



BOARD CHARTER

1. INTRODUCTION

In carrying out its responsibilities and powers, the Board of Energy Resources of Australia Ltd (the **Company**) will at all times recognise its over-riding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the Company's shareholders, employees and community.

The Company is a member company of the Rio Tinto Group and generally will adopt the requirements of the various policies adopted throughout the Rio Tinto Group.

The Company's core values form the fundamental basis of the Company's conduct as a business and include:

- (a) the paramount importance of the safety and well being of the Company's employees, contractors and the community;
- (b) respecting the culture and aspirations of Indigenous people in the community, particularly the Mirarr Traditional Owners of the land on which the Company operates;
- (c) caring for the surrounding environment through exemplary management systems and commitment to the principles of sustainable development;
- (d) creation of value for the Company's shareholders;
- (e) building partnerships with the Company's customers and aiming to exceed their expectations; and
- (f) strengthening the culture of compliance within the regulatory framework in which the Company operates.

2. RESPONSIBILITIES

The Board is responsible for the overall governance of the Company and its strategic direction. This includes:

- (a) ensuring that the Company's strategic direction and operations provide value to its shareholders;
- (b) ensuring that appropriate policies, plans and financial objectives are implemented to achieve the strategic direction and monitoring the Company's performance against the policies, plans and financial objectives;
- (c) ensuring that appropriate risk identification and risk management systems are in place;

- (d) ensuring the Company's internal control, compliance and reporting systems are adequate, effective and ethical;
- (e) ensuring compliance with any undertakings given by it to North Limited under the Underwriting Agreement dated 15 November 2019 (**Underwriting Agreement**); and
- (f) monitoring compliance with all regulatory requirements.

3. POWERS

In addition to the matters expressly required to be approved by the Board by law, the powers specifically reserved for the Board are as follows:

- (a) confirming the appointment and removal of a Chief Executive and the terms and conditions of the Chief Executive's employment;
- (b) appointment and removal of a Company Secretary;
- (c) appointment of the Chair of the Board and members of Board Committees;
- (d) approval, subject to the Rules of the Company, the Corporations Act and the ASX Listing Rules, of each of the following:
 - (i) the issue of new shares or other securities in the Company;
 - (ii) incurring of debt (other than trade creditors incurred in the normal course of business)
 - (iii) capital expenditure in excess of \$5,000,000;
 - (iv) the acquisition, divestment or establishment of any significant business assets;
 - (v) changes to the authorities delegated from the Board;
 - (vi) the annual operating budgets and plan;
 - (vii) changes to the capital and operating approval limits of senior management; and
 - (viii) the annual report and the interim and preliminary final reports; and
- (e) any matter for the doing of any thing which would involve the Company breaching any undertakings given by it to North Limited under the Underwriting Agreement;
- (f) any matters set out in the Schedule of Matters Reserved for Decision or Consideration by the Board; and
- (g) such other powers and any other matters that the Board may decide.

4. CODE OF BUSINESS CONDUCT / THE WAY WE WORK

Each Director will ensure that no decision or action is taken that has the effect of placing his or her interests in priority to the interests of the Company.

The Board will:

- (a) comply with and ensure compliance by Management with the Company's Code of Business Conduct and Rio Tinto's Policy "The way we work"; and
- (b) regularly review the Code of Business Conduct to ensure it adequately addresses the issues facing the Company.

5. BOARD COMMITTEES

The Board has established an Audit and Risk Committee, a Health Safety and Environment Committee and a Remuneration Committee and adopted Charters setting out the matters relevant to the composition, responsibilities and administration of each Committee.

The Board will regularly review the Charters of each Committee and recommend any necessary changes.

The Board may establish such further committees from time to time as required to set out the roles and responsibilities of each Committee.

The Board determines the composition and Chair of Committee, having regard to the workload, skills, experience and any regulatory requirements.

6. BOARD MEMBERSHIP/INDEPENDENCE

The Board is responsible for ensuring that its composition is sufficient to protect the interests of all stakeholders. Directors will discharge their duties in the best interests of all shareholders. The Board believes that there are adequate controls in place (under the Corporations Act and ASX Listing Rules) to protect all shareholders from matters arising under related party transactions.

The Board will review its composition regularly to ensure that the Board:

- (a) has a proper understanding of, and competence to deal with, the current and emerging issues of the business; and
- (b) can effectively review and challenge the performance of management and exercise independent judgment.

The Board will ensure that there is a procedure in place to allow Directors to obtain independent advice at the Company's expense on any matter connected with the discharge of their responsibilities. A copy of any advice so received will be made available to all Directors unless a conflict of interest would make it inappropriate to do so.

The Board supports Directors undertaking professional development. Where a Director wishes to do so at the Company's expense, the Director will seek approval of the Chairman or, in his absence, the Company Secretary.

7. DIRECTORSHIPS/SHARE PURCHASE

Each Director will advise the Chairman and the Company Secretary of:

- (a) all other directorships held by the Director in publically listed entities and any changes to those directorships; and
- (b) all interests in and purchases or sales of any securities in ERA, Rio Tinto Limited, Rio Tinto plc or any related company.

8. MANAGEMENT REPORTS AND INFORMATION

Management will provide the Board with:

- (a) a monthly review of operations and financial position; and
- (b) half-year and full year financial results.

The Board shall have unlimited access to all Company sites, documents, reports, records and personnel in pursuit of its objectives. Enquiries shall be directed to the Chief Executive or the Company Secretary. The Chairman, the Chief Executive and the Company Secretary will work collaboratively to ensure the production and transmission of information and reports to the Board and Committees.

9. REMUNERATION POLICY

The Board will determine the remuneration policy for the Company, taking into account Rio Tinto's remuneration and human resources policies.

10. PUBLIC STATEMENTS & DISCLOSURE MATTERS

The Company will make full and timely disclosure to its shareholders and the market in accordance with its legal and regulatory obligations and the Company's Continuous Disclosure Policy.

11. MEETINGS

The Board:

- (a) shall receive papers at least five (5) days prior to any relevant meeting; and
- (b) shall meet as required but a minimum of four times a year.

12. CONFIDENTIALITY

The Board and each Director will maintain the confidentiality of all trade or business secrets or other confidential information of the Company, and will use their best endeavours to prevent the disclosure or publication of such information (except so far as is reasonably necessary to perform the Director's functions or as may be required by law or the ASX Listing Rules).

13. SELF-ASSESSMENT

- (a) The Board will regularly undertake a performance evaluation of itself, consistent with principles of good corporate governance.
- (b) The performance evaluation will be conducted in a manner that the Board deems appropriate.

14. BOARD CHARTER REVIEW

The Board will review this Board Charter at least every two years, or more frequently as required, and approve any necessary changes.

Ends.