

Board & Governance Charter

Authium Ltd
(ACN 653 683 286)

Adopted by the Board on 10 November 2022

Table of Contents

1.	Role of the Board	1
2.	Responsibility of the Board	1
3.	Delegation of Authority	3
4.	Composition and Structure of the Board	3
5.	The Chairperson	4
6.	The Managing Director.....	5
7.	The Chief Financial Officer	5
8.	Management	5
9.	Company Secretary	5
10.	Independent Professional Advice.....	6
11.	Administration	Error! Bookmark not defined.

1. Role of the Board

The Board is responsible for the overall performance of the Company and accordingly takes accountability for monitoring the Company's business and affairs and setting its strategic direction, establishing policies and overseeing the Company's financial position and performance.

The Board has overall responsibility for:

- (a) approving and monitoring the Company's strategy, business performance objectives and financial performance objectives;
- (b) overseeing and monitoring the establishment of systems of risk management by approving risk management policies, operational risk policies and procedures (including policies relating to health, safety and injury management) and systems of internal controls; and
- (c) monitoring compliance with legal and regulatory requirements, ethical standards and external commitments and, generally, safeguarding the reputation of the Company.

2. Responsibility of the Board

2.1. Corporate Governance Principles and Recommendations

Amongst other things, the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (4th Edition)* (**ASX Principles and Recommendations**) recommend that the Company has formal and rigorous processes for:

- (a) addressing board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively (**Nomination**);
- (b) setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive (**Remuneration**);
- (c) independently verifying and safeguarding the integrity of its corporate reporting, including a process for the appointment and removal of the external auditor and the rotation of the audit engagement partner (**Reporting**); and
- (d) setting a risk appetite and overseeing the entity's risk management framework (**Risk Management**).

As set out paragraph 3.1 below, the Board may establish standing committees which will operate under the committee charters that have been approved by the Board to assist the Board in managing the processes specified above.

2.2. Board responsibilities

In observing its role the Board is also specifically responsible for the following matters:

- (a) providing leadership and setting the strategic objectives of the Company;
- (b) approving the Company's statement of values and code of conduct and monitoring the Company's operations in accordance with the principles set out in the code of conduct;
- (c) appointing the Chairperson and any deputy Chairperson;
- (d) ensuring the Company is properly managed by overseeing the appointment and where appropriate the removal of the Managing Director, the Company Secretary and the Chief Financial Officer and other senior management;

- (e) overseeing management's implementation of the Company's strategic objectives and instilling of the entity's values in the Company's performance generally;
- (f) approving and monitoring all capital budgets and annual financial budgets;
- (g) monitoring the financial performance of the Company;
- (h) approving and monitoring financial and other reporting, including the annual and half yearly financial reports;
- (i) overseeing the integrity of the Company's accounting and corporate reporting systems, including regularly liaising with the Company's auditors;
- (j) reviewing procedures and practices employed in relation to health, safety and the environment and to assess their adequacy;
- (k) monitoring the Company's continuous disclosure policy and procedures;
- (l) approving and monitoring all public statements or media releases made that relate to the Company's performance or forecasts;
- (m) convening meetings in accordance with the Company's constitution;
- (n) satisfying itself that the Company has in place an appropriate risk management framework for financial and non-financial risks and setting the risk appetite within which management is expected to operate;
- (o) conducting regular reviews of the Company's corporate governance policies and practices, particularly the Company's risk management framework and policies, and other policies and practices that must change as a result of the growth of the company;
- (p) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- (q) challenging management and the Managing Director, where required, to ensure that management is held to account;
- (r) ensuring that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- (s) ensuring that a performance evaluation process is conducted to review the performance of the Board and of its committees, individual directors and the Chairperson, and senior executives at least once every year;
- (t) where required, considering and if appropriate approving any significant changes to the organisational structure of the Company;
- (u) approving the acquisition, establishment, disposal or cessation of any significant assets of the Company;
- (v) approving the amount, nature and term of the Company's debt facilities;
- (w) approving the issue of any shares, options, equity instruments or other equity securities in the Company; and
- (x) approving the Company's dividend policy and the payment of dividends.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its duties and responsibilities.

3. Delegation of Authority

3.1. Delegation to committees

Under the Company's constitution, the Board may delegate responsibility to committees to consider certain issues in further detail and then report back to and advise the Board.

The Board will establish committees to assist the Board in the exercise of its authority. Each committee will be comprised of individuals that the Board considers best suited to fulfil the role of each committee. Each committee will have access to sufficient resources to carry out their activities effectively.

Standing committees established by the Board will adopt charters setting out the authority, responsibilities, membership and operation of the committees.

Having regard to the size and non-complex affairs of the Company, the Board has not yet established formal committees. The Board acknowledges that when the size and nature of the Company warrants the necessity of formal committees, they will operate under the charters approved by the Board for the following proposed standing committees:

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

At the appropriate time the Board will establish the above committees. The Board may establish other committees from time to time to consider other matters of special importance.

Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The Chairperson of each committee will report on committee meetings to the Board at the next full Board meeting.

3.2. Delegation to the Managing Director and management

The Board delegates to the Managing Director the authority to manage the day-to-day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those reserved to the Board and its committees under their charters or under specific limitation or guidance from the Board.

The Board may impose further specific limits on Managing Director delegations. These delegations of authority will be maintained by the Company Secretary and will be reviewed by the Board as appropriate from time to time.

The Managing Director has authority to delegate to the senior management team who are responsible for:

- (a) implementing the strategic objectives of, and operating within the risk appetite set by, the Board and for all other aspects of the day-to-day running of the Company; and
- (b) providing the Board with information to enable the Board to perform its responsibilities.

From time to time the Board may review the division of functions between the Board and management so that it continues to be appropriate to the needs of the Company.

4. Composition and Structure of the Board

The Board, in consultation with the Nomination and Remuneration Committee, will determine the appropriate size and composition of the Board (including the Chairperson).

The Board, with assistance from the Nomination and Remuneration Committee, will review the skills of directors on the Board to determine whether the composition and mix of those skills remain appropriate for the Company's strategy.

4.1. Independence

The Board will always include one or more independent Directors.

The Board considers an independent Director to be a non-executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party. The materiality of the interest, position, association or relationship will be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's characterisation as an independent Director.

In assessing independence, the Board will have regard to the factors set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The independence of Directors will be assessed annually or as soon as practicable after there is a change in circumstances in respect of a Director which may affect their independence.

4.2. Conflicts

If a Director has a material personal interest in a matter that relates to the affairs of the Company, or a situation has arisen where the Director's duty to the Company conflicts with a duty to another person, the Director will act in accordance with the Company's Constitution, any applicable policy of the Company and any applicable law.

Where necessary, the Company Secretary will implement appropriate procedures designed to ensure that the interests of the Company are protected and the Director acts in accordance with his or her legal obligations.

4.3. Code of Conduct

Each Director will comply with the Company's Code of Conduct (having regard to the Director's role as either an executive or non-executive Director).

5. The Chairperson

The Board will elect an independent Director to the office of Chairperson.

The Chairperson is responsible for leadership of the Board, for the orderly conduct of business at Board meetings and for keeping all directors aware of Board issues. In fulfilling this role, the Chairperson will:

- (a) ensure the efficient organisation and conduct of the Board's functions;
- (b) facilitate the effective contribution of all Directors;
- (c) promote constructive and respectful relations between Directors and between the Board and management;
- (d) be responsible for ensuring that the principles and processes of the Board are maintained;
- (e) review and approve the agenda for each meeting prepared by the Company Secretary or the Managing Director (any Director may request that an item be added to the agenda);
- (f) ensure that adequate time is available for discussion of all agenda items including strategic issues at each meeting;

- (g) report to the Board and the committees of the Board as appropriate on decisions and actions taken between Board or committee meetings; and
- (h) chair general meetings of the Company.

The Chairperson has authority to act and speak for the Board between its meetings, including engaging with the Managing Director.

6. The Managing Director

The Managing Director is responsible for managing the affairs of the Company under the delegated authority from the Board and to implement the policies and strategy set by the Board. The Managing Director is responsible for delivering timely and accurate information to the Board.

The Managing Director and senior executives must operate in accordance with the Board's approved policies and delegated limits of authority.

7. The Chief Financial Officer

The Chief Financial Officer or equivalent employee must have the necessary training, expertise and experience sufficient to administer and manage the financial affairs and records of the Company.

The Chief Financial Officer will state in writing to the Audit and Risk Committee, before the Board approve the financial statements for a financial period for release, that the Company's financial records have been properly maintained, the financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards, and the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively..

8. Management

The role of management is to support the Managing Director. Management is required to report directly to the Managing Director, however if the matter concerns the Managing Director, management is required to report to the Chairperson.

9. Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board and committees.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Company Secretary is responsible for:

- (a) advising the Board and its committees on governance matters;
- (b) monitoring and evaluating compliance with Board and committee policy and procedures;
- (c) coordinating the timely completion and despatch of Board and committee papers of all Board;
- (d) ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- (e) helping organise and facilitate the induction and professional development of directors.

The Company Secretary's advice and services shall be available to all Directors and committees of the Board.

10. Independent Professional Advice

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

Individual directors who wish to obtain independent professional advice, as contemplated by this provision, should seek the approval of the Chairperson (acting reasonably), and will be entitled to reimbursement of all reasonable costs in obtaining such advice. In the case of a request made by the Chairperson, approval is required by the chair of the Audit and Risk Committee of the Company.

11. Review of this Charter

The Board will review this Charter from time to time. This Charter may be amended by resolution of the Board.