

## 1 BOARD CHARTER

### PURPOSE

The Board Charter summarises the roles and responsibility of the Eclipse Metals Group Limited Board.

The Board's roles and responsibilities will evolve as the Company moves forward. A regular review of the balance of responsibilities will ensure that the division of the functions remains appropriate to the needs of the Company.

### The Board

#### Composition

The Board of Directors seeks to achieve an appropriate mix of skills, knowledge, experience, expertise and diversity on the Board, necessary to represent Shareholders and protect the interests of Eclipse Metals Limited.

Currently, the Board comprises **4** directors with a range of expertise from industry together with technical experience, finance, accounting, corporate and human resources skills.

The details of all Directors in office at the time of preparing the Charter are detailed below:

Director	Position on the Board	Term in Office	Non-Executive	Independent	Qualifications
<b>Carl POPAL</b>	Executive Chairman	19 March 2013	No	No	Bachelor of Business
<b>Rodney DALE</b>	Non-Executive Director	7 October 2013	Yes	Yes	Fellowship Diploma in Geology Fellow of AusIMM
<b>Ibrar IDREES</b>	Non-Executive Director	29 May 2018	Yes	Yes	Bachelor of Commerce (major in Accounting and Finance)
<b>Pedro KASTELLORIZOS</b>	Non-Executive Director	1 July 2020	Yes	Yes	Bachelor of Science

Please refer to Annexure A on pages 8 and 9 for the Board skills matrix.

#### Board Role and Responsibilities

The primary role of the Eclipse Metals Limited Board is to oversee and manage the Company's business activities for the benefit of its shareholders – aiming for the creation of shareholder value and ensuring shareholder funds are prudently safeguarded.

The key responsibilities of the Board include:

- Approving the Company's strategy, business plans and policies;
- Monitoring the Group's strategic direction and portfolio of activities, and the associated risks;
- Reviewing, approving and monitoring the Group's risk management systems, including internal compliance and control mechanisms;

- Approving the annual report and financial statements (including the directors' report and remuneration report) and any other published reporting, upon recommendation from the Audit and Risk Committee, and in accordance with the Constitution, Corporations Act, ASX Listing Rules and any other applicable regulations;
- Approving and monitoring the progress of major capital expenditure, capital management and capital raising initiatives, and acquisitions and divestments;
- Overseeing the Company's accounting and corporate reporting systems and appointing, re-appointing or removing the Company's external auditors and approving the auditor's remuneration, upon recommendation from the Audit and Risk Committee;
- Approving and monitoring the effectiveness of the Company's system of corporate governance, including formation of Board committees and the terms of applicable governing charters;
- Approving the Company's Code of Conduct, Disclosure Policy and other Group level policies, and monitoring their effectiveness;
- Approving the overall remuneration policy, including non-executive director remuneration, executive director and senior executive remuneration; and any executive incentive plans, upon recommendation from the Remuneration Committee;
- Determining the size, composition and structure of the Board, and the process for evaluating its performance;
- Appointing and removing the Group Managing Director, and approving the remuneration of and overseeing the performance review of the Managing Director;
- Approving and reviewing succession plans for the Managing Director;
- Reviewing annually the Company's diversity initiatives and progress towards their achievement;
- Monitoring the Company's performance in delivering its strategic plans;
- Approving and monitoring the systems and policies to ensure integrity of budgets, financial statements and other reporting;
- Overseeing and approving strategies for the Company to maintain a strong balance sheet and sound credit rating over time;
- Overseeing the management of the Group's interactions and communications with shareholders and the broader community; and
- Reviewing the division of functions and responsibilities between the Board, Managing Director and Management

## Individual Roles

### The Chair

The Chair's primary roles are to chair meetings of the Board and to manage the affairs of the Board, including ensuring the Board is organised properly, functions effectively and meets its obligations and is primarily responsible for the Board's performance. The Chair ensures effective relations are managed and maintained.

The role of the Chair is not to be underestimated, so much so, the appointment is detailed in the Company's Constitution.

The Chair should be a non-executive director who satisfies the Company's criteria for independence. If at any stage the Chair elected is not strictly independent, the Company will elect an independent non-executive director as Deputy Chair to ensure no conflict of interest.

The appointment of the Chair shall be formally reviewed at the end of each three (3) year period.

The following activities fall within the ambit of the Chair's responsibilities:

- Maintain effective communication between the Board and management;
- Ensure the efficient organisation and conduct of the Board's function;
- Brief all directors in relation to issues arising at Board meetings;
- Chair general meetings of the Company; and

- Exercise such specific and express powers as are delegated to the Chair by the Board from time to time.

### **Managing Director**

The running of the day-to-day affairs of the Company under delegated authority of the Board is the responsibility of the Managing Director.

The following activities fall with the ambit of the Managing Director's responsibilities:

- Manage and administer the day-to-day operations of the Company and its businesses in accordance with the strategy, business plans and policies approved by the Board;
- Develop strategies for the Company, its businesses and management, and make recommendations to the Board on such strategies;
- Develop the annual budget and conduct the activities within the approved annual budget;
- Develop strategies for the Company to maintain a strong balance sheet and sound credit rating over time;
- Develop and maintain the Company's risk management systems, including internal compliance and control mechanisms;
- Ensure compliance with the Company's continuous disclosure obligations, in accordance with the role and responsibilities delegated under the Disclosure Policy;
- Assign responsibilities clearly to staff (when applicable), creditors, suppliers and external service providers and report on their performance to the Board;
- Recommend to the Board significant operational changes, and major capital expenditure, acquisitions or divestments, which are beyond delegated thresholds;
- Report regularly to the Board with accurate, timely and clear information, such that the Board is fully informed to discharge its responsibilities effectively;
- Exercise such additional powers as are delegated to the Managing Director by the Board from time to time; and
- Support a culture within the Group that promotes ethical and responsible behaviour

### **Delegated Responsibility**

The Board ensures that all staff are appropriately qualified and experienced to discharge their responsibilities and has in place procedures to ensure that this is achieved.

There is a clear division between the roles and responsibilities of the Board and Managing Director.

### **Performance Evaluation**

Annual assessment of the Board in terms of effectiveness and individual Director contribution is a key to improving governance.

The Nomination, Remuneration and Diversity Committee conduct an annual performance review of the Board which includes reviewing the performance of the Board with the requirements of the Board Charter, review the skills mix and making required recommendations.

### **Board**

On an annual basis the Board will evaluate and review:

- a) the performance of the Board against the requirements of the Board Charter;
- b) the mix of skills and experience of the Board;
- c) the performance of the Board's Committees; and
- d) the Board Charter to ensure it remains relevant to the Company's activities.

The method and scope of the performance evaluation will be set by the Board and may be formal or informal in nature.

### **Directors**

The Chair is responsible for the performance appraisal of directors and will amongst other things evaluate and review individual directors':

- a) contribution to the Board;
- b) availability for and attendance at Board meetings and other events;
- c) contribution to Company strategy; and
- d) knowledge of the Company's operations

In the case of the Managing Director, in addition to the criteria stated above, compliance with legal and Company policy requirements will also be assessed as well as achievement of key operational goals and strategic objectives.

### **Executives**

The Managing Director is responsible for the performance appraisal of Executives and will amongst other things evaluate and review individual executives':

- a) contribution to Company strategy
- b) achievement of key operational goals and strategic objectives;
- c) development of staff
- d) achievement of key performance indicators.

As part of the performance evaluation process, all Directors discuss whether the need exists for further professional development to be undertaken to maintain the skills and knowledge needed to perform their respective roles effectively.

### **Membership and Term**

#### **Membership**

The number of Directors on the Board shall be determined in accordance with the Constitution which states the minimum number shall not be less than three and no more than nine.

The Board shall consist of a majority of non-executive directors who satisfy the criteria for independence as defined *below* and at least one director with appropriate technical and commercial skills relevant to the finance / banking industry.

The Nomination Committee is responsible for reviewing Board composition, skills and competencies and making recommendations to the Board about appointments and re-elections. Ideally, the Nomination Committee looks to appoint individuals to Director roles who will provide a mix of characteristics, experiences, competencies and skills which will be appropriate for the Company.

If no Nomination Committee exists during any one financial year, the Board as a whole shall make the final recommendation on the selection and appointment of a new Director.

Appropriate background checks are to be completed before a Director and/or Senior Executive is appointed, including the person's character, experience, education, criminal record and bankruptcy history.

A candidate for appointment or election as a non-executive director should also provide details of his or her commitments and an indication of time involved and should specifically acknowledge that they will have sufficient time to fulfill their responsibilities as a director.

New Directors are provided with a letter of appointment which sets out the key terms and conditions of their appointment.

New Directors participate in an induction program and have access to appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their roles effectively and form them to gain an understanding of:

- The Company's financial, strategic, operational and risk management position;

- The Company's financial statements including developments in accounting standards;
- Their rights, duties and responsibilities; and
- The role of Board committees.

**Term**

The Board has not adopted a tenure policy. Long serving Directors contribute significantly due to their insight they have gained about the Company and operations, where a Non-Executive Director has served for more than 10 years, their length of service will be a factor in assessing their re-election to the Board in terms of continuing independence.

In accordance with the Constitution of the Company, no Director shall hold office for a continuous period in excess of three years or past the third annual general meeting following the Director's appointment, whichever is the longer, without submitting for re-election.

Before a Director is nominated for re-election, the Chair shall consult with the Board and review the Director's performance before endorsing re-election.

The Company will provide shareholders with all material information in its possession relevant to a decision on the election or re-election of a director.

**Independence**

An independent Director is a non-executive Director who can bring independent judgement to issues before the Board which ultimately means they act in the best interests of the Company and:

- Is able to hold securities in the Company but only to the extent of a 5% voting power. Once voting power exceeds 5% of the total Shares on issue; the director becomes a substantial shareholder and is no longer independent. This also extends to an officer of, or otherwise associated directly with, a substantial shareholder of the Company.

A Director's independence may be impacted if they receive performance-based remuneration (including options or performance rights) from or participates in an employee incentive scheme of, the Company;

- Within the last three years has not been employed in an executive capacity by the Company or its subsidiaries, or been a Director after ceasing to hold any such employment;
- Within the last three years has not been in a material business relationship as a professional adviser or consultant to the Company or is an officer of, or otherwise associated with, someone with such a relationship;
- Is not an officer or employee of a professional adviser to the Company or its subsidiaries whose billings exceed 5% of the adviser's total revenue. A Director who is a principal or employee of a professional adviser will not participate in the provision of any service to the Company by the professional adviser;
- Is not a significant supplier or customer of the Company or its subsidiaries, or an officer of or otherwise associated directly or indirectly with a significant supplier or customer. A significant supplier is defined as one whose revenues from the Company exceed 5% of the supplier's total revenue. A significant customer is one whose amounts payable to the Company exceed 5% of the customer's total operating costs;
- Does not have close personal ties with any person who falls within any of the categories described above;
- Has no material contractual relationship with the Company or its subsidiaries other than as a Director of the Company;

- Has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.
- Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

### **Directors' Shareholding**

It is understood by all Company Directors the obligation to disclose publicly details of their shareholdings and all changes to their holdings.

The Directors also understand the strict timing around the disclosure requirements of their shareholdings.

All Directors are subject to the regulations and obligations of the Company's Share Dealing Policy.

### **Access to Independent Advice**

The Board collectively, and each director individually, may obtain independent professional advice at the Company's expense, as considered necessary to assist in fulfilling their relevant duties and responsibilities.

A copy of any such advice received is to be made available to all members of the Board.

Individual directors who wish to obtain independent professional advice should seek the approval of the Chair and will be entitled to reimbursement of all reasonable costs in obtaining such advice.

In the case of a request made by the Chair for advice, approval is required from the Chair of the Audit and Risk Committee.

### **Confidentiality**

The directors acknowledge that all proceedings of the Board and its committees are strictly confidential and will not be disclosed to any person other than Board members, except as agreed by the Board or as required by law.

### **Company Secretary**

The Company Secretary is accountable directly to the Board, through the Chair, on all matters relating to the proper functioning of the Board.

The primary role of the Company Secretary is to manage through facilitating and monitoring the Company's governance framework together with Board policies and procedures.

The responsibilities of the Company Secretary include:

- advising the Board and Committees on governance matters;
- implementing Board and Committee governance policies and procedures
- coordinating the timely completion and dispatch of Board and Committee papers;
- ensuring that the business at Board and Committee meetings is accurately captured in the Minutes;
- helping to organise and facilitate the induction and professional development of directors;
- ensuring the Company complies with all applicable laws and regulations, including the ASX listing rule disclosures; and
- facilitating the flow of information of the Board between the Board, Committees and Directors

Every Director can communicate directly with the Company Secretary and vice versa.

The Company Secretary is appointed and removed by the Board as a collective decision.

### **Foreign Directors**

Should there be Directors on the Board who do not speak the language in which Shareholder meetings are held and cannot comprehend the written language of key Company documents; the Company is obligated to ensure

such documents are translated into the said Director's native language and a translator is present at all Board and Shareholder meetings.

Key Company documents include the Constitution, prospectuses, annual and interim financial reports, notice of meetings, results of meeting and other continuous disclosure documents.

### **Review of Charter**

The Board will review the Charter to ensure that it meets best practice standards, complies with the ASX Corporate Governance Principles and Recommendations and meets the needs of the Company and the Board.

### **Change History**

<b>Date</b>	<b>Change Reason</b>
June 2020	2 <sup>nd</sup> Revision
July 2018	1 <sup>st</sup> Revision
July 2013	New Policy adopted by the Board

## Board Skills Matrix Annexure A

The table below shows the mix of skills and competencies the current Board has:

Industry knowledge / experience	Requirements	Carl Popal	Rodney Dale	Ibrar Idrees	Pedro Kastellorizos
Industry Knowledge	The Board should have a range of experience in various professions, including but not limited to accounting/finance, capital raising, communications and exploration and mining.	√	√	√	√
Director duty knowledge	Understand role as director and continue to self-educate on legal responsibility, ability to maintain board confidentiality, declare any conflicts.	√	√	√	√
Corporate governance knowledge	Commitment to the highest standards of governance including experience with rigorous governance standards and an ability to assess the effectiveness of senior management.	√	√	√	Has an understanding
Crisis management	Ability to constructively manage crisis, provide leadership around solutions.	√	√	Has an understanding	√
Technical skills / experience					
Accounting and Finance	Experience in accounting and finance to analyse statements, assess financial viability, contribute to financial planning, oversee budgets, oversee funding arrangements.	√	Has an understanding	√	Has an understanding
Policy Development	Ability to identify key issues for the organisation and develop appropriate policy parameters within which the organization should operate	√	√	Has an understanding	Has an understanding
Capital raising	Experience working with projects involving medium-scale capital input and long-term investment view.	√	Has an understanding	√	Has an understanding
Equity markets		√	Has an understanding	√	Has an understanding
Strategic planning	<ul style="list-style-type: none"> <li>Track record in developing asset or business portfolio over the long term that remains resilient to systemic risk.</li> <li>Able to probe and challenge management on the delivery of agreed strategic planning objectives and assessing threats to the Company.</li> <li>Identify key risks to the organisation related to each key area of operations.</li> <li>Ability to monitor risk and compliance and knowledge of legal and regulatory requirements</li> </ul>	√	√	Has an understanding	Has an understanding
Risk management and compliance		√	√	Has an understanding	√
Remuneration	Remuneration Committee membership or management experience in remuneration, incentive programs, superannuation and contractual framework governing remuneration	√	Has an understanding	√	Has an understanding



Technical skills / experience	Requirements	Carl Popal	Rodney Dale	Ibrar Idrees	Pedro Kastellorizos
Health and safety	Experience related to workplace health and safety, environmental, social responsibility and community	√	√	√	√
Technology	Knowledge of IT governance including data management, security and privacy	√	Has an understanding	√	√
Environmental	Experience combined with an understanding of the corporate purpose to create long term, shareholder value through the discovery, acquisition, development and marketing of natural resources.	√	√	Has an understanding	√
Exploration		√	√	Has an understanding	√
Mining		√	√	Has an understanding	√
Metallurgy and processing		Has an understanding	√	Has an understanding	√
Production		Has an understanding	√	Has an understanding	√
CEO / senior management experience		Experience in evaluating performance of senior management and oversee strategic human capital planning. Experience in industrial relations and organizational change management programs.	√	-	Has an understanding
Director – small organisation (< than 10 employees)	√		-	√	-
Director – medium organisation (10 to 99 employees)	-		-	Has an understanding	-
Director – large organisation (100+ employees)	-		-	Has an understanding	-

## PERSONAL ATTRIBUTES

All directors are required to have the following attributes.

Attribute	Description
<b>Integrity (ethics)</b>	<p>A commitment to:</p> <ul style="list-style-type: none"> <li>understanding and fulfilling the duties and responsibilities of a director, and maintaining knowledge in this regard through professional development</li> <li>putting the Company's interests before any personal interests</li> <li>being transparent and declaring any activities or conduct that might be a potential conflict</li> <li>maintaining board confidentiality.</li> </ul>
<b>Effective listener and communicator</b>	<p>The ability to:</p> <ul style="list-style-type: none"> <li>listen to, and constructively and appropriately debate, other people's viewpoints</li> </ul>

Attribute	Description
	<ul style="list-style-type: none"> <li>develop and deliver cogent arguments</li> <li>communicate effectively with a broad range of shareholders.</li> </ul>
<b>Constructive questioner</b>	The preparedness to ask questions and challenge management and peer directors in a constructive and appropriate way.
<b>Contributor and team player</b>	The ability to work as part of a team and demonstrate the willingness and time to make a genuine and active contribution to the board and the Company.
<b>Commitment</b>	A visible commitment to the purpose for which the Company has been established and operates, and its on-going success.
<b>Influencer and negotiator</b>	The ability to negotiate outcomes and influence others to agree with those outcomes, including an ability to gain shareholder support for the board's decisions.
<b>Critical and innovative thinker</b>	The ability to critically analyse complex and detailed information, readily dis-still key issues, and develops innovative approaches and solutions to problems.
<b>Leader</b>	Innate leadership skills including the ability to: <ul style="list-style-type: none"> <li>appropriately represent the Company</li> <li>set appropriate board and Company culture</li> <li>make and take responsibility for decisions and actions.</li> </ul>

NB: The Chairperson should also have the personal attributes to effectively undertake usual Chairperson functions such as: chairing board meetings; developing a constructive relationship with management; successfully managing board succession planning and board performance and representing/being a spokesperson.

#### DEMOGRAPHIC & NON-SKILLS BASED CRITERIA

Criteria	Assessment	Priorities
<b>Gender</b>	There is currently no female director on the board. A better-balanced gender representation should be sought for the board. The next selection process provides an opportunity to enhance gender diversity on the board.	All appointments are to be made on merit rather than gender but the candidate pool should seek to include appropriately qualified female candidates.
<b>Geographical context</b>	Directors are not required to represent specific regions. It is desirable for directors to have an understanding of the challenges faced by the Northern Territory and regional Queensland	

Criteria	Assessment	Priorities
<b>Age</b>	A satisfactory diversity of age in the members of the board should always be maintained.	
<b>Board experience</b>	As a group, the current board has strong board experience. Given the size of the Company and the environment in which it is operating, it is considered the current directors have the appropriate and required skills to make a positive impact on Company operations.	