three Directors.
- (c) In an effort to ensure that the Board comprises members with a broad range of experience, expertise and skills relevant to the Company, the Board must maintain a skills matrix which identifies the current skills, knowledge, experience, expertise and diversity of the Board and those the Company seeks to achieve across the composition of the Board.

Formality of Appointment:

- (d) The Company shall have a written agreement with each Director and member of executive management setting out the terms of their appointment. The agreement should be with the Director or member of executive management personally unless the Company is engaging a bona fide professional services firm.

Independence:

- (e) The Board will receive recommendations from the Remuneration and Nominations Committee as to the independence of each director.
- (f) In general, a Director will be considered to be 'independent' if the Director is a non-executive Director who is not a member of management and who is free of any interest, position, association or other relationship that might influence, or could 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 shareholders, and who:
 - (i) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
 - (ii) is not employed, or has not previously been employed in an executive capacity by the Company unless there has been a period of at least three years between ceasing such employment and serving on the Board;
 - (iii) within the last three years has not been a principal (or equivalent) of a provider of material professional services to the Company, or an employee materially associated with the service provided;
 - (iv) has not within the last three years had a material business relationship (i.e. as a material supplier or customer) with the Company, or an officer of or otherwise associated directly or indirectly with someone with such a relationship;
 - (v) has no material contractual relationship with the Company other than as a Director of the Company;

- (vi) has no close personal ties with any person who falls within any of the categories described above; and
- (vii) has not been a Director for such a period that his or her independence may have been compromised.
- (g) The independence of the Directors will be regularly reviewed (at least annually) and the status of independent Directors will be disclosed, together with the length of service of each Director, in the Company's Annual Report or on the Company's website. All assessments as to whether a director is independent are made by the other members of the Board.
- (h) The Board will consider the materiality of the Directors' interests, position or relationship for the purposes of determining 'independence' on a case by case basis, having regard to both quantitative and qualitative principles.
- (i) Directors must avoid situations where their interests and the interests of the Company conflict.
- (j) Each non-executive Director will inform the Board or the Remuneration and Nominations Committee of any change to their interests, positions, associations or relationships that could affect their independence.
- (k) Any change to a Director's status as an independent Director will be disclosed and explained to the market in a timely manner. Any decision by the Board not to change a Director's status as an independent Director despite the Director having an interest, position, association or relationship of the type described in this Charter will be disclosed and explained in the Company's Annual Report or on the Company's website.

Term:

- (l) A Director will not hold office for a period of more than 10 years unless approval of any additional term is given by the Board.

5. BOARD MEETINGS

- (a) The Board will meet a minimum of four (4) times a year, with additional meetings as required to fulfil their duties and responsibilities. Any Director is able to convene a meeting of the Board by contacting the Chairperson or the Company Secretary.
- (b) The Constitution governs the regulation of Board meetings and proceedings.
- (c) The Chairperson and the Company Secretary will co-ordinate the Board agenda.
- (d) Board papers should be distributed by the Company Secretary at least five (5) days prior to each Board meeting.
- (e) Where deemed appropriate by Directors, meetings and subsequent approvals and recommendations may occur by written resolution or conference call or other electronic means of audio or audio-visual communication.

6. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

- (a) Subject to section 7(b), the Board and each Director may seek independent professional advice (including legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of their responsibilities as Directors.
- (b) Directors must seek the prior written consent of the Chairperson before seeking professional advice and if the relevant Director is the Chairperson, the chairperson of the Audit and Risk

Management Committee, setting out the relevant details of the matter, likely cost and proposed adviser.

- (c) Each Director has a right of access to all relevant Company information and to executive management.

7. THE CHAIRPERSON

- (a) The Board must appoint a Chairperson in accordance with the Constitution. The role of Chairperson should not be performed by someone who is performing the role of Chief Executive Officer.
- (b) The Chairperson is considered the “lead” Director and utilises his/her experience, skills, and leadership abilities to facilitate the governance processes. The Chairperson is responsible for:
 - (i) leadership of the Board;
 - (ii) facilitating the effective contribution of all Directors and promoting constructive and respectful relations between Directors and between the Board and management;
 - (iii) setting the agenda for Board meetings and ensuring the efficient organisation and conduct of the Board's function;
 - (iv) briefing of all Directors in relation to issues arising at Board meetings;
 - (v) overseeing shareholder communication; and
 - (vi) arranging Board performance evaluation.

8. COMPANY SECRETARY

- (a) The Company Secretary is accountable to the Board, through the Chairperson, on all governance matters. The responsibilities of the Company Secretary include but are not limited to:
 - (i) organising Board meetings and Director attendance;
 - (ii) monitoring compliance with Board policy and procedures;
 - (iii) coordinating the completion and dispatch of the Board agenda and briefing materials;
 - (iv) preparing minutes of meetings and resolutions of the Board and taking these to the Chairperson for approval and circulation;
 - (v) circulating minutes from Committee meetings to the Board; and
 - (vi) ensuring the Company's compliance with its requirements under the Act, ASX Listing Rules, and annual returns and notices to be lodged with ASIC.

9. EDUCATION AND DEVELOPMENT

- (a) Each new Director will, upon appointment, participate in an induction program. This will include meeting with members of the existing Board, Company Secretary, management and other relevant executives to familiarise themselves with the Company, its procedures and prudential requirements, and Board practices and procedures.
- (b) On an ongoing basis, and subject to approval of the Chairperson, Directors may request and undertake training and professional development, as appropriate, at the Company's expense.

10. PERFORMANCE EVALUATION

- (a) The Chairperson is responsible for ensuring that an annual performance evaluation is undertaken.
- (b) The evaluation will assess the performance and professional development needs of the Board as a group, its committees and its individual Directors. The performance evaluation will be conducted in such a manner as the Board deems appropriate. No Director will be involved in or responsible for their own performance evaluation.
- (c) All Directors seeking re-election at an Annual General Meeting will be subject to a formal performance appraisal to determine whether the Board (in the absence of those Directors seeking re-election) should recommend their re-election to shareholders.
- (d) The performance of the Chairperson is to be assessed annually and for each reporting period by the non-executive Directors.
- (e) The Board will disclose each year in the Company's Annual Report or on the Company's website whether a performance evaluation of the Board, its committees and its Directors was undertaken in accordance with the above process.

11. COMMITTEES

- (a) The Board may from time to time establish committees to assist it in carrying out its responsibilities, and approve charters setting out matters relevant to the composition, responsibilities and administration of such committees.
- (b) The Company has established the following committees for this purpose:
 - (i) Audit and Risk Management Committee;
 - (ii) Remuneration and Nominations Committee;
 - (iii) Health and Safety Committee;
 - (iv) Disclosure Committee; and
 - (v) Sustainability Committee.
- (c) A separate charter has been adopted for each of these committees, setting out the composition, duties and responsibilities of the committee members.

12. INTERACTION WITH CONSTITUTION

This Charter explains and interprets some of the requirements of the Constitution, but the Constitution prevails to the extent of any inconsistency between this Charter and the Constitution.