



Sandfire

BOARD CHARTER

This Charter has been approved by the Board of Sandfire Resources Limited on 19 June 2024.

BOARD CHARTER

The Board of Directors (**Board**) of Sandfire Resources Limited (**Sandfire** or the **Company**) has established this Board Charter to fulfill its responsibilities for oversight and corporate governance in accordance with Sandfire's purpose and values.

This Board Charter includes an overview of:

- The composition and responsibilities of the Board.
- The relationship and interaction between the Board and management.
- Certain authorities delegated by the Board to management and Board Committees of Sandfire.
- The functions of the Board by describing the structure of the Board and its committees, the need for independence and other obligations of directors

1. The Board and overview of its role

- a. The Board's role is to:
 - i. Represent and serve the interests of shareholders by overseeing and reviewing Sandfire's strategies, policies and performance. This includes overseeing the financial and human resources Sandfire has in place to meet its objectives, as well as reviewing management performance.
 - ii. Protect and optimise Sandfire's performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and Sandfire's constitution (**Constitution**), and within a framework of effective controls that enable risk to be assessed and managed.
 - iii. Set, review and ensure compliance with Sandfire's values and governance framework (including establishing and observing high ethical standards).
 - iv. Ensure shareholders are kept informed of Sandfire's performance and major developments affecting its state of affairs.
- b. The Board will meet regularly on such number of occasions each year as the Board deems appropriate.

2. Functions of the Board

- a. The Board strives to build sustainable value for shareholders whilst protecting the assets and reputation of Sandfire. Its functions include but are not limited to:
 - i. Demonstrating leadership.
 - ii. Defining Sandfire's purpose and setting its strategies, budgets and business plans.
 - iii. Approving Sandfire's statement of values and code of conduct to underpin a culture of acting lawfully, ethically, responsibly and sustainably.
 - iv. Monitor the effectiveness of Sandfire's corporate governance practices.
 - v. Satisfying itself that Sandfire has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate.
 - vi. Satisfying itself that Sandfire's remuneration policies are aligned with its purpose, values, strategic objectives, target market and risk appetite.
 - vii. Overseeing management in its implementation of Sandfire's strategic objectives, and its role in instilling Sandfire's values and performance generally.
 - viii. Approving Sandfire's annual report including the financial statements, directors' report, remuneration report, corporate governance statement and sustainability report, with advice from the People and Performance Committee, the Nominations Committee, the Audit and Finance Committee and the Risk and Sustainability Committee, as appropriate.

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- ix. Approving major borrowing and debt arrangements, the acquisition, establishment, disposal or cessation of any significant business or assets of the company, any significant transaction or capital expenditure and the issue of any shares, options, equity instruments or other securities in Sandfire.
 - x. Overseeing Sandfire's process for making timely and balanced disclosure of all material information concerning Sandfire that a reasonable person would expect to have a material effect on the price or value of Sandfire's securities.
 - xi. Satisfying itself that an appropriate framework exists for relevant information to be reported to the Board by management.
 - xii. Reviewing operational information to understand at all times the state of health of Sandfire.
 - xiii. Ensuring that Sandfire acts legally and responsibly on all matters and that the highest ethical standards are maintained.
 - xiv. Maintaining a constructive and ongoing relationship with the regulators, and approving policies regarding disclosure and communications with the market and Sandfire's shareholders.
 - xv. Monitoring the effectiveness of, and approving changes to, internal governance including delegated authorities, and monitoring resources available to management.
- b. With the guidance of the People and Performance Committee, the Board is responsible for:
- i. Evaluating and approving the remuneration arrangements of the Executive Leadership Team of Sandfire (including the Chief Executive Officer and Managing Director (**CEO and MD**)¹, their direct reports and such other individuals as the People and Performance Committee determines from time to time).
 - ii. Evaluating and approving the remuneration arrangements for non-executive directors.
 - iii. Monitoring compliance with the non-executive director remuneration pool as established by the Constitution, or as subsequently amended by shareholders, and endorsing any proposed changes to the pool.
 - iv. Remuneration and benefits framework and policies generally, including engagement of external remuneration consultants.
 - v. Administering short and long-term incentive plans (including any equity plans).
 - vi. Reviewing the performance of the Executive Leadership Team (where such function is not performed by the MD and CEO).
 - vii. Overseeing Sandfire's organisational development and has regard to the desired culture of Sandfire to ensure it is aligned with its strategies and values.
 - viii. Setting the measurable objectives for achieving gender diversity in the composition of Sandfire's Board, other members of the Executive Leadership Team and the workforce generally.
- c. With the guidance of the Nominations Committee, the Board is responsible for:
- i. Appointing and replacing the chair of the Board (Board Chair) and other directors.
 - ii. Appointing and replacing the CEO and MD.
 - iii. Reviewing the performance of the directors.
 - iv. Regularly assessing the independence of all directors.
 - v. Reviewing and implementing succession planning for directors by utilising the Board Skills Matrix (**BSM**) to ensure, as far as practicable:
 - A. There are appropriate skill levels.
 - B. Knowledge and experience are appropriate in all areas as required.

¹ For the avoidance of doubt, for the purposes of this Charter, where only one of the roles of Chief Executive Officer and Managing Director are filled, or where one person performs both roles, reference to 'CEO and MD' is a reference to that person.

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- vi. Appointing, when considered appropriate, new directors, for approval by shareholders.
- vii. Sandfire's induction program for newly appointed directors and the MD and CEO and periodic review and facilitation of ongoing professional development for directors.
- d. With the guidance of the Audit and Finance Committee, the Board is responsible for:
 - i. Overseeing the integrity of Sandfire's accounting and corporate reporting systems, including ensuring that any periodic corporate report (to the extent that report relates to financial or tax matters) Sandfire releases to the market that has not been subject to audit or review by an external auditor discloses, either in the report or on Sandfire's website, the process taken to verify the integrity of its content.
 - ii. Reviewing and approving Sandfire's financial statements and reports.
 - iii. Overseeing Sandfire's financial reporting, which, without limitation, includes:
 - A. Assessing whether Sandfire's financial statements reflect the understanding of the committee members of, and otherwise provide a true and fair view of, the financial position and performance of Sandfire.
 - B. Reviewing the suitability and adequacy of Sandfire's accounting policies and principles and how they are applied in accordance with the statutory financial reporting framework.
 - C. Assessing the significant estimates and judgements adopted by management in preparing financial statements and reports.
 - D. Assessing information from external auditors to ensure the quality of financial statements and reports.
 - E. Recommending to the Board whether the financial and associated non-financial statements and reports should be signed based on the Audit and Finance Committee's assessment of them.
 - iv. The entry into, approval and disclosure of related party transactions (if any).
 - v. Debt arrangements, and Sandfire's performance having regard to debt covenants.
 - vi. Overseeing the establishment of and approving Sandfire's financial and tax risk management framework (to the extent it relates to financial and tax matters) including its internal controls, strategy, policies, procedures and systems.
 - vii. Managing external audit arrangements and external auditor independence.
- e. With the guidance of the Risk and Sustainability Committee, the Board is responsible for:
 - i. Overseeing the establishment of and approving Sandfire's risk management framework (for both financial and non-financial risks, noting that the Audit and Finance Committee provide guidance to the Board on financial risk management and compliance) including its strategy, policies, procedures and systems.
 - ii. Reviewing and monitoring the effectiveness of Sandfire's risk management strategy, policies, procedures and systems in relation to non-financial risks.
 - iii. Overseeing Sandfire's responsibilities as they relate to sustainability primarily in the areas of safety, environment and community.
 - iv. Overseeing Sandfire's internal controls (to the extent they do not relate to financial and tax matters).
 - v. Considering whether an internal audit function is required, and, if not, ensuring that Sandfire discloses the processes it employs to evaluate and improve its risk management and internal control processes.
- f. The functions listed are matters which the Board specifically reserves for itself and do not limit the Board's overall duties and responsibilities. The Board may delegate consideration to a committee of the Board specifically constituted for the relevant purpose.
- g. Subject to the Constitution, the Board shall perform other duties and activities that it considers appropriate in the context of this Board Charter.

3. Powers delegated to management

- a. The Board will delegate to the CEO and MD the authority and power to manage Sandfire and its businesses within levels of authority specified by the Board from time to time. The CEO and MD may delegate aspects of their authority and power but remains accountable to the Board for Sandfire's performance and is required to report regularly to the Board on the progress being made by Sandfire's business units.
- b. The CEO and MD is assisted in this responsibility by the other members of the Executive Leadership Team.
- c. The CEO and MD role, with assistance by the other members of the Executive Leadership Team, includes:
 - i. Responsibility for the effective leadership of the Executive Leadership Team.
 - ii. The implementation of Sandfire's strategic objectives and instilling and reinforcing its values.
 - iii. Reinforcing the culture set by the Board throughout the Company as guided by Sandfire's values and strategic goals.
 - iv. The day-to-day management of Sandfire's operations (including operating within the values, code of conduct, budget and risk appetite set by the Board).
 - v. Oversight of the provision by the other members of the Executive Leadership Team to the Board of accurate, timely and clear information on Sandfire's operations (including, but not limited to, information about Sandfire's financial and operating performance, compliance with material laws and regulations and any conduct materially inconsistent with Sandfire's values or code of conduct).
 - vi. Recruitment and replacement of the other members of the Executive Leadership Team, including:
 - A. Undertaking appropriate checks (including as to the person's character, experience, education, criminal record and bankruptcy history).
 - B. Ensuring Sandfire enters into a written agreement that sets out the appointment terms and reflects the service arrangements with the individual.
 - vii. Ensuring the incentives for the other members of the Executive Leadership Team encourages them to pursue growth and success without rewarding conduct contrary to Sandfire's statement of values or risk appetite.
 - viii. Evaluating and approving applicable termination payments for all other members of the Executive Leadership Team (subject to shareholder approval, if required).
 - ix. Setting and evaluating the performance of the other members of the Executive Leadership Team based on key performance indicators.

4. Board composition and structure

- a. The composition, structure and proceedings of the Board are primarily governed by the Constitution (available on the Company's website) and the laws governing corporations in the jurisdictions where the Company operates. The Board, with the assistance of the People and Performance Committee, will regularly review the composition and structure and performance of the Board.
- b. The Board aims to have a Board of Directors which has, at all times, the appropriate mix of skills, experience, expertise and diversity relevant to Sandfire's business and the Board's duties and responsibilities. The composition of the Board is guided by the Nominations Committee where the BSM, reflective of Sandfire's strategy, will be utilised in guiding succession planning to ensure there is appropriate skills during transition periods and/or to increase skills, experience and diversity in particular areas. The majority of the Board should, to the extent practicable given the size and composition of the Board from time to time, be comprised of independent directors as determined in accordance with section 12.

5. Appointment and re-election of directors

- a. With guidance from the Nominations Committee and, where necessary, external consultants, the Board will identify candidates with appropriate skills, experience, expertise and diversity in order to discharge its mandate effectively and to maintain the necessary mix of expertise on the Board, having regard to the objectives for achieving gender diversity in the composition of the Board.
- b. The Nominations Committee assesses 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.
- c. The criteria to assess nominations of new directors is reviewed annually and the Nominations Committee regularly compares the skill base of existing directors with that required for the future strategy of Sandfire to enable identification of attributes required in new directors.
- d. Before appointment to the Board, candidates must confirm they will have sufficient time to meet their obligations to Sandfire, in light of other commitments.
- e. New directors are to be provided with a formal letter of appointment to the Board setting out the key terms and conditions of the appointment, together with any other documents that Sandfire considers relevant to the appointment.
- f. For shareholder meetings where directors are standing for election or re-election, the notice of meeting must include information to enable shareholders to make an informed decision on their election or re-election. This requirement is set out in detail in Sandfire's Nominations Committee Charter.
- g. All directors (other than a MD and CEO, if any) are subject to re-election by rotation at least every three years as stipulated in the Constitution. Newly appointed directors must seek re-election at the first general meeting of shareholders following their appointment.

6. Review of Board, committee and individual directors' performance

- a. With guidance from the Nominations Committee, the Board will regularly review the performance of the Board, its committees and each director, using where necessary an external consultant, against appropriate measures. Each year, Sandfire will disclose in its annual reporting suite whether such a performance evaluation has been undertaken during or in respect of that period and any relevant findings.
- b. Each year, the Nominations Committee will review the performance of the MD and CEO against guidelines approved by the Board and disclose in its annual corporate governance statement whether such a performance evaluation has been undertaken during or in respect of that period.
- c. The Company will disclose in the annual report:
 - i. Those directors who the Board considers are independent.
 - ii. If a director has an interest, position or relationship which may be perceived to compromise a director's independence, but the Board is of the opinion that interest, position or relationship does not compromise that director's independence, an explanation of why the Board is of that opinion.
 - iii. Details of the length of service of each director.

7. Board Chair

The Board Chair will be elected by the Board and must be an independent director. The Board Chair must not hold, and must not have held within the previous three years, the office of CEO and MD of Sandfire.

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The Board Chair's role includes:

- a. Leading the Board.
 - b. Facilitating effective contribution of all directors and promoting constructive and respectful relations among the directors and between the Board and the other members of the Executive Leadership Team.
 - c. Approving board agendas and ensuring adequate time is available for discussion of all agenda items, including strategic issues.
 - d. Representing the views of the Board to the public.
 - e. Presiding over meetings of the Board and general meetings of shareholders.
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8. Company Secretary

- a. The Board appoints and removes the Company Secretary. All directors are to have direct access to the Company Secretary.
 - b. The Company Secretary is responsible for the day-to-day operations of the Company Secretary's office, including the administration of Board and committee meetings, overseeing Sandfire's relationship with its share registry, and lodgements with the Australian Securities Exchange (**ASX**), Australian Securities and Investments Commission (**ASIC**) and other regulators.
 - c. The Company Secretary is also responsible for communication with the ASX about listing rule matters, including making disclosures to the ASX in accordance with Sandfire's Disclosure Policy.
 - d. The Company Secretary supports the effectiveness of the Board by monitoring that Board policy and procedures are followed and co-ordinating the completion and dispatch of Board agendas and briefing papers, as well as ensuring Board meetings are captured accurately in the minutes.
 - e. The Company Secretary is accountable to the Board through the Board Chair, on all matters to do with proper functioning of the Board.
 - f. The Company Secretary, together with the guidance of the Nominations Committee, and the assistance of the Board, shall organise the induction of new directors and facilitate ongoing professional development training for directors.
 - g. The Board may appoint Joint Company Secretaries from time to time and reference to Company Secretary in this section 8 is, so long as there are two, a reference to either one of them.
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9. Keeping directors informed

- a. New directors are to be briefed on their roles and responsibilities and the minutes and papers of Board and committee meetings will be made available to them.
 - b. Board papers are distributed, where possible, within a reasonable period of time before each meeting.
 - c. Time is to be allocated at Board and committee meetings for continuing education on significant issues facing the Company and the industry and geographies in which it operates and changes to the regulatory environment. This is to include briefings by the other members of the Executive Leadership Team and external consultants, as required, from time to time.
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10. Access to independent advice

Directors may obtain independent professional advice at Sandfire's expense on matters arising in the course of their Board and committee duties, after obtaining the Board Chair's approval (or if the relevant officer is the Board Chair, the Audit and Finance Committee's Chair). The other directors must be advised if the Board Chair's (or Audit and Finance Committee's Chair if applicable) approval is withheld.

11. Non-executive directors' meetings

The non-executive directors are expected to meet periodically with no management present.

12. Independence of non-executive directors

- a. To be judged independent, a director must, in the opinion of the Board, be free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Sandfire as a whole rather than in the interests of an individual security holder or any other person.
 - b. Individuals would, in the absence of evidence or convincing argument to the contrary, not be characterised as independent if they:
 - i. Were employed, or had previously been employed in an executive capacity by Sandfire or any of its material subsidiaries in the three years prior to becoming a director.
 - ii. Received performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, Sandfire.
 - iii. Within the last three years, were in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with Sandfire or another group member, or is an officer of, or otherwise associated with, someone with such a relationship.
 - iv. Were a substantial shareholder of Sandfire, or a representative of, or an officer or employee within the last three years of, or professional adviser to, a substantial shareholder of Sandfire.
 - v. Have close personal ties with any person who falls within any of the categories described above.
 - vi. Have been a director of Sandfire for such a period that his or her independence from management and substantial shareholders may have been compromised.
 - vii. Were directly involved in the external audit of Sandfire or any of its subsidiaries.
 - c. Sandfire will disclose the names of the directors considered by the Board to be independent directors in Sandfire's annual report.
 - d. If a director has an interest, position or relationship of the type described in sub paragraph (b) above, but the Board is of the opinion that it does not compromise the independence of that director, Sandfire may consider disclosing in Sandfire's annual report the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion.
 - e. Any change in the nature of the independence status of a non-executive director must be promptly notified to the Board Chair and Company Secretary (or, so long as there are two, either one of them) and the Board will review that director's independence status. If the Board determines that there has been a change to the independence status of a non-executive director, the Board will take steps to ensure that this change is disclosed and explained in a timely manner to the market.
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13. Conflict of interest

- a. Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of Sandfire and will advise the Company Secretary (or, so long as there are two, either one of them) of all directorships or executive positions held in other companies.

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- b. If a potential material conflict of interest or conflict of duty arises, the director concerned will advise the Board Chair prior to any Board meeting at which the conflicted matter is to be discussed. The director will not receive the relevant Board papers and will not be present or participate in the Board meeting while the relevant matter is considered unless the other directors approve that director's participation in the deliberation and voting on the relevant issue in accordance with the *Corporations Act 2001 (Cth)*. Any potential conflict must be recorded in the Board minutes.
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14. Board committees

- a. The Board will operate three committees:
 - i. Audit and Finance Committee
 - ii. Risk and Sustainability Committee
 - iii. Nominations Committee
 - iv. People and Performance Committee
 - b. When appointing members of each committee, the Board will take account of the skills and experience appropriate for that committee as well as any statutory or regulatory requirements.
 - c. The chairs of each of the Audit and Finance Committee, Risk and Sustainability Committee and People and Performance Committee cannot be the Board Chair and each is to be independent of management and Sandfire.
 - d. The committees operated by the Board are to consider the matters for which they are responsible in accordance with their charter. Copies of the charter of each committee are to be published on the Sandfire website. The Board may establish other committees as and when required.
 - e. With respect to any Board committees, the Board will ensure that the following disclosures are made in the Sandfire annual report:
 - i. The members of each committee and their professional qualifications and experience.
 - ii. The number of times each committee met throughout a period.
 - iii. The individual attendances of the members of those meetings.
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15. Restrictions on share dealings by directors

- a. In accordance with Sandfire's Securities Dealing Policy, directors, the other members of the Executive Leadership Team and other nominated parties may only buy or sell shares during certain periods set out in that policy. The policy contains other relevant restrictions.
 - b. All Sandfire share dealings by directors must be promptly notified to the ASX.
 - c. A copy of the Sandfire Securities Dealing Policy is published on the Sandfire website.
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16. Confidentiality

All proceedings of the Board, including Board papers, presentations and other information provided to the Board, must be kept confidential except as required by law or as agreed by the Board.

17. Business Conduct Policy

Sandfire has a Business Conduct Policy which sets out the way Sandfire conducts its business and guides the behaviour of everyone in Sandfire (including, employees, contractors and directors) by clearly stating Sandfire's firm commitment to behaving honestly and fairly. A copy of the Sandfire Business Conduct Policy is published on the Sandfire website.

18. Review

- a. The Board will review this Board Charter periodically or as often as it considers necessary.
- b. The Board may change this Board Charter (including the responsibilities of the committees) from time to time by resolution.
- c. The Company Secretary (and, so long as there are two, either one of them) is authorised to make administrative and non-material amendments to this Board Charter provided that any such amendments are notified to the Board at or before its next meeting.

SANDFIRE RESOURCES

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