

# **BOARD CHARTER**

**Crigen Resources Limited**



## 1. INTRODUCTION

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- 1.1. This Corporate Governance Charter (the 'Board Charter') sets out the functions and responsibilities of the board of directors (the 'Board') and of the management of Crigen Resources Limited (the 'Company').
- 1.2. This Board Charter has been implemented by the Company to:
  - (a) promote and sustain good corporate governance;
  - (b) support the Company in achieving its desired culture;
  - (c) enhance the Company's performance;
  - (d) create value for shareholders; and
  - (e) engender confidence in the Company for investors and other stakeholders.

## 2. ROLE OF THE BOARD

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- 2.1. The Board's role is to govern the Company rather than to manage it. In governing the Company, the directors act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board, and it is the responsibility of the Board to oversee the activities of management in carrying out these delegated duties, including, whenever required, challenging management and holding it to account. Except when dealing with specific management delegations of individual directors (particularly executive directors), it is misleading to refer to the management function of the Board.
  - 2.2. The Board has the final responsibility for the successful operation of the Company. In general, it is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the Company's objectives. In carrying out its governance role, the main task of the Board is to drive the Company's performance. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.
  - 2.3. Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:
    - (a) Providing leadership to the Company by:
      - (i) guiding the development of an appropriate culture and core values for the Company through the establishment and review of the Company's statement of values and code of conduct, policies, rules, and procedures to enforce ethical behaviour and provide guidance on appropriate work methods; and
      - (ii) always acting in a manner consistent with the Company's culture, core values
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and code of conduct in order to maintain the reputation of the Company and maximise value for shareholders.

- (b) Overseeing the development and implementation of an appropriate strategy by:
    - (i) annually approving the overall process of strategic planning;
    - (ii) approving the structure of plans used by the Company;
    - (iii) working with the senior management team to ensure that an appropriate strategic direction and goals are in place;
    - (iv) regularly reviewing and updating the Company's strategic direction and goals;
    - (v) ensuring that an appropriate set of strategic internal controls are implemented and reviewed regularly;
    - (vi) overseeing planning activities including the development and approval of strategic plans, annual plans, annual corporate budgets and long-term budgets including operating budgets, capital expenditure budgets and cash flow budgets
    - (vii) reviewing the Company's progress and performance in meeting these plans and corporate objectives, including reporting the outcome of such reviews on at least an annual basis; and
    - (viii) monitoring the associated risks.
  - (c) Ensuring corporate accountability to the members primarily through adopting an effective member or stakeholder communications policy, encouraging effective participation at general meetings and, through the chair, being the key interface between the Company and its members.
  - (d) Overseeing the control and accountability systems that ensure the Company is progressing towards the goals set by the Board and in line with the Company's purpose, the agreed corporate strategy, legislative requirements and community expectations.
  - (e) Monitoring financial and non-financial risks to the Company, including environmental and reputational risks, and overseeing the effectiveness of the Company's policies in relation to the environment, sustainability and social issues.
  - (f) Ensuring robust and effective risk management, compliance and control policies and systems (including legal compliance) are in place and operating effectively.
  - (g) Approving half-year and annual financial statements and reports in accordance with the Company's Constitution, the Corporations Act 2001 (Cth), the Australian Securities Exchange (ASX) Listing Rules and any other applicable regulations.
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- (h) Monitoring and promoting ethical and social responsibility by the Company in accordance with the Company's core values, culture and standards of conduct.
- (i) Being responsible for the Company's senior management and personnel including:
  - (i) directly managing the chief executive officer ('CEO') including appointment, annual determination of remuneration, advice and counsel (including formal reviews and feedback on performance), oversight of development and removal of the CEO (where necessary);
  - (ii) ratifying the appointment, the terms and conditions of the appointment and, where appropriate, the removal of the company secretary and other senior managers, as determined by the Board;
  - (iii) oversight of annual senior executive performance reviews;
  - (iv) ensuring that an appropriate succession plan for the CEO, company secretary and other senior managers, as determined by the Board, is in place;
  - (v) ensuring appropriate human resource systems (including workplace health and safety (WHS) systems) and policies are in place to ensure the well-being, safety and effective contribution of all employees;
  - (vi) promoting diversity within all levels of the Company including approving the Company's policies in relation to diversity, establishing measurable objectives for achieving diversity, assessing annually the measurable objectives set by the Board and reviewing annually the relative proportion of women and men in the workforce at all levels of the Company;
  - (vii) delegating appropriate powers to the CEO, management and Board committees to ensure the effective day-to-day management of the Company and monitoring the exercise of these powers; and
  - (viii) making all decisions outside the scope of any delegated powers.

2.4. To avoid doubt, the Company's Constitution governs matters relating to the Board and Board functions and will prevail to the extent of any consistency with this Board Charter. This Board Charter explains, interprets, and supplements the Company's Constitution.

### **3. BOARD COMMITTEES**

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3.1. The detail of some Board functions may in the future be handled through Board committees. However, the Board as a whole is responsible for determining the extent of powers residing in each committee and is ultimately responsible for accepting, modifying, or rejecting committee recommendations.

3.2. The Board may also establish ad hoc committees from time to time to consider specific matters in greater detail than is possible for the Board and will determine the membership,

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composition and charter of those committees.

- 3.3. Each committee will have a written charter, approved by the Board, defining its duties, reporting requirements and authority.
- 3.4. Each committee will have an obligation to report to the Board on its meetings and to make the minutes of those meetings available to the Board.

#### **4. BOARD STRUCTURE**

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- 4.1. The Board will comprise five directors, two of whom are independent non-executive directors.
  - 4.2. The Board's policy is that 40% of directors are to be independent, non-executive directors. The Board only considers directors to be independent where they are independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgment regarding the best interests of the Company and its shareholders.
  - 4.3. The Board will regularly formally assess the appropriate balance of skills, experience and diversity required on the Board and the extent to which they are represented on the Board (through, among other things, use of a Board skills assessment matrix in order to assess the Board's capability requirements against the mix of existing directors).
  - 4.4. The terms and conditions of the appointment of new non-executive directors are contained in a letter of appointment that sets out, among other things:
    - (a) Term of appointment.
    - (b) Remuneration.
    - (c) Expectations in connection with meetings and committees.
    - (d) Classification as an independent director (if applicable) and expectations in this regard.
    - (e) Compliance with corporate governance policies.
    - (f) Outside directorships.
    - (g) Indemnification and insurance.
  - 4.5. All directors have access to Company information, management, and the company secretary to enable them to carry out their responsibilities.
  - 4.6. Directors may also call on independent, professional advice at the Company's expense in carrying out their duties. It is expected that prior consultation with the chair will take place before consultation with external advisers.
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## 5. THE ROLE OF INDIVIDUAL DIRECTORS

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- 5.1. The directors have ultimate responsibility for the overall successful operations of the Company. Their duties relate to:
- (a) the strategic direction of the Company;
  - (b) financial operations and solvency;
  - (c) all matters as prescribed by law including, but not limited to, safety and the environment; and
  - (d) all major policy issues including, but not limited to, industrial relations and quality assurance.
- 5.2. In particular, section 181(1) of the Corporations Act 2001 (Cth) states that directors must act in the "best interests of the corporation".
- 5.3. In accordance with legal requirements and agreed ethical standards, the Company directors:
- (a) owe a fiduciary duty to the Company as a whole;
  - (b) use the powers of the office for a proper purpose;
  - (c) discharge their duties in good faith and honestly;
  - (d) act with the level of skill, care and diligence expected of a director of a company;
  - (e) demonstrate commercial reasonableness in their decisions;
  - (f) act for the benefit of the Company;
  - (g) do not make improper use of information gained through their position as a director;
  - (h) do not take improper advantage of the position of director;
  - (i) do not allow personal interests, or the interest of any associated person, to conflict with the interests of the Company;
  - (j) make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals;
  - (k) undertake diligent analysis of all proposals placed before the Board;
  - (l) do not engage in conduct likely to bring discredit upon the Company;
  - (m) give of their specific expertise generously to the Company; and
  - (n) comply with the spirit, as well as the letter, of the law and with the principles of this
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charter.

## **6. THE ROLE OF THE CHAIR**

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- 6.1. The chair's role is a key one within the Company. The chair is considered the "lead" director and utilises experience, skills, and leadership abilities to facilitate the governance processes. The chair's principal responsibilities are to provide appropriate leadership to the Board and the Company and to ensure the Board fulfils its obligations under this charter.
- 6.2. The chair represents the Board to the Company's members and acts as a liaison between the Board and management.
- 6.3. The chair is responsible for the conduct of all Board meetings, including ensuring that agendas and recommendations are appropriate.
- 6.4. The Board will elect a chair.

## **7. THE ROLE OF THE COMPANY SECRETARY**

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- 7.1. The company secretary is accountable to the Board on all corporate governance matters and matters related to the proper functioning of the Board.
- 7.2. Appointment and removal of the company secretary will be subject to Board approval.
- 7.3. The company secretary facilitates the Company's corporate governance processes and is responsible for the coordination of Board meetings, including agendas, Board papers and minutes, for communication with the Australian Securities Exchange ('ASX') and other regulatory bodies, and for all statutory and other filings.
- 7.4. All directors have a right of access to the company secretary at all times.

## **8. THE ROLE OF THE CHIEF EXECUTIVE OFFICER**

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- 8.1. The CEO is appointed by the Board and holds office until removal, resignation, or retirement.
  - 8.2. The CEO is responsible for the attainment of the Company's goals and vision for the future, in accordance with the core values, strategies, policies, programs and performance requirements approved by the Board. The CEO reports directly to the Board.
  - 8.3. The CEO promotes a culture of social and ethical responsibility within the Company in accordance with its core values.
  - 8.4. The CEO manages a team of executives responsible for all functions contributing to the Company's success.
  - 8.5. The CEO's performance is assessed annually in light of the achievement of goals, targets and other key performance indicators as determined by the Board.
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- 8.6. The Board maintains a succession plan for the CEO.
- 8.7. As a member of the Board, the CEO has the duties and responsibilities of a Board member as outlined in this Board Charter.
- 8.8. The CEO is responsible for the appointment of specific management roles and with ensuring appropriate succession plans are in place for his or her direct reports. The CEO is also responsible for appointing, changes to remuneration arrangements, performance targets, assessments of performance for, and termination of his or her direct reports.

## **9. COMPLIANCE, RISK MANAGEMENT AND INTERNAL CONTROLS**

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- 9.1. The Board is charged with overseeing, reviewing, and ensuring the reliability and effectiveness of the Company's compliance systems. As such, compliance is a quality control system that is part of a proactive risk management strategy. To carry out its compliance function, the Board commits to the following:
    - (a) A Code of Conduct for the Company ensures the highest of ethical standards and business behaviours are maintained.
    - (b) The Board complies with its reporting requirements under the Corporations Act 2001.
  - 9.2. The Board views compliance as an integral function and recognises that for the compliance system to succeed it must be championed by the Board along with management.
  - 9.3. The CEO is charged with implementing appropriate risk management systems within the Company. Aspects of this process may be delegated.
  - 9.4. The Company undertakes an annual review of strategy and operations to update its risk profile in line with the risk appetite set by the Board in conjunction with management.
  - 9.5. The Board has a process for review and authorisation to ensure the truthful and factual representation of the Company's financial position and adherence to policies and procedures. This process includes:
    - (a) External audit.
    - (b) Internal audit.
    - (c) Review of the Company's annual financial statements by the Board.
  - 9.6. The Board is responsible for recommending the appointment of a qualified external auditor, with appropriate skills, knowledge and experience which is subject to members' approval at the Company's annual general meeting.
  - 9.7. The CEO provides a statement to the Board with the half-yearly and annual financial report to the effect that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.
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## **10. CONTINUOUS DISCLOSURE AND MEMBER COMMUNICATION**

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- 10.1. The Board encourages full participation of members at the annual general meeting to ensure a high level of accountability and discussion of the Company's strategy and goals. As required by law, the Company invites the external auditor to attend the annual general meeting and be available to answer members' questions about the conduct of the audit and the preparation and content of the auditor's report.
- 10.2. The full Board is required to attend the Company's annual general meeting.
- 10.3. The Company will establish a Continuous Disclosure Policy, which is designed to ensure that the Company complies with its continuous disclosure obligations that arise under the ASX or NSX Listing Rules.
- 10.4. The Board regularly reviews the Company's compliance with its continuous disclosure obligations. The company secretary is responsible for coordinating disclosure of information to the NSX, the Australian Securities and Investments Commission (ASIC) and members.
- 10.5. The Company's website maintains, at a minimum, information about the last three years' press releases or announcements on the website. Additionally, the full text of the Company's annual report, notice of meetings and explanatory materials are placed on the website, together with a statement of the Company's values.

## **11. BOARD MEETINGS**

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- 11.1. Unless otherwise agreed, the Board meets at least monthly. Alternatively, a Board meeting can be convened when any two directors or the chair so requests. In such situations, a minimum of seven days' notice must be given unless it is an emergency meeting.
  - 11.2. The Board may conduct meetings using any technology consented to by all directors, including telephone or videoconference.
  - 11.3. The meeting agenda and Board papers are provided to directors no less than seven calendar days prior to a scheduled meeting.
  - 11.4. Meetings are conducted to allow a full and frank exchange of views by the directors while at the same time ensuring that a positive Board culture is maintained.
  - 11.5. A full set of minutes is kept by the company secretary.
  - 11.6. In order to provide an even distribution of work over each financial year, the Board will adopt a 12-month Board calendar, which will include all scheduled Board and committee meetings as well as major corporate and Board activities.
  - 11.7. The Board will keep Board discussions and resolutions confidential, except where required to be disclosed by law.
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11.8. All directors have a legal obligation to disclose to the Board, any material personal interest that relates to the business of the Company. When an issue arises at a Board meeting, relating to such an interest, the director will not attend the meeting while that matter is discussed and may not vote on such an issue, unless the non-conflicted directors pass a resolution that the director may either remain for the discussion but not vote or remain for the discussion and vote. The non-conflicted directors will only pass such a resolution when they are strongly of the view that the nature of the conflict does not inhibit the conflicted director from making a decision in the best interests of the Company. Directors have an obligation to disclose to the Board any other interest that the director believes is appropriate to disclose to ensure there is no actual or perceived conflict of interest.

11.9. The Company maintains a register of declarations of interests and dealings in securities.

## **12. BOARD AND CEO EVALUATION**

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12.1. The Board recognises its responsibility to conduct regular evaluations of the performance of the Board and individual directors. Annually, there is a performance evaluation of:

- (a) The Board, having regard to the requirements of this charter and leading practice principles of good governance.
- (b) The chair.
- (c) Each individual director's contribution to the Board.
- (d) Board committees, if applicable.

12.2. The processes are regularly reviewed to ensure they meet contemporary good practice guidelines for Board and director assessment.

12.3. A senior executive assessment is undertaken by the full Board according to the process developed by the Board and approved by the Board on an annual basis. The processes are regularly reviewed to ensure they meet contemporary good practice guidelines for senior executive assessment.

## **13. CHARTER REVIEW**

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This charter is to be reviewed by the Board as required and at least annually. The charter may be amended by resolution of the Board.

## **14. PUBLICATION OF CHARTER**

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The most current version of the charter can be found on <https://danaiwellness.com/>. When determining current requirements, you should always access the current online version, and not rely on earlier versions.

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