

**BUILDING A SIGNIFICANT
CRITICAL MINERALS
BUSINESS**

BOARD CHARTER POLICY



STRANDLINE
resources limited

ABN 32 090 603 642

The Board of Directors of Strandline Resources Limited has approved the following charter formalising the functions and responsibilities of the Board (Board Charter).

1. Objective

The objective of the Board is to maintain and build the Company's capacity to generate value for shareholders taking into account the interests of its employees, customers, suppliers, lenders and the wider community.

This is to be undertaken in accordance with the duties and obligations imposed upon the Board by the Company's Constitution and by law.

2. Responsibilities

In addition to matters expressly required by law to be approved by the Board, the following overall responsibilities are for the Board:

- (i) charting the direction, strategies and financial objectives for the Company and monitoring the implementation of those policies, strategies and financial objectives; and
- (ii) monitoring compliance with regulatory requirements and ethical standards.

Within the context of the overall responsibilities set out above, the Board has the following specific responsibilities:

- (a) to oversee the Company's control and accountability systems;
- (b) to appoint and remove the Managing Director and the Company Secretary and determine the terms and conditions of their appointment (including remuneration), and to set criteria for, and evaluate at least annually, their performance;
- (c) to monitor and assess management's performance in carrying out any strategies;
- (d) to monitor and assess management's performance in meeting any objectives and observing any budgets approved by the Board;
- (e) to ensure that sufficient resources are available to management for those purposes;
- (f) to ratify the appointment, and where appropriate, the removal of the Chief Financial Officer (or equivalent);
- (g) to approve and monitor financial and other reporting;
- (h) to ensure that appropriate internal and external audit arrangements are in place and operating effectively;
- (i) to review and approve systems of risk management, internal control and compliance, codes of conduct, continuous disclosure and legal compliance;
- (j) to perform an annual assessment of independence with respect to its directors and to ensure that each provide to the Board all information that may be relevant to this assessment;
- (k) to issue any shares or other securities of the Company;
- (l) to approve commitments in excess of discretionary limits that it may have from time to time delegated to the Managing Director and senior management;
- (m) to ensure that if a director is deemed to have a material relationship that might impact on his or her independence the Board ensures that the existence of this relationship is disclosed in the corporate governance statement of the Company's annual report as well as details of any materiality thresholds the Company employs;
- (n) to ensure that new directors, when appointed to the Board, are informed in writing that they have access to independent professional advice in appropriate circumstances;
- (o) to ensure that a simple induction process for new directors be conducted to help communicate what is expected of new directors of the Company, including the issuance of a letter of appointment;

- (p) to ensure that training is undertaken in the Company's code of conduct on a regular basis, and
- (q) to ensure a high standard of stakeholder communication and liaison.

3. Board Composition

The Board strives to meet the Corporate Governance Principles and Recommendations published by the ASX or other such principles and guidance as the Board may consider appropriate from time to time.

Appointments to the Board are based on merit against objective criteria that serves to maintain an appropriate balance of skills and experience on the Board.

In accordance with the Company's Constitution the minimum number of Directors is 3.

4. The Chairman

The Directors elect one of their number, who will be independent, to the office of Chairman and may determine the period for which that director is to be Chairman.

The Chairman is responsible for leadership of the Board, for ensuring that the Board functions effectively, and for communicating the views of the Board (including through the Managing Director) to shareholders and the public. In performing this role the Chairman's responsibilities include:

- (a) setting the agenda of matters to be considered by the Board;
- (b) managing the conduct, frequency and length of Board meetings so as to ensure that the Board maintains an in-depth understanding of the Company's performance and the opportunities and challenges facing the Company;
- (c) facilitating open and constructive communications between Board members and encouraging their contribution to Board deliberations;
- (d) acting as a mentor and independent sounding board to the Managing Director, advising the Managing Director on likely Board reactions to issues and proposals, keeping Directors informally advised as necessary of such matters, convening Special Board meetings as required and optimising the working relationship between the Chairman, Directors and Managing Director; and
- (e) initiating a review of the performance of the Board as a whole at least annually.

Independence is defined in Annexure A attached hereto.

5. Board Meetings

The Board of Directors arranges to meet sufficiently regularly to discharge its duties effectively.

The non-executive directors meet at least twice each year without management present to discuss the position of the Company and the performance of the Management Team.

6. Board Committees

The Board may from time to time establish committees to assist it in carrying out its responsibilities, and approves charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the Board may consider appropriate.

The Committees will be composed of Directors with the necessary skills and experience. All Directors will be invited to attend committee meetings and senior management and other employees may attend by invitation as appropriate. Following each committee meeting, the Board will be provided a verbal report on meeting proceedings as well as the minutes of that meeting. A copy of the committee papers will be available for the Board.

The Board may also delegate specific responsibilities to ad hoc committees from time to time.

7. The Board and the Company Secretary

The key element in the Company's governance framework is the professional and independent role of the Company Secretary. That role is to advise and support the Chairman and the Board to manage the day to day

functions of the governance framework. The Company Secretary also plays an important role in supporting the effectiveness of the Board by monitoring whether the board policy and procedures are followed and coordinating timely completion and despatch of board agendas and briefing materials.

The Company Secretary should be accountable to the Board, through the Chairman, on all governance matters and the appointment and removal of Company Secretary should be a matter for decision by the Board as a whole.

8. The Managing Director

The Managing Director has responsibility for the following functions:

- (a) managing the Company;
- (b) recommending policy and strategic direction for Board approval; and
- (c) conducting the day-to-day operation of the Company.

9. Authority Delegated to Senior Management

The Board has delegated to the Managing Director and his senior management group authority over the day-to-day management of Strandline and its operations. This delegation of authority includes responsibility for:

- (a) developing business plans, budgets and strategies for the Company for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- (b) operating the Company's businesses within the parameters set by the Board from time to time, and keeping the Board informed of material developments in the Company's businesses;
- (c) where proposed transactions, commitments or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;
- (d) identifying and managing operational and other risks and, where those risks could have a material impact on the Company's businesses, formulating strategies for managing these risks for consideration by the Board;
- (e) managing the Company's current financial and other reporting mechanisms and control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;
- (f) ensuring that the Board is provided with sufficient information on a timely basis in regard to the Company's businesses, and in particular with respect to the Company's performance, financial condition, operating results and prospects, to enable the Board to fulfil its governance responsibilities;
- (g) implementing the policies, processes and codes of conduct approved by the Board; and
- (h) implementing policies, processes and procedures for the management and development of the Company's employees.

10. Measurement of the Board's Performance

The Board shall undertake an annual performance evaluation of itself that:

- Compares the performance of the Board with the requirements of this Charter;
- Sets forth the goals and objectives of the Board for the upcoming year; and
- Effects any improvements to the Board Charter deemed necessary or desirable.

The performance evaluation shall be conducted in such manner as the Board deems appropriate.

11. Retirement from the Board

(i) Non-Executive Directors

- (a) Non-Executive Directors are expected to review their membership of the Board from time to time, taking into account their length of service on the Board, age, qualifications and experience (in light

of developing best practice standards and the Company's then current policies), together with the other criteria considered desirable for composition of a balanced Board and the overall interests of the Company.

- (b) A Non-Executive Director is expected to resign if the remaining Directors recommend that the Director should not continue in office.

(ii) **Executive Directors**

- (a) An Executive Director is expected to resign from the Board immediately if the Director ceases to be employed by the Company unless the Board, in appropriate circumstances, decides that he or she should remain on the Board as a Non-Executive Director.

12 Policy Approval and Review

Application

The Chairman is accountable to the Board of Directors for ensuring that this policy is implemented. This policy will be reviewed on a yearly basis.

Approved by:	Luke Graham	Approval Date:	22 September 2021
Position:	Managing Director	Review Date:	22 September 2021

ANNEXURE A

Independence

As suggested by the ASX Corporate Governance Council, when determining the independent status of a director, the Board considers whether the director:

- (a) is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (b) is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- (c) has within the last three years been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- (d) is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has a material contractual relationship with the Company or another group member other than as a director.