

CENTAURUS METALS LIMITED
ABN 40 009 468 099
Corporate Governance Practices
Board Charter

1. Introduction

The Board of Directors (**Board**) of Centaurus Metals Limited (**Company**) has approved this Charter which prescribes the role, composition and responsibilities of the Board.

2. Role of the Board

The role of the Board is to approve the strategic direction of the Company, guide and monitor the management of the Company in achieving its strategic plans, and oversee overall good corporate governance.

3. Composition, Size and Structure of the Board

3.1 Composition

The Board is responsible for determining an appropriate mix of skills, knowledge, experience, expertise and diversity on the Board, necessary to review and approve the strategic direction of the Company, and to guide and monitor the management of the Company.

3.2 Size

The number of directors on the Board shall be determined in accordance with the Company's Constitution and the requirements of the Corporations Act.

3.3 Structure

The Board shall consist of a majority of non-executive Directors. Where practical, at least half of the Board shall consist of independent Directors who satisfy the criteria for independence in clause 11.

3.4 Tenure

- (a) The Board will review periodically its composition and the duration of terms served by Directors. The Board is responsible for developing and reviewing succession plans, with the aim of maintaining an appropriate mix of skills, experience, expertise and diversity on the Board over time.
- (b) The Board is responsible for identifying existing Directors who are due for re-election by rotation at Annual General Meetings, in accordance with the Company's Constitution and the requirements of the ASX Listing Rules. At every Annual General Meeting, each Director (except the Managing Director) who has retained office for more than three years since their appointment shall retire from office and is eligible for re-election. An election of Directors is required to take place each year.
- (c) Each non-executive Director shall take into account the views of other non-executive Directors of the Company when deciding whether to stand for re-election.

3.5 Selection and Appointment of New Directors

When the need for a new director is identified, the Board reviews the range of skills, experience and expertise on the Board, identifies its needs and prepares a short-list of candidates with appropriate skills and experience. Where necessary, advice is sought from independent research consultants.

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When considering new candidates for nomination, the Board takes into account:

- (a) the candidate's competence and qualifications;
- (b) independence;
- (c) the range of skills, experience and expertise on the Board to identify the skills that will best increase the effectiveness of the Board;
- (d) the candidate's ability to devote the time required by a Director to effectively undertake his or her responsibilities; and
- (e) the extent to which the candidate is likely to work constructively with the existing Directors and contribute to the overall effectiveness of the Board.

The Board then appoints the most suitable candidate who must stand for election at the next Annual General Meeting of the Company.

Prior to appointment or being submitted for re-election, non-executive Directors should specifically acknowledge that they have sufficient time to meet what is required of them by the Company.

The Board ensures that notices of meeting for the election of Directors comply with the ASX Corporate Governance Council's recommendations.

3.6 Induction Procedures

New Directors are provided with a deed of appointment setting out their responsibilities, rights and the terms and conditions of their employment. All new Directors participate in an induction program which includes being given a briefing pack of materials covering financial, strategic, operations and risk management issues as well as expectations for Director behaviour. The induction procedure includes visits to Company facilities and to meet with management to gain a better understanding of business operations.

3.7 Performance Review

The Board is responsible for undertaking an annual evaluation process to review its performance and that of its Committees.

4. Board Responsibilities

The responsibilities of the Board include:

- (a) approving the Company's strategy, business plans and policies;
- (b) approving and monitoring the progress of major capital expenditure, capital management and capital raising initiatives, and acquisitions and divestments;
- (c) monitoring the Company's performance in delivering its strategic plans;
- (d) monitoring financial performance and approving the annual and half-year financial reports;
- (e) appointing, re-appointing or removing the Company's external auditors;
- (f) approving the Company's system of corporate governance, including formation of Board Committees and the terms of applicable governing charters, and monitoring their effectiveness;

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- (g) determining the size, composition and structure of the Board, and the process for evaluating its performance;
- (h) approving the overall remuneration policy, including remuneration for non-executive Directors, executive Directors and senior executives, upon recommendation from the Remuneration Committee;
- (i) appointment, performance assessment, determining remuneration and, if necessary, removal of the Managing Director;
- (j) approving and reviewing senior management succession plans and significant changes to the organisational structure;
- (k) reviewing, approving and monitoring the Company's risk management systems; and
- (l) enhancing and protecting the reputation of the organisation.

5. Appointment and Responsibilities of Chair

The Board shall appoint a Chair in accordance with the Company's Constitution. The Chair should be a non-executive Director who satisfies the criteria for independence in clause 11. The role of Chair must not be held by someone who is performing the role of Managing Director.

The Chair is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives.

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

6. Role and Responsibilities of Management

The day-to-day management of the Company and its businesses is the responsibility of the Managing Director, supported by the Senior Management team.

The Board delegates to the Managing Director all powers to manage the day-to-day business of the Company, subject to those powers reserved to the Board in clause 4 and any specific delegations of authority approved by the Board.

The key responsibilities of the Managing Director include:

- (a) manage and administer the day-to-day operations of the Company and its businesses in accordance with the strategy, business plans and policies approved by the Board;
- (b) develop strategies for the Company, its businesses and management, and make recommendations to the Board on such strategies;
- (c) develop the Company's annual budget and conduct the Company's activities within the approved annual budget;
- (d) develop and maintain the Company's risk management systems, including internal compliance and control mechanisms;
- (e) ensure compliance with the Company's continuous disclosure obligations, in accordance with the roles and responsibilities delegated under the Continuous Disclosure Policy;

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- (f) assign responsibilities clearly to the Senior Management team, and supervise and report on their performance;
- (g) recommend to the Board significant operational changes, and major capital expenditure, acquisitions or divestments, which are beyond delegated thresholds;
- (h) report regularly to the Board with timely and quality information, such that the Board is fully informed to discharge its responsibilities effectively; and
- (i) exercise such additional powers as are delegated to the Managing Director by the Board from time to time.

7. Company Secretary

The Board must appoint at least one secretary in accordance with the Company's Constitution. The appointment and removal of the Company Secretary is subject to Board approval.

The Company Secretary supports the effectiveness of the Board by monitoring that Board policy and procedures are followed, and coordinating the timely completion and despatch of Board agenda and briefing material. The Company Secretary is accountable to the Board, through the Chair, on all governance matters.

All Directors have access to the Company Secretary.

8. Board Committees

The Board may from time to time establish and delegate any powers to a Committee of the Board in accordance with the Company's Constitution. The Board is responsible for approving and reviewing the charter terms and membership of each Committee established by the Board.

The Board has not established separate Audit & Risk, Remuneration and Nomination Committees. The Board considers that given its size, no efficiencies or other benefits are gained by establishing these Committees.

All non-executive Directors shall be entitled to attend meetings of Board Committees where there is no conflict of interest.

Each Committee should report to the Board on the proceedings of that Committee to the next following Board meeting.

9. Board Meetings

The Board shall meet as often as the Directors determine necessary to enable the Directors and the Board to fulfil their duties and responsibilities to the Company.

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A Director may call a meeting of the Directors, and the Company Secretary must, if requested by a Director, call a Board meeting.

The Company Secretary is responsible for distributing Board meeting papers to Directors prior to each meeting.

A quorum for a Board meeting shall be determined in accordance with the Company's Constitution which requires that at least two directors be in attendance.

The Chair is responsible for the conduct of all Board meetings, including briefing all Directors in relation to the issues arising at Board meetings. The Chair has a casting vote, subject to the terms of the Company's Constitution. The Chair at a meeting at which only two directors are competent to vote shall not have a casting vote.

Draft minutes of each Board meeting shall be prepared by the Company Secretary promptly following the meeting for review by the Chair.

10. Ethical Standards and Legal Duties

10.1 Code of Conduct

Each Director shall abide by the terms of the Company's Code of Conduct, and are expected to uphold the ethical standards and corporate behaviour described in the code.

10.2 Duties

The Board will operate in a manner reflecting the values of the Company and in accordance with its agreed corporate governance guidelines, the Constitution, the Corporations Act and all other applicable regulations.

10.3 Conflict of Interest

Each Director has a fiduciary and statutory duty not to place themselves in a position which gives rise to a real or substantial possibility of conflict, whether it be a conflict of interest or conflict of duties.

10.4 Dealing in Shares

Directors must ensure any dealings in shares are in strict compliance with the Company's Security Trading Policy and otherwise in accordance with the values of honesty and integrity.

11. Directors' Independence

If a Director is or becomes aware of any information, facts or circumstances which will or may affect that Director's independence, the Director must immediately disclose all relevant details to the Chair and the Company Secretary. The Board will then assess the independence of each Director following disclosures made in accordance with this clause.

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An independent Director is a non-executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

In considering whether a Director is independent and the criteria against which the Board determines the materiality of a relationship, the Board is to have regard to:

- (a) the relationships affecting the independent status of a director as described in the ASX Corporate Governance Principles and Recommendations including:
 - is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
 - is employed, or has previously been employed in an executive capacity by the Company or any other Group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
 - has within the last three years been a principal of a material professional adviser or a material consultant to the Company or any other Group member, or an employee materially associated with the service provided;
 - is a material supplier or customer of the Company or any other member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
 - has a material contractual relationship with the Company or another Group member other than as a director.
- (b) the materiality guidelines applied in accordance with Australian accounting standards;
- (c) developments in International corporate governance standards; and
- (d) any independent professional advice sought by the Board at its discretion.

The Board considers a relationship to materially interfere with, or be perceived to materially interfere with, a Director's independent judgement, where it is of substance and consequence and there is a real and sensible possibility that it would affect the Director's judgement across all aspects of the Director's role.

12. Commitment by Directors

Non-executive Directors are expected to spend sufficient time properly preparing for and attending Board and Committee meetings and associated activities.

The external commitments of non-executive Directors are considered by the Board prior to the Directors' appointment to the Board of the Company and are reviewed each year as part of the annual performance assessment.

Prior to appointment or being submitted for re-election each non-executive Director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities to the Company.

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Non-executive Directors are expected to maintain the skills required to discharge their obligations to the Company. For this purpose they should undertake continuing professional education to the extent necessary. Request for approval of professional education courses may be made to the Company Secretary and where a request is approved, the cost of the course will be met by the Company.

An executive Director shall not accept appointments outside the Company without the prior written approval of the Board.

13. Access to Information and Advice

All Directors have unrestricted access to company records and information except where the Board determines that such access would be adverse to the Company's interests.

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

The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary at the Company's expense, subject to prior consultation with the Chair. A copy of any such advice received will be made available to all members of the Board.

14. Review

This Charter will be reviewed regularly and updated as required.

Updated on 7 July 2021