

## BOARD CHARTER

### PURPOSE

This charter sets out the role, composition and responsibilities of the board of directors ("**Board**") of Lodestar Minerals Limited ("**LSR**" or "**the Company**") within the governance structure of LSR and its controlled entities ("**the Group**").

The disclosure of the role, composition and responsibilities of the Board is designed to assist those affected by corporate decisions to better understand the respective accountabilities and contributions of the Board and the senior executive of the Group.

The conduct of the Board is governed by the Constitution of LSR, the *Corporations Act 2001* and Australian Securities Exchange listing rules.

The Board's general responsibility is to act in the best interests of the Group, be accountable to shareholders as a whole and ensure that the Group is properly managed to enhance shareholder value by ensuring long-term health and prosperity of the Group.

This charter is only a summary of the matters reserved to the Board and should therefore only be used as a general guide.

### MEMBERSHIP

The Constitution of LSR provides for a minimum three directors and a maximum of ten directors. The Board has adopted a policy in relation to its composition which aspires that there be a majority of independent non-executive directors.

An independent director is a non-executive director and:

- a) is not a substantial shareholder of LSR or an officer of, or otherwise associated directly with, a substantial shareholder of LSR;
- b) within the last three years has not been employed in an executive capacity by the Company or been a director after ceasing to hold any such employment;
- c) within the last three years has not been a principal of a material professional advisor or a material consultant to the Company, or an employee materially associated with the service provided;
- d) is not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer, has no material contractual relationship with the Company other than as a director of LSR;
- e) 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; and
- f) 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.

The threshold for materiality for the purpose of assessing the materiality of relationships between a non-executive director and LSR (other than as a director) shall be judged according to the significance of the relationship to the director in the context of their activities as a whole.

Membership of the Board shall be disclosed in the annual report, including whether a director is considered independent or not independent. Loss or gain of independence shall be disclosed to the ASX and any other stock exchange on which LSR is listed.

## **TERM**

All directors (except the Managing Director) are required by the Constitution of LSR to submit themselves for re-election at regular intervals and at least every three years.

Non-executive directors shall serve a maximum of three terms unless their tenure is extended by the Board. Tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board; however, it is recognised that they hold the disadvantage of losing the contribution of directors who have developed over time an increasing insight into the Company and its operations.

Before a director is nominated for re-election at a shareholders' meeting, the Chairman shall consult with the rest of the Board and the Director's performance shall be reviewed by the Nominations Committee before the Board endorses his or her re-nomination. The Board shall provide shareholders with all material information in the Company's possession relevant to a decision on whether or not to elect a director.

In light of the time commitment required by appointment to the Board, non-executive directors are asked to limit the number of other directorships for the duration of their appointment with LSR. Non-executive directors are asked to provide the Nominations Committee with details of other commitments and an indication of time involved. The Nominations Committee will regularly review the time required of a non-executive director and make an assessment as to whether the directors are able to meet their commitment to LSR.

If determined by the Nominations committee, a casual vacancy can be created by the Chair approaching an existing director to determine whether that person is prepared to retire as a director prior to the date the director is due to be re-appointed by shareholders.

## **SELECTION OF NEW DIRECTORS**

The Nominations Committee sets and reviews the criteria for appointment of new directors.

Subject to the Constitution of LSR, the Board shall decide on the recommendations of the new directors made by the Nominations Committee.

In selecting new members for the Board, directors shall have regard to the appropriate range of qualifications and expertise needed by the Board as a whole. The directors shall endeavour to appoint individuals who will provide a mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company.

The procedure for the selection and appointment of a new director to fill a casual vacancy shall be as follows:

- a) assess the current Board's skills and qualities;
- b) assess the needs of the Company's business currently and going forward;

- c) develop the selection criteria for potential Board candidates;
- d) informal discussion by the Board to generate a list of potential candidates who may fill the standard criteria;
- e) where considered necessary, use the services of an independent executive search firm to assess the appropriateness of potential candidates or to supplement a candidate list provided by the directors;
- f) measure the final potential candidate(s) against the selection criteria;
- g) the Board examines the final list of candidates and agrees an order of preference;
- h) a thorough check of the background of all candidates is carried out;
- i) the Chair approaches the desired candidate(s); and
- j) the candidate is appointed to the Board in accordance with clause 7.2 of the Company's constitution.

New directors are provided with a letter of appointment which sets out the key terms and conditions of their appointment. New directors must participate in an induction program designed to enable them to gain an understanding of:

- a) the Company's financial, strategic, operational and risk management positions;
- b) their rights, duties and responsibilities as a director; and
- c) the role of the Board, Board committees and the senior executive.

## **PROFESSIONAL DEVELOPMENT**

All directors shall be provided with appropriate ongoing professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

## **ROLE OF THE BOARD**

The primary role of the Board is to oversee and approve the Group's strategic direction, to oversee the Group's management and business activities and to report to shareholders. The roles and responsibilities of the Board will be formalised in written policies, which shall be evaluated by the Board on an ongoing basis.

The following are regarded as the key responsibilities and functions of the Board:

- a) establishment of long-term goals of the Group and strategic plans to achieve these goals;
- b) monitoring the achievement of these goals;
- c) appointment, oversight, annual review, remuneration and succession of the CEO or MD;
- d) review of the management accounts and reports to monitor the progress of the Group;
- e) review and adoption of budgets for the financial performance of the Group and monitoring the results on a regular basis to assess performance;
- f) review and approval of the annual report and all interim financial reports;

- g) nominating and monitoring the external auditor;
- h) approving all significant business transactions;
- i) appointing and monitoring senior management;
- j) all remuneration, development and succession issues;
- k) ensuring the Group has implemented adequate systems of risk management and internal control together with appropriate monitoring of compliance activities;
- l) overseeing the process for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's shares;
- m) ensuring that the Company has a suitably qualified Company Secretary who shall be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board; and
- n) ensuring that the Company reports on its measurable objectives in relation to gender diversity and assesses annually both the objectives and progress in achieving gender diversity.

The Board shall ensure that all information about the Board, the Company and its governance are provided to all shareholders via the Company's website.

## **DELEGATION TO MANAGEMENT**

The Board has developed and shall regularly review a formal instrument of delegation to the CEO or MD. The instrument shall contain all necessary powers to enable the CEO or MD to conduct the business of the Company on a day-to-day basis.

The Board shall require the CEO or MD to report on the exercise of certain delegated powers, in particular sub-delegated authorities to other senior executives or consultants.

The CEO or MD shall conduct a formal review each year assessing the performance of senior executives and report back to the Board.

## **DELEGATION TO COMMITTEES**

The Board from time to time shall establish committees to streamline the discharge of its responsibilities. For each committee, the Board shall adopt a formal charter setting out the matters relevant to the composition, role, responsibilities and administration of such committee.

The Board has, at the date of this charter, established:

- a) an Audit and Risk Committee; and
- b) a Remuneration and Nomination Committee.

Committee charters shall be reviewed on a regular basis by the Committee and a report provided to the Board, if required, recommending any necessary or additional duties.

## **DIRECTORS' SHAREHOLDINGS**

All directors must disclose publicly their shareholdings and all changes thereof. The disclosed interest in shares held by directors, their associates and their associated entities are the same as their economic interest.

Directors and employees are subject to a Share Trading Policy which provides that LSR shares may not be purchased or sold during prescribed blackout periods.

## **POLICIES AND STANDARDS**

LSR has adopted the following operational policies and standards:

- a) Charter for the operation of the Board;
- b) Code of Conduct;
- c) Health, Safety and Environment Policy;
- d) Anti-bribery and Corruption Policy;
- e) Whistleblower Protection Policy;
- f) Market Disclosure and Communications Policy;
- g) Share Trading Policy; and
- h) Diversity, Inclusion and Equality Policy.

## **REVIEW OF BOARD PERFORMANCE**

The performance of all directors is assessed through review by the Board as a whole of a Director's attendance at and involvement in Board meetings, their performance and other matters identified by the Board or other directors. Significant issues are actioned by the Board.

## **INDEPENDENT PROFESSIONAL ADVICE**

With prior approval of the Chair, each director has the right to seek independent legal and other professional advice at the Group's expense concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities as directors.

## **OPERATIONS**

### *Meetings*

Meetings of the Board of Directors shall be held on a regular basis, as determined periodically by the Board. Meetings can be varied, deferred or adjourned.

### *Annual Agenda*

An annual agenda scheduling key matters for consideration or decision by the Board, which may include the scheduling of a separate strategy meeting, will be developed each year for the proceeding 12 months and distributed to all directors and the CEO or MD.

### *Meeting Agenda*

The agenda for each meeting is to be prepared by the Company Secretary in conjunction with the Chair and CEO or MD.

Matters proposed for the agenda will take into account:

- a) the Board's annual agenda;
- b) emerging issues assessed by management or the Board as warranting the Board's attention;
- c) the continuing education needs of the Board including its knowledge and understanding of activities and operations, competitors and the industries in which LSR and its controlled entities operate;
- d) matters raised in the course of preceding Board meetings;
- e) matters directly relevant to the Board's defined responsibilities or the decisions reserved to the Board; and
- f) externally imposed reporting deadlines.

Any director may approach the Chair and request that a particular item be added to the agenda for a meeting.

### *Attendance*

Directors are required to make every reasonable effort to be fully prepared for and attend each meeting of the Board or the Committee(s) of which they are a member, and to remain in attendance for the full duration of such meetings. Where attendance or remaining in attendance for the full meeting is not possible, leave of absence must be sought, in advance, from the Chair.

### *Conflicts of Interest*

Subject to the provisions of the *Corporations Act 2001* and the Constitution of LSR, the Board is empowered to regulate its meetings and proceedings, including the processes it will apply in instances of a declared, actual, potential or perceived conflict of interest.

The Board has adopted a Conflicts of Interest framework within its Code of Conduct Policy to provide a framework for the dealing of directors' conflicts of interest.

### *Decisions*

Decisions of the Board are made by consensus of the majority of members present at a duly convened meeting. These decisions will be reflected in the minutes and, where necessary, any dissenting views that a director has specifically stipulated will be recorded.

If a matter cannot be concluded by consensus, a formal vote may be required. In the case of an equality of votes in such a situation, the Chair of the meeting has a second or casting vote.

Any action required or decision permitted to be taken at any meeting of the Board may be taken without a meeting if a resolution in writing is signed by all directors entitled to receive notice of a meeting.

A resolution in writing may consist of one or several documents in identical terms, each signed by one or more directors. All such documents must be filed by the Company Secretary with the minutes.

Use of this option is restricted to matters of time urgency that cannot be delayed until the next meeting and, on an exception basis, day-to-day matters that require Board approval but do not require face-to-face discussion.

#### *Minutes*

The draft minutes of each Board meeting are approved by the Chair and circulated to all directors as soon as practicable but no later than the distribution date for papers for the next Board meeting.

Minutes are not a verbatim recording of the meeting but an accurate record of the resolutions of the Board, key information supporting those decisions (where appropriate) and actions arising.

The minuted actions from each Board meeting are approved by the Chair and circulated to all directors as soon as practicable after each meeting. This may be combined with the minutes of the relevant meeting.

#### *Appointment and Role of the Company Secretary*

The Company Secretary acts as a secretary to the Board. This appointment is made by the Board for such term, at such remuneration and upon such conditions, as the Board considers fit. Any Company Secretary so appointed may also be removed by the Board.

The Company Secretary is responsible for the preparation of minutes of Board meetings, including recoding the appointments of officers, names of directors present, all resolutions and proceedings and a summary of the actions arising.

The Company Secretary shall be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

#### *Board Papers*

The agenda and the papers for each Board meeting, including all reports on the activities and performance of the Group, are to be circulated to directors and those managers attending by specific or standing invitation, no less than two working days before the scheduled meeting.

A paper is to be provided for each agenda item where required to enable informed discussion and decisions at Board meetings. As a matter of course, “verbal” reports are to be discouraged.

Business of the Board which is not included in the agenda or for which the papers were late may be discussed at a Board meeting only with the consent of the Chair.

All Board papers must be prepared in accordance with the Board’s guidelines. The Board may, from time to time, revise specific guidelines for the presentation, general content and appropriateness of Board papers.

The Company Secretary will retain a complete hard copy of the Board papers for each meeting. These will be available for reference by directors in office, former directors and senior management as required.