

# Board Charter

Cauldron Energy Ltd  
ACN 102 912 783



## Scope and Authority

The Board of Cauldron Energy Ltd (**Company**) is the governing body of the Company. The Board acts in accordance with a statutory framework which principally includes the Corporations Act 2001 (Cth) (the **Act**), the ASX Listing Rules and the Constitution of the Company (**Constitution**).

The proceedings and meetings of the Board will be governed by the provisions of the Constitution in so far as they are applicable and not inconsistent with this Charter.

The Board and/or each Director may obtain independent professional advice, that is funded by the Company, to assist in the proper exercise of its powers and responsibilities as it considers necessary.

## Composition

The Board shall consist of a minimum of three (3) but not exceed nine (9) Directors.

The Board will consist of a mix of Executive and Non-Executive Directors with preferably at least one (1) being an independent Director. A Director's independence is determined in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3<sup>rd</sup> Edition).

Directors shall have a mix of qualifications, skills and experience which allow them to be effective in their role.

Directors are appointed for terms not exceeding three (3) years however are eligible for reappointment. No condition is placed on a Board member's length of appointment; however, independence will be considered within the context of the review.

In the temporary absence of the Chair, one of the other Board members will act as Chair.

The Company Secretary of the Company shall be the Secretary of the Board.

## Board Committees

The Board has not established a separate Audit and Risk Committee or Nomination and Remuneration Committee. The Board considers the establishment of such committees is not necessary, considering the size of the Company, the size and structure of the Board and the stage of development of the Company.

## Meetings

The Board shall meet as often as is required to undertake its role effectively, however, aims to meet not less than four (4) times a year. All Board members are expected to attend each meeting in person or via teleconference.

A quorum will comprise two (2) Directors.

The Board may invite any other members of senior management or other individuals to attend meetings, or provide the necessary information, as it considers appropriate.

A notice of each meeting confirming the date, time, venue and agenda will be forwarded to each Director in advance of the meeting. The notice will include supporting papers for the agenda items to be discussed.

Minutes of proceedings and resolutions of Board meetings shall be maintained by the Secretary. Minutes will be available for inspection by any Director at all times. Minutes of meetings will be provided to all Directors and relevant invitees.

## Conduct

Directors are required to disclose to the board actual or potential conflicts that might be thought to exist between the interests of the director and the interests of the Company. Disclosures are made on appointment; on an ongoing basis; and as a standing item at the commencement of any board meeting. Directors will ensure that that no decision or action is taken that has the effect of placing his or her interest in priority to those of the Company.

Directors are expected to use their skill, knowledge and experience to apply their judgement to all matters discussed at Board meetings. Directors have a duty to question, request information, raise issues and canvas all aspects of any issue confronting the Company, while respecting the contribution of other directors.

Directors will keep confidential all board discussion and deliberation.

## Role of the Board

The Directors have ultimate responsibility for the overall operations of the Company. The Board's primary role is to oversee the Company's business activities and management for the benefit of shareholders. The key responsibilities of each Director and the Board collaterally include:

### Leadership

- Effective leadership of the Company; and
- Establish codes and policies that reflect the Company's values and guide the conduct of the Board and the Company.

### Strategy

Guide and monitor performance against strategic plans, drive the strategic direction, setting of goals, performance measures and policies to govern the operations of the Company.

### Shareholder Liaison

- Approve the issue of any shares, options, equity instruments or other securities in the Company;
- Develop and monitor corporate governance practices;
- Review material ASX announcements prior to release;
- Effectively communicate with shareholders and the market providing timely disclosure of performance and major developments; and
- Serve the interests of shareholders and recognise the interests of other stakeholders such as employees, investors, regulators, and the wider community.

### Risk Management

Ensure senior management has established and operates a risk management system which is designed to identify, assess, monitor and manage risk.

### Company Finances

- Approve operating budgets;
- Review business results and monitor performance against corporate strategy plans and operating budget;
- Approve major capital expenditure, acquisitions and divestments;
- Review and monitor the systems, processes and controls which guard the integrity of the financial records and reporting;
- Review reporting to stakeholders and regulators to ensure accuracy, objectivity and timely disclosure;
- Approve the annual and half yearly financial statements; and
- Approve the engagement of auditors and review any report to the Board (from auditors) on the Company's financial results and reporting systems, internal controls and compliance with statutory and regulatory requirements.

## Human Resources

- Appoint, assess the performance of, and if necessary remove the Chief Executive Officer, Chief Financial Officer and Company Secretary;
- Manage the nomination, appointment and terms of appointment of Non-Executive Directors;
- Determine the terms of appointment, performance evaluation and succession plan for the Executive Director; and
- Adopt a diversity policy and monitor its operation.

## Occupational Health and Safety

Monitor the effectiveness of the Company's occupational health and safety systems.

## Delegation of Authority

- Establish and determine the duties to be delegated to the Chief Executive Officer; and
- Oversee, review and approve the operation of delegated powers.

## Role of Chairperson

The Chairperson is considered the 'lead' Director, responsible for the effective management of the board. The Chairperson's specific responsibilities include:

Leadership and effective performance of the Board;

- Chair board meetings;
- Chair shareholder meetings;
- Be the spokesman for the Company at the AGM and in any reporting of performance;
- In consultation with the Chief Executive Officer and the Company Secretary review the meeting agendas to ensure all required business is brought before the Board;
- Ensure that at board meetings:
  - matters are considered carefully and thoroughly;
  - all directors are given the opportunity to effectively contribute;
  - the board comes to clear decisions and resolutions are noted;
- Maintain effective relationships with major shareholders, institutional investors and analysts;
- Provide advice, council and mentorship to the Executive Director and fellow Board members.

## Role of Chief Executive Officer

The primary objective of the Chief Executive Officer is to ensure the ongoing success of the Company; by being responsible for aspects of management and development of the Company which is delegated by the board. The Chief Executive Officer's specific responsibilities include:

- Develop, in conjunction with the Board, and implement the Company's strategic, operational and financial objectives;
- Be accountable for planning, coordinating and directing the operations of the Company to achieve strategic, financial and operating objectives as agreed with the board;
- Management of the day-to-day affairs of the Company including its people, processes, policies and systems;
- Conduct commercial negotiations on behalf of the Company;
- Propose major capital expenditure, acquisitions and divestments to ensure their alignment with corporation strategy and justification on economic grounds;
- Maintain effective relationships with the Company's stakeholders including Board members, shareholders, customers, suppliers and other government and business liaisons;
- Ensure statutory, legal and regulatory compliance;
- Ensure all material matters that affect the Company are brought to the Board's attention;
- Ensure appropriate risk management practices and policies are in place; and
- Select, appoint and assess the performance of senior management (direct reports).

## Role of Company Secretary

The Company Secretary is charged with facilitating the Company's corporate governance processes and holds primary responsibility for ensuring that the Board processes and procedures are carried out efficiently and effectively.

The Company Secretary is accountable to the Board, through the Chairperson, on all governance matters and

- maintains the information system appropriate for the board to fulfil its role and function;
- circulate the timely completion and dispatch of board and committee papers and minutes;
- monitors that board policy and procedures are followed.

The Company Secretary is appointed and dismissed by the Board and all Directors have access to the Company Secretary.

## Delegations

The Board retains all rights and powers conferred upon it by the constitution and by law which cannot be delegated.

The Board may delegate its powers as they consider appropriate. However, ultimate responsibility for strategy and controls rests with the Board.

The Board may from time to time establish Committees to assist it in carrying out its responsibilities.

Each Committee shall have its own written Charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the Committee is to operate. All Charters of these Committees are to be reviewed regularly and to be made available on the Company's website.

The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis by resolution.

## Powers reserved to the Board

Matters which are specifically reserved for the Board or its Committees include the following:

- (a) appointment and removal of the Chairperson of the Board;
- (b) appointment and removal of the Managing Director;
- (c) appointment of Directors to fill a vacancy or as additional Directors;
- (d) establishment of Board Committees, their membership, charters and delegated authorities;
- (e) approval of dividends and dividend policy;
- (f) the issue of equity or equity-like instruments;
- (g) review of corporate governance principles, policies and related public documents;
- (h) approval of expenditure in excess of the monetary authority levels delegated to management;
- (i) calling of meetings of shareholders;
- (j) expansion of the Company's activities into new geographic areas involving substantial sovereign risk or new, non-core and substantive businesses;
- (k) the remuneration of non-executive Directors (subject to shareholder approved limits), the Managing Director and any Executive Director;
- (l) disclosure of information to the market; and
- (m) any other specific matters nominated by the Board from time to time.

### **Access to Information and Advice**

All Directors have access to Force employees, advisers and records. In carrying out their duties and responsibilities, Directors have access to advice and counsel from the Chairperson, the Company Secretary, and are able to seek independent professional advice at the Company's expense, after consultation with the Chairperson.

### **Performance Evaluation**

The Board shall evaluate its performance annually and take appropriate action to address desired improvements in respect of areas where there is a need to enhance its role, effectiveness, processes or composition within the scope of the charter.

### **Review of Charter**

The Board shall review this Charter annually. Approval of the Charter is by way of a resolution of the Board.