



# Board Charter

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**Sierra Rutile Holdings Limited**

**ACN 613 822 165**

Adopted by the Board with effect from 27 July 2022

# 1 Introduction

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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 Sierra Rutile Holdings Limited (the **Company**), as well as its employees, its customers, and the local communities where it operates.

## 2 Board composition

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### 2.1 Board Membership

- (a) Appointments to the Board are based on objective criteria that serve to maintain an appropriate balance of skills and experience on the Board.
- (b) It is intended that the Board comprise a majority of independent non-executive directors and comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.
- (c) The Board will review the mix of skills, experience, independence, knowledge and diversity represented by Directors on the Board and determine whether the composition and mix remain appropriate for the Company's purpose and strategic objectives and whether they cover the skills needed to address existing and emerging business and governance issues relevant to the Company.

### 2.2 Independence and Interests

- (a) The Board regularly reviews the independence of each non-executive director in light of information relevant to this assessment as disclosed by each non-executive director to the Board and the associated disclosures.
- (b) The Board has adopted the definition of independence set out in the commentary to Recommendation 2.3 and the independence criteria set out in Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations (4<sup>th</sup> edition).
- (c) 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.
- (d) Directors must avoid situations where their interests and the interests of the Company conflict, and for this purpose, must adhere to the Director Conflicts of Interest Policy attached to this Charter.

### 2.3 Appointment

- (a) Non-executive directors are engaged through a letter of appointment that sets out the key terms and conditions related to their appointment.
- (b) New directors will be provided with an induction program which provides them with an understanding of the current business including its people.

### 2.4 Term of Office

- (a) The preferred limit on service by a director is 10 years, unless otherwise requested by the Board to continue.

- (b) A director's term of office will, at all times, be subject to their election and re-election by shareholders as and when required by the Constitution, applicable law or ASX Listing Rules.

### 3 Role and Responsibilities

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The primary purpose of the Board is to ensure sound and prudent management of the Company, provide leadership and strategic guidance, and delivery of the Company's purpose.

- (a) The Board's role is to:
- (1) represent and serve the interests of shareholders by overseeing the Company's strategies, policies and performance;
  - (2) set, review and monitor compliance with the Company's culture, values and governance framework; and
  - (3) keep shareholders informed of the Company's performance and major developments affecting its state of affairs.
- (b) The responsibilities of the Board include:
- (1) demonstrating leadership;
  - (2) approving the strategic plan and financial and non-financial objectives of the Company;
  - (3) reviewing and approving business plans and budgets;
  - (4) monitoring corporate performance;
  - (5) overseeing management's implementation of the Company's strategic objectives and achievement of financial objectives;
  - (6) approving the Company's purpose, values and Code of Conduct, and monitoring and guiding the culture, reputation and standards of conduct of the Company;
  - (7) overseeing management in instilling the Company's values;
  - (8) approving the risk appetite within which the Board expects management to operate having regard to key risk areas and the consequences of major risk events;
  - (9) approving the Company's risk management framework for both financial and non-financial risks (or any material changes to the framework);
  - (10) considering and approving investment proposals including reviewing the Company's investment strategy, performance and outlook, assessing and managing material risks associated with investments;
  - (11) monitoring the performance of the Managing Director and Chief Executive Officer (CEO) and senior management and holding them accountable for the Company's performance;
  - (12) approving the appointment, remuneration, terms of employment and other benefits of the CEO, or the removal of the CEO;
  - (13) appointing non-executive directors and the Chair, approving their terms of appointment, remuneration arrangements and other benefits;
  - (14) monitoring the integrity of the Company's financial and other corporate reporting systems, including the external audit;
  - (15) reviewing and approving the Company's Board skills matrix;

- (16) where required, reviewing and approving corporate reporting and any other significant public statements to shareholders and external stakeholders, and overseeing the Company's corporate and financial reporting and disclosure processes;
  - (17) developing and monitoring the effectiveness of the Company's corporate governance principles;
  - (18) overseeing the Company's continuous disclosure process;
  - (19) considering and approving capital management matters including proposed dividends;
  - (20) approving dividend payments;
  - (21) approving Company's management delegations framework and limits;
  - (22) approving, major capital expenditure, major acquisitions and divestitures, and any other matters in excess of the limits set under the Company's management delegations framework; and
  - (23) approving the issue of any new securities in the Company, including the issue of new securities under the Company's executive and employee share plans.
- (c) In performing the responsibilities set out above the Board must act at all times:
- (1) in a manner designed to create and build sustainable value for shareholders; and
  - (2) in accordance with the duties and obligations imposed upon it by the Company's Constitution and by law.

## 4 Delegation of Duties and Powers

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### 4.1 Board Committees

- (a) The Board from time to time establishes committees to assist it in carrying out its responsibilities, and adopts charters setting out matters relevant to the composition, responsibilities and administration of such committees.
- (b) The Board has established the following standing committees:
  - (1) Audit and Risk Committee;
  - (2) People and Performance Committee;
  - (3) Sustainability and Social Accountability Committee; and
  - (4) Nominations and Governance Committee.
- (c) The Board may also delegate specific responsibilities to ad hoc committees or working groups from time to time.

### 4.2 Delegation to Senior Executives

- (a) While the Board retains ultimate responsibility for the strategy and performance of the Company, the day-to-day management of the Company and its operations is conducted by, or under the supervision of, the CEO as directed by the Board.
- (b) The delegation of authority to the CEO (and the CEO, to the senior executive team) includes responsibility for:
  - (1) developing business plans, budgets and strategies for Board approval and implementing these;

- (2) operating the Company's businesses within the parameters set by the Board from time to time (including the management delegations framework and limits), and keeping the Board informed of material developments in the Company's businesses;
  - (3) referring proposed transactions, commitments or arrangements that require Board approval to the Board for its consideration;
  - (4) identifying and managing material financial, non-financial, operational, health, safety, environment, community and other risks, and formulating strategies for managing these risks;
  - (5) managing the Company's control and monitoring systems;
  - (6) implementing the policies, processes and codes of conduct approved by the Board; and
  - (7) implementing policies, processes and procedures for the management and development of the Company's employees.
- (c) Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.
- (d) The Board is responsible for satisfying itself that the Board reporting framework is appropriate.
- (e) Directors are entitled to request additional information at any time when they consider it appropriate.
- (f) The Board will regularly monitor the performance of the CEO and senior management team and where required, provide feedback to and challenge the CEO and senior executives.

## 5 The Chair

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- (a) The directors will elect one independent non-executive director to be the Chair.
- (b) The Chair represents the Board to the shareholders and communicates the Board's position.
- (c) The Chair is responsible for:
  - (1) leadership of the Board;
  - (2) facilitating effective contribution of all Directors;
  - (3) promoting respectful and constructive communication between Directors and between the Board and management;
  - (4) approving Board agendas and ensuring adequate time is available for discussion of all agenda items; and
  - (5) overseeing that an appropriate level of information is provided to the Board to support its decision-making.

## 6 The Company Secretary

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- (a) The Board will appoint at least one Company Secretary who is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, and all statutory and other filings.

- (b) The Company Secretary is accountable to the Board, through the Chair, on corporate governance matters and all matters to do with the proper functioning of the Board.
- (c) All Directors will have direct access to the Company Secretary.

## 7 Assessment

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- (a) The Board will periodically assess the performance of the Board, standing Board committees (including committee membership) and individual directors.
- (b) The Chair is responsible for ensuring that an annual performance evaluation is undertaken in such a manner as the Board considers appropriate.
- (c) The results of the review of individual directors will be taken into account by the Board in determining whether to recommend in favour of a director's re-election.

## 8 Board process

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### 8.1 Meetings

- (a) The Board is structured to facilitate the discharge of its duties effectively, and will meet sufficiently regularly as required. The Company's Constitution governs the regulation of Board meetings and proceedings.
- (b) Directors will use all reasonable endeavours to attend Board meetings.
- (c) The non-executive directors will periodically meet without management present.

### 8.2 Access to Independent Advice

- (a) Each director may, with the written consent of the Chair, seek independent professional advice at the expense of the Company on any matter connected with the discharge of their responsibilities.
- (b) The policy of the Board is that external advice will be made available to all directors, unless the Chair agrees otherwise.

## 9 Review of Charter

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This Board Charter will be reviewed by the Board periodically and as needed.

# Attachment 1

## Director Conflicts of Interest Policy

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### 1 What is a conflict of interest?

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- (a) Under the *Corporations Act 2001* (Cth) and general law, directors must avoid situations where their interests and the interests of the Company conflict. Common Directors' interests which sometimes give rise to such conflicts include:
- (1) other directorships;
  - (2) potentially conflicting duties owed to other entities;
  - (3) outside investments of directors and their related parties; and
  - (4) outside employment or engagements.
- (b) When determining whether a particular interest, relationship or circumstance constitutes an actual, potential or perceived conflict of interest for a Director, the issue needs to be carefully considered having regard to the specific factual background including the materiality of the interest, relationship or circumstance from the director's and the Company's perspectives.

### 2 Duty to avoid conflicts of interest

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Directors must take all reasonable steps to avoid actual, potential or perceived conflicts of interest.

### 3 Disclosure of interests

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- (a) In the event that a director becomes aware of any current or potential conflicts of interest, the director must immediately notify the Chair or the Company Secretary.
- (b) Directors may choose to submit standing notices of interest to all Board members. Otherwise, they must immediately disclose their interest in a matter being considered by the Board or Committee immediately on becoming aware of it.
- (c) Where the nature or scope of an interest previously disclosed to the Board materially changes, the director is required to provide further disclosure to the Board or Committee (as applicable).

### 4 Board procedures to manage conflicts of interest

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The Board is entitled to make its own assessment as to whether a Director has a conflict of interest concerning a matter under discussion.

Generally speaking, where a director has an actual or potential conflict of interest, or a conflict of interest might reasonably be perceived to exist, they:

- (a) cannot receive the relevant Board or Committee papers if the actual or potential conflict is recognised in advance of the distribution of the papers but may, at the discretion of the other directors, be advised that certain papers have been excluded;
- (b) must absent themselves from the room when the Board or Committee discusses and votes on matters to which the conflict relates unless the other directors resolve the director in question may stay;
- (c) cannot vote on the matter unless the other directors resolve that the director in question can vote;
- (d) cannot have access to minutes of the Board or Committees in relation to the subject of interest; and
- (e) must, if deemed appropriate by the Board or the director, take such other steps as are necessary and reasonable to resolve any conflict of interest within an appropriate period.

## 5 Outside directorships, employment and public office

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- (a) Outside appointments or activity must not conflict with a director's ability to properly perform their duties, nor create an actual, potential or perceived conflict of interest.
- (b) Before accepting outside appointments or a position on the Board of directors of another company or organisation, directors must carefully evaluate whether the position could cause, or appear to cause, a conflict of interest.
- (c) Directors must consult with the Chair or, in the case of the Chair, with the chair of the Audit and Risk Committee, before accepting outside appointments or positions. Where a proposed outside appointment or position may cause, or appear to cause, a conflict of interest, the Chair or chair of the Audit and Risk Committee, as applicable, may escalate the matter to the Board for further consideration.