



## Corporate Governance Charter

NOVONIX Limited ACN 157 690 830

Adopted on 12 April 2022

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## 1 Definitions and interpretation

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### 1.1 Definitions

In this document:

<b>Term</b>	<b>Definition</b>
<b>AGM</b>	means NOVONIX's annual general meeting.
<b>ARM Committee</b>	means the Committee responsible for the matters set out in Schedule 1.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
<b>Board</b>	means the board of Directors.
<b>Board Charter</b>	means the charter of corporate governance in relation to the Board, set out in paragraph 2.
<b>Chairman</b>	means the chairman of the Board.
<b>CEO</b>	means the executive officer (by whatever title known, whether chief executive officer, managing director or otherwise) with sole responsibility for the strategic and operational management of the Group.
<b>Code of Conduct</b>	means the code of conduct set out in paragraph 3.
<b>Committee</b>	means a committee of the Board.
<b>Constitution</b>	means NOVONIX's constitution.
<b>Continuous Disclosure Policy</b>	means the Company's policy regarding continuous disclosure which is set out in a separate document, referred to in paragraph 4.
<b>CFO</b>	means NOVONIX's chief financial officer or equivalent officer (by whatever title known).
<b>Company or NOVONIX</b>	means NOVONIX Limited ACN 157 690 830.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Deputy Chairman</b>	means the deputy chairman appointed by the Board in circumstances where the Chairman is not an Independent Director.
<b>Director</b>	means a director of NOVONIX.

<b>Term</b>	<b>Definition</b>
<b>Diversity</b>	means but is not limited to diversity of gender, age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender identity.
<b>Diversity Policy</b>	means the Company's policy regarding Diversity which is set out in a separate document, referred to in paragraph 5.
<b>Group</b>	means NOVONIX and its controlled entities.
<b>Group Operating Policies and Procedures</b>	means the policy and procedures applicable to the Group from time to time, adopted by the Board.
<b>Independent Director</b>	means a Director who has a sufficient level of independence to the Company, determined in accordance with 2.6.
<b>NCG Committee</b>	means the Committee responsible for the matters set out in Schedule 1
<b>Price Sensitive Information</b>	<p>means information that:</p> <ul style="list-style-type: none"> <li>(a) relates to the financial affairs of NOVONIX or the Group;</li> <li>(b) may give the person proposing to deal in the Company's securities an advantage over other persons holding or dealing in the Company's securities; and</li> <li>(c) if it were generally available, would be likely to materially affect the price of the Company's securities in question.</li> </ul> <p>For the avoidance of doubt, the following will be typically regarded as Price Sensitive Information:</p> <ul style="list-style-type: none"> <li>(a) a transaction that will lead to a significant change in the nature or scale of the Group's activities;</li> <li>(b) a material acquisition or disposal;</li> <li>(c) the granting or withdrawal of a material licence;</li> <li>(d) the entry into, variation or termination of a material agreement;</li> <li>(e) NOVONIX or another member of the Group becoming a plaintiff or defendant in a material lawsuit;</li> <li>(f) the fact the Group's earnings will be materially different from market expectations;</li> <li>(g) the appointment of a liquidator, administrator or receiver;</li> <li>(h) the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;</li> <li>(i) under-subscriptions or over-subscriptions to an issue of NOVONIX securities;</li> <li>(j) NOVONIX giving or receiving a notice of intention to make a takeover; and</li> </ul>

<b>Term</b>	<b>Definition</b>
	(k) any rating being applied by a rating agency to NOVONIX or its securities and any change to such a rating.
<b>Remuneration Committee</b>	means the Committee responsible for the matters set out in Schedule 2.
<b>Secretary</b>	means the secretary of NOVONIX.
<b>Senior Executives</b>	means the senior management team (excluding Board members), being those who have the opportunity to materially influence the integrity, strategy and operation of NOVONIX, and its financial performance.
<b>Securities Trading Policy</b>	means NOVONIX's securities trading policy which is set out in a separate document, referred to in paragraph 3.11.
<b>Shareholder</b>	means a holder of shares in NOVONIX.
<b>Whistleblower Policy</b>	means the Company's policy regarding the Company's procedures in relation to employees reporting any misconduct or unlawful conduct by the Company, which is set out in a separate document, referred to in paragraph 6.

## **1.2 Interpretation**

Concepts not defined in this document which are given a meaning in the Corporations Act have the same meaning as in the Corporations Act.

## **2 Board Charter**

### **2.1 Introduction**

This Board Charter outlines NOVONIX's corporate governance practices. If, however, the Constitution is inconsistent with this document, the Constitution prevails to the extent of the inconsistency.

### **2.2 Guiding principle**

Each Director has an overriding responsibility to act in good faith and the best interests of NOVONIX. In assessing NOVONIX's best interests, the Board may, however, have regard to the interests of:

- (a) Shareholders (with a view to building sustainable value for them);
- (b) employees of the Group; and
- (c) other people or entities with whom the Group deals.

### **2.3 Functions of the Board**

The Board's broad functions are:

- (a) to chart strategy and set financial targets for the Group;

- (b) to monitor the implementation and execution of strategy and performance against financial targets; and
- (c) to appoint and oversee the performance of executive management, and generally to take an effective leadership role in relation to the Group.

## **2.4 Responsibilities of Board**

The Board's responsibilities include:

- (a) providing leadership and setting the strategic objectives of the Group;
- (b) on the recommendation of the NCG Committee, determining the Board's composition, including appointment and retirement or removal of the Chairman and Deputy Chairman (if applicable);
- (c) oversight of the Group (including its control and accountability systems);
- (d) appointing and removing the CEO or equivalent;
- (e) where appropriate, ratifying the appointment and the removal of Senior Executives;
- (f) reviewing, ratifying and monitoring the risk management framework and setting the risk appetite within which the Board expects management to operate;
- (g) approving and formulating company strategy and policy, and monitoring Senior Executives' implementation of strategy;
- (h) approving and monitoring operating budgets and major capital expenditure;
- (i) overseeing the integrity of the Group's accounting and corporate reporting systems, including the external audit;
- (j) monitoring industry developments relevant to the Group and its business;
- (k) developing suitable key indicators of financial performance for the Group and its business;
- (l) overseeing the Group's corporate strategy and performance objectives developed by management;
- (m) overseeing the Group's compliance with its continuous disclosure obligations;
- (n) approving the Group's remuneration framework;
- (o) monitoring the overall corporate governance of the Group (including its strategic direction and goals for management, and the achievement of these goals); and
- (p) oversight of Committees.

## **2.5 Board Composition**

- (a) The Chairman:
  - (i) subject to paragraph 2.5(b), should be an Independent Director;
  - (ii) is responsible for the Board's leadership and for its efficient organisation and conduct; and

- (iii) should facilitate the effective contribution by all Directors and promote constructive and respectful relations between Directors, and between the Board and the Senior Executives.
- (b) Where the Chairman is not an Independent Director, the Board should appoint a Deputy Chairman who can act when the Chairman is conflicted.
- (c) The Board should comprise:
  - (i) members with a broad range of experience, expertise, skills, diversity and contacts relevant to the Group and its business. With guidance from the NCG Committee, the Board will identify candidates with appropriate, experience, expertise, skills , diversity and contacts in order to discharge their obligations effectively and to maintain the necessary mix of expertise on the Board;
  - (ii) no less than three Directors, half of whom should be non-executive Directors;
  - (iii) more than four Directors where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified; and
  - (iv) a majority of Independent Directors.
- (d) Each year, a skills matrix setting out the mix of skills and Diversity that the Board currently has or aims to achieve and details of the length of service of each Director will be included in the Company's annual report.

## **2.6 Independence of Directors**

- (a) The Board must regularly assess whether each Director remains an Independent Director in the light of the interests disclosed by them and the guidelines set out below.
- (b) A Director should only be characterised as an Independent Director if they are free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgment to bear on issues before the Board.
- (c) The guidelines adopted by the Board to assist them in assessing the independence of Directors are set out as follows:

In general, a Director will be considered to be an "Independent Director" if the Director is not a member of management (i.e., is a non-executive Director) and:

- (i) is not a substantial Shareholder, or an officer of a substantial Shareholder, and is not otherwise associated, directly or indirectly, with a substantial Shareholder;
- (ii) has not, within the last three years:
  - been employed in an executive capacity by NOVONIX or another Group member; or
  - been a Director after ceasing employment in an executive capacity for NOVONIX or another Group member;
- (iii) has not, within the last three years, been a principal of a professional advisor to NOVONIX or another Group member or an employee materially associated with the service provided, except where the advisor might be considered to be independent due to the fact that fees payable by NOVONIX to the advisor's firm represent an insignificant component of the advisor's firm overall revenue;



- (iv) has not, within the last three years, been:
- a material supplier or customer of NOVONIX or another Group member; or
  - an officer of or associated, directly or indirectly, with a material supplier or customer;
- (v) has no material contractual relationship with NOVONIX or another Group member other than as a Director;
- (vi) does not have close family ties with any person who falls within any of the categories described in paragraphs (i) to (v) above; and
- (vii) 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 NOVONIX's best interests.
- (d) Each Director must provide the Board or the NCG Committee with all relevant information for this purpose and will inform the Board of the NCG Committee of any change to their interests, positions, associations or relationships that could affect their independence.
- (e) The independence of Directors will be disclosed in the annual report.
- (f) Where the Board determines a Director has ceased to be an Independent Director, this must be immediately disclosed and explained to the market.

## **2.7 Appointment and retirement of Directors**

- (a) The terms and conditions of the appointment of all new Directors should be set out in a letter of appointment (for non-executive Directors) and service contract (for executive Directors).
- (b) The material terms of any employment, service or consultancy agreement with a Director or the CEO should be disclosed in accordance with the ASX Listing Rules.
- (c) All Directors, excluding the CEO (if a Director), must retire in accordance with the requirements of the Constitution and the ASX Listing Rules. Retiring Directors may, in these circumstances, be eligible to be re-elected.
- (d) The NCG Committee assess nominations of new directors against a range of criteria including the candidate's background, experience, gender, professional skills, personal qualities and whether their skills and experience will complement the existing Board.
- (e) With guidance from the NCG Committee and, where necessary, external consultants, the Board will identify candidates with appropriate skills, experience, expertise and Diversity in order to discharge its obligations effectively and to maintain the necessary mix of expertise on the Board.

## **2.8 Background checks and provision of information to Shareholders**

- (a) The Board should undertake appropriate checks before appointing a person, or putting forward a candidate for election, as a Director.
- (b) All material information in the Board's possession, relevant to whether or not to elect or re-elect a Director, should be provided to Shareholders including:
- (i) in the case of a new Director, any materially adverse information revealed by checks undertaken; and

- (ii) for all Directors, details on the independence of the Director.

## **2.9 Performance review and evaluation of Directors**

(a) With the assistance of the NCG Committee, the performance of all other Directors and Senior Executives should be reviewed and assessed each year by the Chairman. In particular, all Directors seeking re-election at an AGM will be subject to a formal performance appraisal to determine whether the Board (in the absence of those Directors seeking re-election) should recommend their re-election to shareholders.

(b) The Chairman's performance should be reviewed and assessed each year by the Deputy Chairman (if applicable) and otherwise in consultation with the NCG Committee.

(c) The Board will disclose in the Company's Annual Report or on the Company's website whether a performance evaluation of the Board, its committees and its Directors was undertaken in accordance with the above process during or in respect of the relevant year.

(d) Each Director must cooperate fully with any review or assessment of performance, whether collective or individual, and whether conducted by:

- (i) the Chairman;
- (ii) any other Director; or
- (iii) any independent third party externally appointed for the purpose.

## **2.10 Training and advice for Directors**

(a) Directors must be provided with information about the Group before accepting the appointment and complete an induction course after their appointment, in each case appropriate for them to discharge their responsibilities.

(b) Subject to approval of the Chairman, Directors may request and be given access to continuing education in relation to the Group, extending to its business, the industry in which it operates, and other information required by them to discharge their responsibilities.

(c) Each Director may seek independent legal or other professional advice at NOVONIX's expense in relation to matters directly concerning that Director acting in his or her capacity as a Director, provided that the prior approval from the Chairman has been obtained (such approval not to be unreasonably withheld or delayed).

## **2.11 Board meetings**

(a) Board meetings should occur not less than six times in any year.

(b) Papers for Board meetings must be circulated, where practical, at least five days before the relevant meeting.

(c) Draft minutes of Board meetings (for consideration and approval at the next relevant meeting) should be circulated within ten business days following each meeting.

(d) The non-executive Directors should meet at least twice each financial year for a private discussion of management issues.

## 2.12 Secretary

The Secretary is (or Secretaries are) accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board and is (or are) responsible for:

- (a) advising the Board and any Committee on governance matters;
- (b) monitoring this policy and any Committee charter, to ensure they are followed; and
- (c) coordinating the timely completion and despatch of:
  - (i) Board and Committee papers; and
  - (ii) draft minutes of Board and Committee meetings, that accurately capture the business of the meeting, for approval at the next meeting.
- (d) assisting with the organisation and conduct of the induction and professional development of Directors.

## 2.13 Committees

- (a) The Board may establish (and delegate powers to) Committees to assist the Board to carry out its functions effectively and efficiently.
- (b) The Committees established at the date of this document are the Audit & Risk Management (**ARM**) Committee (charter set out in Schedule 1), the Remuneration (**REM**) Committee (charter set out in Schedule 2), the Nominating and Corporate Governance (NCG) Committee (charter set out in Schedule 3) and the Disclosure Committee established in accordance with the Company's Continuous Disclosure Policy.
- (c) The Board may also delegate specific functions to ad hoc Committees.

## 2.14 Business risks

- (a) The risks of NOVONIX's and the Group's business should be a standing item on the agenda for each regular meeting of the Board. Once a risk is identified, an action plan should be proposed by management for submission to the Board. That plan may also be submitted to the ARM Committee for review.
- (b) Corrective action should be taken as soon as reasonably practicable after adoption of an action plan.
- (c) The Group Operating Policies and Procedures should contain risk management procedures that aim to address risk management issues including professional indemnity claims.
- (d) The Senior Executives should take steps to ensure staff are provided with, and comply with, the Group Operating Policies and Procedures.
- (e) The Board should regularly review (at least annually) and approve the Group Operating Policies and Procedures.
- (f) The Board should record in its minutes as and when Senior Executives have reported on the effectiveness of NOVONIX's management of its material business risks.

## **2.15 Communication with Shareholders**

- (a) The Board should consider the appropriate location for the Group's corporate governance policies and practices, including disclosure in the annual report and on an appropriate landing page of the Group's website.
- (b) The annual report must be distributed to all Shareholders in accordance with the requirements of the Corporations Act and ASX Listing Rules.
- (c) The annual report should include relevant information about the operations of the Group during the year, changes in the state of affairs of the Group, and details of future developments, in addition to:
  - (i) if not included on the Group's website, the corporate governance statement required by the ASX Listing Rules (which must specify the date it is current and state that it has been approved by the Board); and
  - (ii) any other disclosures required by the Corporations Act.
- (d) An Appendix 4G should also be completed, lodged and released in accordance with the ASX Listing Rules.
- (e) The Shareholders at an AGM should be asked to vote on:
  - (i) proposed major changes in the Group which may impact on share ownership rights; and
  - (ii) the removal and appointment of Directors.
- (f) All substantive resolutions at a general meeting are to be decided by a poll.
- (g) The Board should encourage the full participation of Shareholders at the AGM and at other general meetings to ensure a high level of accountability and identification with the Group's strategy and goals (which includes considering the use of webcasting and direct voting mechanisms for appropriate meetings).
- (h) The Company has an investor relations program to facilitate two-way communication with Shareholders, potential investors, sell-side and buy-side analysts and the financial media.
  - (i) The half-yearly report should contain summarised financial information and a review of the operations of the Group during the period. The report should be lodged with and available from the ASX and ASIC. It should also be sent to any Shareholder who requests it from NOVONIX's share registry.
  - (j) Information concerning NOVONIX and the Group, including copies of announcements made through the ASX and the annual report and half-yearly report, should be made available to Shareholders and prospective investors in NOVONIX on the Company's website.
- (k) NOVONIX has a continuing commitment to electronic communication with Shareholders and stakeholders generally, including through its website.

## **2.16 Recognition of interests of stakeholders**

- (a) NOVONIX must function within, and operate with a sense of responsibility to, the wider community as well as to Shareholders. This sense of responsibility to stakeholders generally is an important part of NOVONIX's role within the broad community and represents not only sound ethics but also good business sense and commercial practice.

(b) Constructive feedback on NOVONIX's contribution to and role within the community will be sought (and welcomed) at AGMs and through NOVONIX's website.

### **2.17 NOVONIX's budget**

(a) An annual budget must be prepared by Senior Executives and approved by the Board prior to the commencement of each financial year.

(b) Actual results, including both the profit and loss statement and cashflow statement, must be reported to the Board on a monthly basis against budget, and revised forecasts for the year are prepared regularly.

### **2.18 CEO and CFO responsibilities**

(a) Each of the CEO and CFO must state in writing to the Board, when providing it with financial reports, that NOVONIX's financial reports:

(i) have been properly maintained;

(ii) present a true and fair view, in all material respects, of NOVONIX's financial condition and operational results;

(iii) are in accordance with applicable accounting standards; and

(iv) are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

(b) The CEO is also primarily responsible for:

(i) making decisions about whether a matter must be disclosed under NOVONIX's continuous disclosure obligations;

(ii) ensuring that NOVONIX complies with those obligations;

(iii) notifying the Board of such matters;

(iv) monitoring and promoting an understanding within NOVONIX of compliance;

(v) acting as the contact for media and comment, including analyst briefings and responses to shareholder questions; and

(vi) keeping the Board informed of other relevant matters.

## **3 Code of Conduct**

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### **3.1 Objective**

This code seeks to give the Directors guidance on how best to perform its duties, meet its obligations and understand NOVONIX's corporate governance practices.

### **3.2 Obligation to comply with code and law**

(a) A Director must, at all times, comply with this code as well as the law.

(b) All Directors must act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.

(c) A Board position involves important legal and ethical responsibilities and a commitment to upholding the values of good corporate citizenship, in both individual conduct and corporate actions. A person should not accept a Board position if they have any doubt about their ability to comply with this code.

### **3.3 General duties**

(a) Directors must:

(i) act in good faith in the best interests of NOVONIX and for a proper purpose;

(ii) avoid any potential conflict of interest or duty;

(iii) exercise a reasonable degree of care and diligence;

(iv) not make improper use of information; and

(v) not make improper use of their position.

(b) Breaches of these duties may expose Directors to potential liability in damages, fines and disqualification.

(c) A Director, in the exercise of his or her powers, and in the discharge of his or her duties, must exercise the degree of care and diligence that a reasonable person would exercise if he or she were a Director:

(i) in the circumstance prevailing;

(ii) occupying the same position; and

(iii) with the same responsibilities within NOVONIX as the Director.

(d) A Director is a fiduciary and must act with fidelity and trust in company matters. The Board has been appointed to manage NOVONIX' affairs and should have regard not only to the interests of Shareholders but (in appropriate circumstances) the interests of other third parties including creditors, regulators and the community.

(e) Directors must act with a reasonable degree of care and diligence in the exercise of their powers and duties and to carry out their duties.

(f) A Director who is appointed but fails to acquire and maintain a reasonable level of competence may be considered negligent.

(g) All Board members should attend at least one educational seminar a year to remain fully informed of matters relevant to their position as a Director.

(h) The Company maintains directors' and officers' liability insurance. Directors must be fully aware of the terms of this insurance to qualify for protection under it.

### **3.4 Business judgment rule**

(a) A director's duty to act with care and diligence may be satisfied where the director:

- (i) makes a decision in good faith and for a proper purpose;
  - (ii) has no material personal interest in the subject matter of the decision made;
  - (iii) is informed about the subject matter of the decision to the extent the director reasonably believes to be appropriate; and
  - (iv) rationally believes the decision to be in the best interest of the Company.
- (b) The business judgment rule:
- (i) relates only to decisions about the ordinary business operations of the Company; and
  - (ii) does not relieve a Director from other duties.<sup>1</sup>
- (c) A business judgment is any decision to take or not to take action relating to the business operations of the Company; it does not apply to any failure to make a decision.

### **3.5 Independent decision making and soundness of decisions**

- (a) A Director must be independent in his or her judgement and actions, and must take all reasonable steps to be satisfied as to the soundness of all Board decisions.
- (b) To satisfy this requirement a Director must:
- (i) make a reasonable effort to become and remain familiar with the affairs of the Group;
  - (ii) attend all Board meetings and Board functions unless there are valid reasons for non-attendance;
  - (iii) ensure they have a sufficient understanding of accounting matters to fulfil their responsibilities in relation to the Group's financial statements; and
  - (iv) commit the necessary time and energy to Board matters.
- (c) Directors may rely on advice relating to NOVONIX or the Group or their affairs only where that advice is given or prepared by:
- (i) an employee whom the Director believes on reasonable grounds to be reliable and competent in the relevant subject;
  - (ii) a professional adviser or expert in a subject the Director believes on reasonable grounds to be within the person's professional or expert competence;
  - (iii) another Director or officer on the subject within that Director's or officer's authority; or
  - (iv) a Committee (on which the Director did not serve) on a subject within the Committee's authority.
- (d) Directors should only rely on information or advice if the Director's reliance was made in good faith, after independently assessing the information and advice, considering the Director's knowledge of NOVONIX and the Group and the complexity of their structure and operations.

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<sup>1</sup> Such as to act in good faith, not to misuse the position of director and not to make improper use of information obtained because they are, or have been, a director or other officer or employee of the Company.

### **3.6 Confidentiality of Board matters and other information**

- (a) Directors must keep confidential any Board matters and all confidential information<sup>2</sup> received by the Directors in the course of the exercise of their duties.
- (b) All information received by Directors to carry out their duties must be regarded as confidential and is the property of NOVONIX.
- (c) A Director may not disclose information, or allow it to be disclosed, to any other person unless disclosure is authorised by NOVONIX or the information is required by law to be disclosed.
- (d) All discussions and resolutions of the Board must also be kept confidential and their content must not be disclosed, or allowed to be disclosed to persons who are not Directors, except in cases where disclosure:
  - (i) has been authorised by NOVONIX; or
  - (ii) is required by law.
- (e) Authorisation by NOVONIX is presumed to the extent the Board (or Committee) minutes state or imply that it is intended that disclosure should be made to third parties.
- (f) Any Director in any doubt as to his or her obligations of confidentiality or in relation to any matter of disclosure should consult with the Chairman prior to making any disclosure.

### **3.7 Improper use of information**

A Director must not make improper use of information acquired as a Director to gain, directly or indirectly, any personal advantage or any advantage for any other person detrimental to NOVONIX or the Group.

### **3.8 Cooperation**

- (a) Directors must observe solidarity with Board resolutions and cooperate in their implementation.
- (b) Directors are part of a team and should work cooperatively with the Chairman and other Directors and with management.

### **3.9 Personal interests and conflicts**

- (a) A Director must not take improper advantage of their position as a director or officer.
- (b) No Director may allow any personal interest, or the interest of any associated person, to influence or prejudice the Director's conduct or any Board (or Committee) decision.
- (c) A Director has a duty to avoid any conflict between:
  - (i) the interests of, or duty to, NOVONIX; and
  - (ii) his or her own personal interests or the interests of, or duty to, any third party.
- (d) Every Director should be actively vigilant for both actual and potential conflicts of interest or duty.

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<sup>2</sup> Confidential information includes without limitation Price Sensitive Information and information that is not Price Sensitive but might reasonably be of use or of interest to retail investors.



- (e) A Director with a conflict of interest or duty should refrain from voting, or entering into any discussion, at, or even being present during, relevant Board discussions.
- (f) A Director who has any material personal interest in a matter must not be present at a meeting while the matter is being considered and must not vote on the matter.<sup>3</sup>
- (g) Papers relevant to any matter on which there is a known conflict of interest, or in relation to which there is a material personal interest, will be provided to the Chair or Deputy Chair before being provided to any Director concerned.

### **3.10 Conduct by Directors**

- (a) A Director must not engage in conduct likely to discredit NOVONIX or the Group.
- (b) Each Director should be aware of, and observe, any standing orders adopted by the Board from time to time for the conduct of Board and Committee meetings.
- (c) Directors must at all times comply with the spirit as well as the letter of the law and with the principles of this Board Charter.
- (d) Directors should conduct themselves at all times in a sober, polite, lawful and restrained manner in carrying out their duties, at both Board and Committee meetings, at Company functions and meetings, and where otherwise dealing with matters concerning or involving the Company.

### **3.11 Dealings in Securities**

Each Director must comply with the Securities Trading Policy in respect of any dealings in NOVONIX securities.

### **3.12 Complaints procedure**

- (a) Directors are bound by the complaints procedure the Board adopts in the Group Operating Policies and Procedures.
- (b) Directors may be approached by Shareholders, staff or other persons who have a complaint about a matter relating to NOVONIX or the Group. Any such complaint must be handled under the relevant procedure in the Group Operating Policies and Procedures.
- (c) The CEO and CFO must each ensure NOVONIX's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects, and provide a detailed statement to the Board about this with each financial report.

## **4 Continuous Disclosure Policy**

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- (a) The Company must comply with the continuous disclosure regime in Section 674 of the Corporations Act and under Listing Rule 3.1.
- (b) The continuous disclosure regime requires the Company to immediately disclose information which may materially affect the price or value of the Company's securities. The continuous disclosure regime reflects the expectation of investors and the market to have ready access to that type of information. The continuous disclosure regime also requires the Company to correct a false market in its securities.

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<sup>3</sup> A personal interest may be either direct or indirect and either pecuniary or otherwise.

(c) The Company is committed to complying with the continuous disclosure regime. The Board has adopted policies on continuous disclosure, including frameworks to identify, report and disclose Price Sensitive Information, as set out in the Continuous Disclosure Policy.

## **5 Diversity Policy**

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(a) The Company is committed to fostering a governance culture that embraces Diversity, including in particular in the composition of its Board and Senior Executives.

(b) The terms of the Company's policy on Diversity, including measurable objectives and means for assuring the effectiveness of the implemented Diversity strategy, are set out in the Diversity Policy.

## **6 Whistleblower Policy**

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(a) The Company has adopted a separate Whistleblower Policy, which sets out the Company's procedures in relation to employees reporting any misconduct or unlawful conduct by the Company. A copy of the Whistleblower Policy is available to shareholders of the Company via the Company website.

(b) The Board must be informed of any material incidents reported under the Whistleblower Policy.

## **7 Anti-bribery and Corruption Policy**

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(a) The Company has adopted a separate Anti-bribery and Corruption Policy, which sets out the Company's procedures in relation to bribes or other improper payments. A copy of the Anti-bribery and Corruption Policy is available to shareholders of the Company via the Company website.

(b) The Board must be informed of any material incidents of bribery or corruption in breach of the Anti-bribery and Corruption Policy.

## **8 Standing rules of Committees**

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### **8.1 Application**

These rules apply to, and are deemed incorporated into the charter of, each Committee, except to the extent of any conflict with any of its terms.

### **8.2 Composition**

(a) Each Committee should consist of a majority of non-executive Directors, who should also be Independent Directors.

(b) The chairman of each Committee should be an Independent Director, but not the Chairman, and the Board will appoint one member of any Committee to act as its chairman.

(c) Each Committee must consist of no fewer than three members.

(d) Committees are appointed by the Board and serve as the Board determines.

### **8.3 Role**

Each Committee's role is to improve the efficiency of the Board through accepting the delegation of tasks and performing them in a forum where they can receive greater attention to detail than would be practical solely at Board level.

### **8.4 Proceedings**

- (a) Any meeting may be held by means of conference call or any other means of communication that may, under the Corporations Act or the Constitution, be used for Board meetings.
- (b) The quorum for a Committee meeting is any two members.
- (c) A Director may attend (but not vote at) a meeting of a Committee of which that Director is not a member, as the Committee determines, for discussion of any particular matter relevant to that Director or in relation to which that Director may have a special contribution to make.
- (d) A Committee may delegate any specific task to one of its members or to a sub-committee consisting of two or more of its members.
- (e) The procedural provisions of this paragraph 8.4 apply in relation to any sub-committee of a Committee.

### **8.5 Reporting**

Each Committee must report in writing to the Board after each Committee meeting, and provide a copy of the minutes.

### **8.6 Secretary**

The Secretary has responsibility for coordinating the completion and despatch of Committee agenda and briefing materials, as well as draft minutes of meetings of each Committee for approval at the next meeting.

### **8.7 Performance review and evaluation**

- (a) The same procedures apply as for the Board<sup>4</sup> subject only to the role of the Chairman being taken by the chairman of the Committee and any other necessary changes.
- (b) Review and evaluation are conducted against the Board Charter and any criteria the Chairman decides.
- (c) The Committee must report to the Board on the conduct and results of its review and evaluation and make recommendations it considers appropriate.

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<sup>4</sup> See paragraph 9.

# Schedule 1

## ARM Committee charter

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### 1.1 Standing rules

Unless otherwise specific in this Schedule 1, the standing rules for Committees<sup>5</sup> apply to the Audit & Risk Management (**ARM**) Committee.

### 1.2 ARM Committee Members

The Board has established an ARM Committee. The ARM Committee is to consist of the following:

- (a) only non-executive Directors;
- (b) a majority of independent Directors;
- (c) an independent Chairperson who is not the Chairperson of the Board; and
- (d) at least three members - where there are not three or more non-executive Directors of the Company, the Board may appoint executive Directors to the Committee.

Each member of the ARM Committee is to be financially literate and at least one member of the Committee (ideally the Committee Chair) is to have relevant qualifications and/or experience in accounting or related financial management matters, and at least one member of the ARM Committee (who may be another member) must have technical knowledge and an understanding of the industry in which the Company operates, such that the Committee as a whole is able to discharge its mandate effectively.

The current membership of the ARM Committee, including their qualifications and experience, will be disclosed in the Annual Report or on the Company's website.

### 1.3 Purpose of ARM Committee

- (a) The ARM Committee's role is to:
  - (i) advise on the establishment and maintenance of a framework of internal controls for the Group's management; and
  - (ii) assist the Board with policy on the quality and reliability of financial information prepared for use by the Board.
- (b) The ARM Committee will review NOVONIX's risk management framework and policies and monitor their implementation.

### 1.4 Scope of responsibility

The ARM Committee is responsible for:

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<sup>5</sup> See section 8 of the Board Charter.

- (a) monitoring the establishment of an appropriate internal controls framework, including information systems, and its operation and considering enhancements;
- (b) assessing corporate risk (including economic, environmental and social sustainability risks) and compliance with internal controls;
- (c) overseeing business continuity planning and risk mitigation arrangements;
- (d) assessing the objectivity and performance of the internal audit function and considering enhancements;
- (e) reviewing reports on any material misappropriation, frauds and thefts from the Group;
- (f) reviewing reports on the adequacy of insurance coverage;
- (g) monitoring compliance with relevant legislative and regulatory requirements (including continuous disclosure obligations) and declarations by the Secretary in relation to those requirements;
- (h) reviewing material transactions which are not a normal part of the Group's business;
- (i) reviewing the nomination, performance and independence of the external auditors, including recommendations to the Board for the appointment or removal of any external auditor and the rotation of the audit engagement partner;
- (j) liaising with the external auditors and monitoring the conduct, scope and adequacy of the annual external audit;
- (k) reviewing management corporate reporting processes supporting external reporting, including the appropriateness of the accounting judgments or choices made by management in preparing the financial reports and statements;
- (l) reviewing financial statements and other financial information distributed externally, including considering whether the financial statements reflect the understanding of the ARM Committee and otherwise provide a true and fair view of the financial position and performance of the Group;
- (m) preparing and recommending for approval by the Board the corporate governance statement for inclusion in the annual report or any other public document;
- (n) reviewing external audit reports and monitoring, where major deficiencies or breakdowns in controls or procedures have been identified, remedial action taken by management;
- (o) reviewing any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor; and
- (p) reviewing and monitoring compliance with the Code of Conduct.

## **1.5 Powers**

- (a) The ARM Committee has an advisory role, to assist the Board in relation to matters set out in paragraph 1.4 and does not have any power to commit the Board to any recommendation or decision made by it except:
  - (i) for matters relating to the appointment, oversight, remuneration and replacement of the external auditors; and

- (ii) where and to the extent that (in other respects) it has express delegated authority from the Board.
- (b) The ARM Committee has unrestricted access to management and to internal audit personnel as well as to the external auditors (with or without management present) to carry out its function (see paragraph 1.9 below).

## **1.6 Risk reporting**

- (a) If the ARM Committee identifies a significant business risk, it should report that risk to the Board immediately following the relevant ARM Committee meeting.
- (b) The ARM Committee will ensure that the necessary controls are in place for risk management policies to be maintained by:
  - (i) devising a means of analysing the effectiveness of risk management and internal compliance and control system and of the effectiveness of their implementation; and
  - (ii) reviewing, at least annually, the effectiveness of the Company's implementation of the risk management system (and will disclose in its Annual Report or on the Company's website whether such a review has taken place in the relevant reporting period, and any insights the Company has gained from the review and any changes it has made or will make to its risk management framework as a result).

## **1.7 Selection of auditors**

- (a) External auditors are selected according to criteria set by the ARM Committee which include:
  - (i) the lack of any current or past relationship with NOVONIX or with any Senior Executive that could impair, or risk impairing, the independent external view they are required to take in relation to NOVONIX and the Group;
  - (ii) their general reputation for independence, probity and professional standing within the business community; and
  - (iii) their knowledge of the industry in which NOVONIX and the Group operate.
- (b) Employees of the external audit partner (including the partner or other principal with overall responsibility for the engagement), should be rotated periodically (at least every five years) to avoid any risk of impairing the independent external view that the external auditors are required to take in relation to NOVONIX and the Group.

## **1.8 Audit planning**

- (a) The ARM Committee reviews the performance of the external auditors throughout the year.
- (b) During each year, the ARM Committee should meet with the external auditor to:
  - (i) discuss the external audit plan;
  - (ii) discuss any potential significant problems;

- (iii) discuss the impact of proposed changes in accounting policies on the financial statements;
  - (iv) review the nature and impact of any changes in accounting policies adopted by the Group during the year; and
  - (v) review the proposed audit fees.
- (c) Prior to the announcement of NOVONIX's results the ARM Committee should meet with the external auditor to:
- (i) review the pro-forma half-yearly and pro-forma preliminary final report prior to lodgement of those documents with the ASX, and any significant adjustments required as a result of the audit;
  - (ii) make the necessary recommendation to the Board for the approval of these documents;
  - (iii) review the results and findings of the audit, the adequacy of accounting, financial and operating controls, and monitor the implementation of any recommendations made; and
  - (iv) review the draft financial report and the audit report and make the necessary recommendation to the Board for the approval of the financial report.

## **1.9 Access**

- (a) The ARM Committee shall have unlimited access to the external and internal (if any) auditors, and to management and any subsidiary for the purpose of obtaining information to discharge its functions. The ARM Committee shall also have the ability and authority to seek any information it requires to carry out its duties from any director, member of management or employee and such persons shall be instructed by the Board to co-operate fully in the provision of such information.
- (b) The ARM Committee also has the authority to seek advice from external experts where it considers it necessary or appropriate to carry out its duties. Any costs incurred as a result of the Committee consulting an external expert will be borne by the Company.

## **1.10 Frequency of meetings**

- (a) The ARM Committee will meet as often as the ARM Committee members deem necessary in order to fulfil its role. However, it is intended that the ARM Committee will normally meet at least twice a year.
- (b) In addition, the Committee Chair is required to call an ARM Committee meeting if requested to do so by:
  - (i) any ARM Committee member;
  - (ii) the CEO;
  - (iii) the CFO; or
  - (iv) any other Director.

- (c) The number of ARM Committee meetings and ARM Committee members' attendance at those meetings will be disclosed in the Company's Annual Report or on the Company's website.

### **1.11 Proceedings**

- (a) Meetings are held at least three times during each year and more often as required.
- (b) The CEO and the CFO will normally be invited to attend ARM Committee meetings, or specific parts of ARM Committee meetings, from time to time at the discretion of the ARM Committee, but will not have voting rights. They will not attend closed sessions of the ARM Committee with the external auditor.
- (c) Other Directors (executive and non-executive) have a right of attendance at meetings. However, no Director is entitled to attend that part of a meeting at which an act or omission of that Director or a contract, arrangement or undertaking involving or potentially involving that Director or a related party of that Director is being investigated or discussed.
- (d) If in the opinion of the ARM Committee, their investigation or discussion will be assisted by hearing from the interested Director, the ARM Committee may invite that Director to address the ARM Committee. The ARM Committee will give fair consideration to that address. The Director will not, however, be invited to take part in the deliberations following that address.
- (e) The Committee Chair will preside at meetings of the ARM Committee. If the Committee Chair is not present at a Committee meeting, the members must elect another member to act as Committee Chair for that meeting.
- (f) The role of the Committee Chair is to:
  - (i) determine the agenda for meetings of the ARM Committee in conjunction with the Committee Secretary (as defined below in section 1.12);
  - (ii) chair meetings of the ARM Committee and take reasonable steps for the proper functioning of the ARM Committee, including the proper conduct of meetings and an appropriate level of discussion;
  - (iii) take reasonable steps regarding the adequate flow of relevant information to the ARM Committee;
  - (iv) take reasonable steps to advise the Board on the ARM Committee's recommendations to the Board on matters falling within the scope of the ARM Committee's responsibilities; and
  - (v) review the minutes of meetings of the ARM Committee for circulation to and approval by the ARM Committee and sign the approved minutes.
- (g) The ARM Committee, through its Chairperson, is to report to the Board at the earliest possible Board meeting after each Committee meeting. Minutes of all Committee meetings are to be circulated to the Board. The ARM Committee is to report to the Board all matters relevant to the ARM Committee's role and responsibilities. The report should include but is not limited to:
  - (i) the minutes of the ARM Committee and any formal resolutions;



- (ii) information about the audit process including the results of external and internal (if any) audits and any reports prepared and presented by the external auditors;
- (iii) an assessment of:
  - whether external reporting is consistent with Committee members' information and knowledge and is adequate for shareholder needs; and
  - the management processes supporting external reporting;
- (iv) procedures for the selection and appointment of the external auditor and for the rotation of external audit partners;
- (v) recommendations for the appointment or, if necessary, the removal of the external auditor;
- (vi) any determination by the ARM Committee relating to the performance and independence of the external auditor and whether the ARM Committee is satisfied that independence of this function has been maintained having regard to the provision of non-audit services;
- (vii) assessment of the performance and objectivity of the internal audit function (if any);
- (viii) results of its review of risk management and internal control systems;
- (ix) recommendations for the appointment or, if necessary, the dismissal of the head of internal audit (if applicable);
- (x) any matters that in the opinion of the ARM Committee should be brought to the attention of the Board and any recommendations requiring Board approval and/or action; and
- (xi) at least annually, a review of the formal written ARM Committee Charter and its continuing adequacy, and an evaluation of the extent to which ARM Committee has met the requirement of the ARM Committee Charter.

### **1.12 Committee Secretary**

- (a) The Company Secretary (or delegate as approved by the ARM Committee) will act as secretary of the ARM Committee and will be responsible, in conjunction with the Committee Chair, for drawing up the agenda (supported by explanatory documentation and papers) and circulating the Committee papers to ARM Committee members prior to each meeting. Directors may request papers for or from any meeting and will be notified in advance of the agenda of forthcoming meetings.
- (b) The Committee Secretary will also be responsible for keeping the minutes of meetings of the Committee (except when the ARM Committee is in closed session) and circulating them to the Committee Chair for review, as well as to the other ARM Committee members, Board members and ARM Committee meeting attendees as appropriate.

# Schedule 2

## Remuneration Committee charter

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### **1.1 Standing rules**

The standing rules for Committees apply to the Remuneration Committee subject to this charter.

### **1.2 Remuneration Committee Members**

The Remuneration Committee will consist of:

- (a) A minimum of three members;
- (b) Only non-executive Directors;
- (c) A majority of independent Directors; and
- (d) A Chair of the Committee, who is an independent Director.

The current members of the Remuneration Committee will be disclosed in the Company's Annual Report or on the Company's website.

### **1.3 Purpose of Remuneration Committee**

The Remuneration Committee's role is to advise on remuneration and issues relevant to remuneration policies and practices, including for Senior Executives and non-executive Directors.

### **1.4 Scope of responsibility**

- (a) The Remuneration Committee is responsible for:
  - (i) reviewing and evaluating market practices and trends for remuneration relevant to the Group;
  - (ii) reviewing and making recommendations to the Board for the Group's remuneration policies and framework, including the allocation of the directors' fee pool to non-executive Directors;
  - (iii) reviewing and making recommendations to the Board for the Group's remuneration practices, including in relation to equity-based remuneration plans and superannuation arrangements;
  - (iv) overseeing the performance of the Executive Directors, other Senior Executives and non-executive Directors;
  - (v) reviewing and making recommendations to the Board for the remuneration packages of the Executive Directors, other Senior Executives and of non-executive Directors, ensuring that the packages appropriately reflect the different roles and responsibilities of non-executive Directors compared with Executive Directors and Senior Executives;

- (vi) preparing for the Board any report that may be required under applicable legal or regulatory requirements about remuneration matters;
  - (vii) reviewing the Group's reporting and disclosure practices in relation to the remuneration of Directors and Senior Executives;
  - (viii) reviewing, making recommendations to the Board on remuneration by gender (and other Diversity benchmarks) and reporting to the Board as necessary to facilitate compliance with the Diversity Policy; and
  - (ix) reviewing and reporting to the Board, at least annually, on the proportion of women and men in the workforce at all levels of the Group, and their relative levels of remuneration.
- (b) Remuneration includes not only monetary payments (salary and wages) but all other monetary and non-monetary compensation for services and benefits including:
- (i) fringe benefits;
  - (ii) directors' and officers' and other insurance arrangements;
  - (iii) retirement benefits;
  - (iv) superannuation; and
  - (v) equity participation, and other incentive programs.
- (c) The Committee Chair and/or the Chair of the Board will also engage with shareholders and proxy advisers in advance of the Annual General Meeting.

## **1.5 Powers**

The Remuneration Committee has an advisory role to assist the Board about the things set out in paragraph 1.4. Such advice may be in the form of minutes of its meetings, supporting papers, and written or oral reports at Board meetings. The Remuneration Committee cannot commit the Board to any recommendation or decision made by it.

The Remuneration Committee must approve the engagement of 'remuneration consultants' when obtaining any 'remuneration recommendation' in respect of 'Key Management Personal' (as those terms are defined in the Corporations Act 2001 (Cth)). The Committee Chair is responsible for liaising on behalf of the Remuneration Committee with any remuneration consultants advising the Remuneration Committee and any 'remuneration recommendation' must be provided directly to the Remuneration Committee or the Committee Chair.

## **1.6 Proceedings**

- (a) Meetings are held at least twice a year and more often as required.
- (b) Representatives of management and other employed personnel may be invited to attend meetings, or specific parts of meetings, at the discretion of the Remuneration Committee.
- (c) Where an executive Director is involved in deliberations of the Remuneration Committee, they should not be involved in deciding their own remuneration and should have regard to any indirect conflict in setting the remuneration of other Senior Executives.

- (d) The Committee Chair will preside at meetings of the Remuneration Committee. If the Committee Chair is not present at a Remuneration Committee meeting, the members must elect another member to act as Committee Chair for that meeting.
- (e) The role of the Committee Chair is to:
  - (i) determine the agenda for meetings of the Remuneration Committee in conjunction with the Committee Secretary (as defined below in section 1.7.);
  - (ii) chair meetings of the Remuneration Committee and take responsible steps for the proper functioning of the Remuneration Committee, including the proper conduct of meetings and an appropriate level of discussion;
  - (iii) take reasonable steps regarding the adequate flow of relevant information to the Remuneration Committee;
  - (iv) take reasonable steps to advise the Board on the Remuneration Committee's recommendations to the Board on matters falling within the scope of the Remuneration Committee's responsibilities;
  - (v) review the minutes of meetings of the Remuneration Committee for circulation to and approval of the Remuneration Committee and sign the approved minutes; and
  - (vi) act under a delegation of the Remuneration Committee, including liaising on behalf of the Remuneration Committee with consultants advising the Remuneration Committee.

### **1.7 Remuneration Committee Secretary**

- (a) The Company Secretary (or delegate as approved by the Remuneration Committee) will act as secretary of the Remuneration Committee and will be responsible, in conjunction with the Committee Chair, for drawing up the agenda (supported by explanatory documentation and papers) and circulating the Remuneration Committee papers to Remuneration Committee members prior to each meeting. Directors may request papers for or from any meeting and will be notified in advance of the agenda of forthcoming meetings.
- (b) The Committee Secretary will also be responsible for keeping the minutes of meetings of the Remuneration Committee (except when the Remuneration Committee is in closed session) and circulating them to the Committee Chair for review, as well as to the other Remuneration Committee members, other Board members and other Remuneration Committee meeting attendees as appropriate.
- (c) Remuneration Committee papers should normally be distributed by the Committee Secretary at least a week prior to each Remuneration Committee meeting.

### **1.8 Periodic Review**

The Remuneration Committee has the responsibility to:

- (a) review this Committee Charter annually and recommend any proposed changes to the Board for approval; and

- (b) conduct a periodic, but at least annual, evaluation of the Committee's performance and the extent to which the Committee has met the objectives set out in this Committee Charter.

# Schedule 3

## Nominating and Corporate Governance Committee charter

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### **1.1 Standing rules**

The standing rules for Committees apply to the to the Nominating and Corporate Governance Committee subject to this charter.

### **1.2 Membership**

The Nominating and Corporate Governance Committee (the "**NCG Committee**") will consist of:

- three or more members;
- only non-executive Directors;
- a majority of independent Directors; and
- a Chair of the NCG Committee, who must be an independent Director.

The current members of the NCG Committee will be disclosed in the Company's Annual Report or on the Company's website.

### **1.3 Purpose**

The purpose of the NCG Committee is to review and consider the structure and balance of the Board, to make recommendations regarding the Company's director nominations process, developing and maintaining the Company's corporate governance policies, having regard to the applicable law and good corporate governance standards.

### **1.4 Duties and Responsibilities**

The NCG Committee shall have the following authority and responsibilities:

#### *Board structure*

- To determine the qualifications, qualities, skills, and other expertise required to be a Director and to develop, and recommend to the Board for its approval and disclosure, a Board skills matrix setting out the mix of skills and diversity that the Board currently has and/or is looking to achieve in its membership.
- To identify and screen, and if thought fit, recommend to the Board, individuals qualified to become members of the Board, after considering the necessary and desirable competencies of new Board members, and the range and depth of skills and the diversity of the Board.
- To consider, and if thought fit, make recommendations to the Board regarding the re-election by shareholders of any Director under the retirement by rotation provisions or any Director who must stand for election as a result of extended tenure. As part of this review, all Directors seeking re-election at an annual general meeting will be subject to a formal performance appraisal to determine whether the Board (in the absence of those Directors seeking re-election) should recommend their re-election to shareholders.
- To undertake the appropriate checks on candidates for the Board (including checks concerning the person's character, qualifications and experience, education, criminal record, bankruptcy history and independence as a director) and provide that information, where material and relevant, to shareholders before recommending a candidate for appointment or re-election.
- To ensure that the Company enters into a written agreement with each new Board member which sets out the terms of their appointment.

- To assess and consider the time required to be committed by a Director to properly fulfil their duty to the Company and advise the Board. The NCG Committee will assist:
  - the Board:
    - to conduct an annual evaluation of the Board, its committees and individual Directors and to oversee the conduct of this annual evaluation.
    - by:
      - assisting the Chair of the Board in the annual performance review of the CEO;
      - overseeing the annual performance review of the Company's senior management; and
  - a suitable non-executive Director to assess the performance of the Chair of the Board each year.
- To review the Board's Committee structure and composition and to make recommendations to the Board regarding the appointment of directors to serve as members of each Committee and Committee Chair annually.
- If a vacancy on the Board and/or any Board committee occurs, to identify and make recommendations to the Board regarding the selection and approval of candidates to fill such vacancy either by election by shareholders or appointment by the Board.
- To develop and oversee a Company orientation program for new directors and a continuing education program for current directors, periodically review these programs and update them as necessary.
- To develop and recommend to the Board for approval a succession plan for Non-Executive Directors and the CEO (the "**Succession Plan**"), to review the Succession Plan periodically, develop and evaluate potential candidates Board and recommend to the Board any changes to and any candidates for succession under the Succession Plan. In the case of Non-Executive Directors, such recommendations should pay particular attention to the mix of skills, experience, expertise, diversity, independence and other qualities of existing Directors and how the candidate's attributes will balance and complement those qualities and address any potential skill gaps in relation to the current composition of the Board.
- To assess, and make recommendations to the Board in relation to, the independence of Non-Executive Directors on appointment, and then annually and whenever any new interests or relationships are disclosed by a Director.

#### *Corporate Governance*

- To oversee the Company's corporate governance practices and procedures, including identifying best practices and, at least once a year, reviewing and recommending to the Board for approval any changes to the documents, policies and procedures in the Company's corporate governance framework.
- To review and oversee the implementation of the Company's Diversity Policy. In executing this role, the NCG Committee will, with the appropriate support and input from management:
  - review on an annual basis:
    - the effectiveness of the Company's Diversity Policy, the Company's progress in achieving its measurable objectives and the strategies outlined above, which aim to achieve the objective;
    - the division of responsibilities and accountability for developing and implementing diversity initiatives across the organisation;

- provide a report to the Board on the outcomes of its review, including any recommendations for changes to the measurable objectives and those strategies or the way in which they are implemented; and
  - review on an annual basis the relative proportion of women and men on the Board, in senior management positions and in the workforce at all levels of the Company's group, and submit a report to the Board, which outlines the NCG Committee's findings.
- The NCG Committee will review and, if thought fit, recommend to the Board for approval the Corporate Governance Statement for inclusion in the Annual Report. To develop and recommend to the Board for approval a Company policy for the review and approval of related party transactions and to review, approve and oversee any transaction between the Company and any related party on an ongoing basis.

### **1.5 Outside Advisors**

The NCG Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a director search firm as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The NCG Committee shall set the compensation and oversee the work of the director search firm. The NCG Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside counsel, an executive search firm and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The NCG Committee shall set the compensation and oversee the work of its outside counsel, the executive search firm and any other advisors. The NCG Committee shall receive appropriate funding from the Company, as determined by the NCG Committee in its capacity as a committee of the Board, for the payment of compensation to its search consultants, outside counsel and any other advisors.

### **1.6 Structure and Operations**

- The Board shall designate a member of the NCG Committee as the Chair.
- The NCG Committee Chair will preside at meetings of the NCG Committee. If the NCG Committee Chair is not present at a Committee meeting, the members must elect another member to act as Committee Chair for that meeting.
- The role of the NCG Committee Chair is to:
  - determine the agenda for meetings of the NCG Committee in conjunction with the NCG Committee Secretary (as defined below);
  - chair meetings of the NCG Committee and take reasonable steps for the proper functioning of the NCG Committee, including the proper conduct of meetings and an appropriate level of discussion;
  - take reasonable steps regarding the adequate flow of relevant information to the NCG Committee;
  - take reasonable steps to advise the Board on the NCG Committee's recommendations to the Board on matters falling within the scope of the NCG Committee's responsibilities;
  - review the minutes of meetings of the NCG Committee for circulation to and approval of the NCG Committee and sign the approved minutes; and
  - act under a delegation of the NCG Committee, including liaising on behalf of the NCG Committee with consultants advising the NCG Committee.
- The NCG Committee shall meet at least two times a year at such times and places as it deems necessary to fulfill its responsibilities. The NCG Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. In addition, the NCG Committee Chair is required to call a Committee meeting if requested to do so by:
  - any Committee member;



- the CEO; or
- any other Director.
- The number of Committee meetings and Committee members' attendance at those meetings will be disclosed each year in the Company's Annual Report or on the Company's website.
- All Directors may attend Committee meetings. The CEO will normally be invited to attend Committee meetings at the invitation of the NCG Committee (but will have no voting rights) unless a conflict of interest exists or a closed session of the NCG Committee is being held.
- Members of management and/or parties external to the Company may be invited to attend any Committee meeting or part thereof subject to the invitee not having a material personal interest in the matter of the NCG Committee being considered. Non-members of the NCG Committee may be asked to withdraw from all or any part of a meeting.
- Where deemed appropriate by the NCG Committee Chair, meetings, approvals and recommendations may occur by written resolution or conference call or other electronic means of audio or audio-visual communication or as otherwise permitted by the Company's Constitution.
- The Company Secretary (or delegate as approved by the NCG Committee) will act as secretary of the NCG Committee and will be responsible, in conjunction with the NCG Committee Chair, for drawing up the agenda (supported by explanatory documentation and papers) and circulating the NCG Committee papers to Committee members prior to each meeting. Directors may request papers for or from any meeting and will be notified in advance of the agenda of forthcoming meetings.
- The NCG Committee Secretary will also be responsible for keeping the minutes of meetings of the NCG Committee (except when the NCG Committee is in closed session) and circulating them to the NCG Committee Chair for review, as well as to the other Committee members, other Board members and other Committee meeting attendees as appropriate.
- Committee papers should normally be distributed by the NCG Committee Secretary at least a week prior to each Committee meeting.
- The NCG Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

### **1.7 Delegation of Authority**

The NCG Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the NCG Committee may deem appropriate in its sole discretion.

### **1.8 Performance Evaluation**

The NCG Committee shall conduct an annual evaluation of the performance of its duties under this charter and shall present the results of the evaluation to the Board. The NCG Committee shall conduct this evaluation in such manner as it deems appropriate.

### **1.9 Reporting**

The NCG Committee, through the NCG Committee Chair, is to advise and make recommendations to the Board on matters falling within the scope of its responsibilities. Such advice may be in the form of minutes of its meetings, supporting papers, and written or oral reports at Board meetings.