



# BOARD CHARTER

DATE: 24 JUNE 2019



DATE	NAME	CHANGE	REVISION
24/6/2019	Last amendment		
26/4/2018	Last review		
24/2/2014	Approved		



## TABLE OF CONTENTS

1.	PURPOSE .....	1
2.	SIZE AND COMPOSITION OF THE BOARD .....	1
3.	ROLE OF THE BOARD .....	1
4.	ROLE OF THE CHAIR.....	3
5.	TERMS OF OFFICE.....	3
6.	SELECTION OF NEW DIRECTORS .....	3
7.	DELEGATION TO COMMITTEES.....	4
8.	COMPANY SECRETARY .....	4
9.	BOARD PROCESS.....	4
10.	ACCESS TO INFORMATION AND ADVICE .....	5
11.	DIRECTORS' SHAREHOLDINGS .....	5
12.	BOARD'S RELATIONSHIP WITH MANAGEMENT .....	5
13.	PERFORMANCE REVIEW .....	6
14.	INDUCTION .....	6
15.	REVIEW OF CHARTER.....	7
16.	CONTACT DETAILS .....	7

## **1. PURPOSE**

IGO Limited (IGO or the Company) is committed to implementing and maintaining the highest standards of corporate governance. In determining what those standards should involve, IGO has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition (the ASX Principles and Recommendations).

This Charter sets out the role and responsibilities of the Board of IGO (the Board) within the governance structure of IGO and its related bodies corporate (as defined in the Corporations Act 2001 (Cth)) (the Group).

The conduct of the Board is governed by the Constitution of IGO, the Corporations Act, the Listing Rules of the Australian Securities Exchange (ASX) and common law. This Charter is only a summary of the matters reserved to the Board and should therefore only be used as a general guide.

## **2. SIZE AND COMPOSITION OF THE BOARD**

The Directors of IGO (Directors) determine the size and composition of the Board, subject to the limits set out in the Constitution. The Constitution of IGO provides for a minimum of three directors. It is intended that a majority of the Board be independent directors. Membership of the Board shall be disclosed in the Annual Report, including whether a Director is independent or not independent. Loss or gain of independence shall be disclosed to the ASX.

## **3. ROLE OF THE BOARD**

The Board is responsible for promoting the success of the Group in a way which ensures that the interests of shareholders and all stakeholders are promoted and protected. The role of the Board is to represent the shareholders and promote and protect the interests of the Group. To achieve this, the Directors will exercise all the powers of IGO, except any powers that the Corporations Act or IGO's Constitution require the shareholders to exercise in a general meeting.

Directors are required to exercise their powers and discharge their duties in good faith, and in the best interests of IGO and for a proper purpose. The interests of associates, individual shareholders, other companies, or personal interests of the Director or the Director's family must not be allowed to prevail over those of IGO's shareholders generally. Executive directors must always be alert to the potential for conflict of interest between management interests and their fiduciary duties as directors.

The Board may delegate some powers and functions to the Managing Director & CEO or executive directors for the day-to-day management of the Group. Powers and functions not delegated remain with the Board.

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

- define the Company's purpose and demonstrate, endorse and promote a culture of acting lawfully, ethically and responsibly;
- develop, review and monitor the Group's long-term business strategies, approve significant corporate strategic initiatives, review and monitor strategic risks and provide strategic direction to IGO's management team (Management);

- review and approve business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- approve major capital expenditure, acquisitions and divestments;
- oversee and monitor organisational performance and the achievement of strategic goals and objectives, the progress of major capital expenditures and other corporate projects including acquisitions, mergers and divestments;
- oversee the integrity of the Group's accounting and corporate reporting systems, including the external audit;
- review and approve the Group's half year and full year financial statements and monitor the Group's financial results on a regular basis;
- determine the appropriate capital management for the Group including share and loan capital and dividend payments;
- determine the capital management policy and the amount, timing and nature of any returns to shareholders;
- develop, promote and monitor a system of corporate governance which ensures the Group is properly managed and controlled;
- ensure that the Group has in place an appropriate risk management framework that covers both financial and non-financial risks and set the risk appetite within which the Board expects Management to operate;
- ensure that the Group has in place appropriate systems to comply with relevant legal and regulatory requirements that impact on its operations;
- consider and review the social and ethical impact of the Group's activities and where appropriate, set standards for social and ethical practices that will enhance and protect the Company's reputation, including approving the Company's Values and Code of Conduct to underpin the desired culture;
- oversee the Group's process for making timely and balanced disclosure of all material information concerning the Group that a reasonable person would expect to have a material effect on the price or value of IGO's securities;
- appointment, and replacement of the Managing Director & CEO;
- appraise and determine the remuneration and benefits of the Managing Director & CEO;
- delegate powers to the Managing Director & CEO as necessary to enable the day-to-day business of the Group to be carried on, and to regularly review those delegations;
- approve the appointment and replacement of senior executives including the company secretary and monitor performance on a regular basis;
- ensure an appropriate framework exists for relevant information to be reported by Management to the Board and where required challenge Management and hold it to account;
- ensure the Company's remuneration policies are aligned with IGO's purpose, values, strategic objectives and risk appetite;
- appointment of the Chair;
- monitor dealings in securities and declarations of interest by Directors; and
- approve appointments to the Boards of entities which are controlled by the Group or in which the Group has an equity interest.

#### **4. ROLE OF THE CHAIR**

The Chair, where practicable, shall be an independent director. If the Chair is not independent or ceases to be an independent director then the Board will consider appointing another director who is independent as a lead independent director.

The role of Chair and Managing Director & CEO shall not be exercised by the same individual. There is a clear division of responsibility at the head of IGO. The division of responsibilities between the Chair and the Managing Director & CEO should be agreed by the Board.

The Chair must be able to commit the time to discharge the role effectively. The Chair is responsible for the leadership of the Board and ensuring it is effective, setting the agenda of the Board, and conducting the Board and shareholder meetings. The Chair should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and Management.

In the event that the Chair is absent from a meeting of the Board then the Board shall appoint a Chair for that meeting.

#### **5. TERMS OF OFFICE**

All Directors (except the Managing Director & CEO) are required by the Constitution of IGO to submit themselves for re-election at least every three years. Before a director is nominated for re-election at a shareholders' meeting, the Chair shall consult with the rest of the Board and review the director's performance before the Board endorses his or her re-nomination.

The Board does not believe that it should establish an arbitrary limit on tenure. While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have developed, over time, an increasing insight into IGO and its operations. Consequently, although there is no maximum term for non-executive directors, where a non-executive director has served for more than ten years, the length of his or her service will be a relevant factor in assessing his or her continuing independence and contribution to the Board.

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

#### **6. SELECTION OF NEW DIRECTORS**

Subject to the Constitution of IGO, the Board shall decide on the recommendations of new directors.

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

New directors are provided with a letter of appointment which sets out the key terms and conditions of their appointment.

## **7. DELEGATION TO COMMITTEES**

To assist the Board in fulfilling its duties, the Board has established the following committees (the Committees), each with written terms of reference:

- Audit Committee;
- Sustainability and Risk Committee;
- Nomination and Governance Committee; and
- People and Performance Committee.

The Charters of the Committees are approved by the Board and are to be reviewed following any applicable regulatory changes. The Board will ensure that the Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities. Members of Committees are appointed by the Board. The Board may appoint additional directors to Committees or remove and replace members of Committees by resolution. The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.

The Board may also delegate specific functions to ad hoc committees on an 'as needs' basis. The powers delegated to these ad hoc committees will be set out in Board resolutions.

## **8. COMPANY SECRETARY**

When requested by the Board, the Company Secretary will facilitate the flow of information to the Board, between the Board and its Committees and between senior executives and non-executive directors.

The Company Secretary is to support the effectiveness of the Board by ensuring that Board policies and procedures are followed and coordinating the timely completion and dispatch of Board agenda, Board papers and other briefing material.

The Company Secretary will do the following:

- facilitate the induction of new directors and coordinate the professional development of directors;
- provide advice to the Board on corporate governance matters;
- facilitate the implementation of Board policies and procedures; and
- ensure that the business at Board and Committee meetings is accurately captured in the minutes.

The Company Secretary is accountable to the Board, through the Chairman, on all governance matters. All Directors have access to the advice and services provided by the Company Secretary. The Board has the responsibility for the appointment and removal of the Company Secretary.

## **9. BOARD PROCESS**

The Board will meet regularly. Periodically, non-executive directors will meet without executive directors or Management present. Directors will use all reasonable endeavours to attend Board meetings in person. IGO's Constitution governs the regulation of Board meetings and proceedings.

## **10. ACCESS TO INFORMATION AND ADVICE**

All Directors have access to Company records and information in order to discharge their responsibilities effectively, except where the Board determines that such access would be adverse to IGO's interests.

All Directors may consult Management and employees as reasonably required with prior notification to the Managing Director & CEO, as a matter of courtesy, to enable them to discharge their duties as directors.

Senior executives supply the Board with information in a form and time frame, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.

The Board, Committees or individual directors may seek independent external professional advice as considered necessary for them to discharge their responsibilities as directors at the expense of IGO, subject to prior consultation with the Chairman. A copy of any such advice received will be made available to all members of the Board.

## **11. DIRECTORS' SHAREHOLDINGS**

All Directors have agreed to disclose publicly their shareholdings and all changes thereof as required by the ASX Listing Rules. The disclosed interests in shares held by Directors, their associates and their associated entities are the same as their economic interest.

All Directors are encouraged to purchase IGO shares. The aim of this is to ensure strong alignment between long term interests of Directors and shareholders.

IGO is committed to achieving greater diversity throughout the business and this includes the membership of the Board. To this end, the Board acknowledges that each current or future Director may have different personal circumstances. As such, no minimum shareholding requirement has been set in order to maximise the Company's opportunity to achieve the broadest range of diversity of directors on the Board.

Accordingly, Directors are encouraged to acquire and hold shares in IGO commensurate with their personal circumstances.

Directors are subject to the Group's Securities Trading Standard which provides that IGO securities may not be bought or sold without notification and approval of the Chair.

## **12. BOARD'S RELATIONSHIP WITH MANAGEMENT**

The Board shall delegate responsibility for the day-to-day operations and administration of the Group to the Managing Director & CEO.

The Managing Director & CEO supported by the Executive Leadership Team is responsible for:

- the effective leadership of IGO;
- the preparation and implementation of development and operational plans to achieve the strategic, operational and financial objectives of IGO, whilst operating within the values, code of conduct, budget and risk appetite as determined by the Board;

- demonstrating and instilling a culture of acting lawfully, ethically and responsibly and upholding the Company's values;
- the management of the day to day affairs of IGO including its people, processes, policies and systems;
- the conduct of commercial negotiations with other entities;
- the development and maintenance of effective relationships with all IGO stakeholders including; employees, shareholders, joint venture partners, governments at all levels and government agencies, suppliers and customers, and local community and landowners;
- providing the Board with accurate, timely and clear information on the Company's operations to enable the Board to perform its responsibilities;
- providing the Board with information regarding the Company's compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with IGO's Values and Code of Conduct; and
- ensuring all material matters that affect IGO are brought to the Board's attention.

Senior executives, including the Managing Director & CEO and the Chief Financial Officer, should have a formal job description and employment contracts or letters of appointment describing their term of office, duties, rights and responsibilities, and entitlements on termination.

In addition to formal reporting structures, members of the Board are encouraged to have direct communications with Management and other employees within the Group to facilitate the carrying out of their duties as Directors.

### **13. PERFORMANCE REVIEW**

Once a year, the Board shall hold a meeting to review critically and discuss the performance of:

- the Board as a whole;
- its Committees; and
- individual Directors.

This will periodically include an independent review using an external facilitator.

If it is apparent that there are problems which cannot be satisfactorily considered by the Board itself, the Board may decide to engage an independent adviser to undertake this review.

The Board, in conjunction with the Nomination and Governance Committee, will regularly review whether the Directors as a group have the skills, knowledge and familiarity with the Group and its operating environment required to fulfil their role on the Board and on Committees effectively and, where any gaps are identified, consider what training or development could be undertaken to fill those gaps.

### **14. INDUCTION**

The Company Secretary in conjunction with the Board has put in place induction procedures to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity. The induction program is available to enable new directors to gain an understanding of:



- IGO's financial, strategic, operational and risk management position;
- the culture and values of IGO;
- the rights, duties and responsibilities of the directors;
- the roles and responsibilities of senior executives;
- the role and procedures of the Board and its Committees;
- meeting arrangements; and
- director interaction with each other, senior management and other stakeholders.

Directors will be given access to continuing education to update and enhance their skills and knowledge. The Company Secretary, in conjunction with the Board, will organise appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

## **15. REVIEW OF CHARTER**

The Board will review this Charter on an annual basis to ensure it remains consistent with the Board's objectives and responsibilities.

## **16. CONTACT DETAILS**

If you are in any doubt regarding this Standard, you should contact the Company Secretary at:

IGO Limited, PO Box 496, South Perth, WA 6951

Phone: 08 9238 8300

Email: [contact@igo.com.au](mailto:contact@igo.com.au), Attention: the Company Secretary