

## **POLICY AND PROCEDURE FOR SELECTION AND (RE) APPOINTMENT OF DIRECTORS**

### **EPHRAIM RESOURCES LIMITED ("COMPANY")**

#### **New Directors**

It is the Policy of the Board that in determining candidates for the Board, the following process shall occur.

1. The Nomination Committee (or equivalent) evaluates the range of skills, experience and expertise of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors on the Board.
2. A potential candidate is considered with reference to their skills and expertise in relation to other Board members.
3. The following additional checks and confirmations are also considered for potential candidates:
  - a) a character, education, criminal and bankruptcy reference check;
  - b) details of any other material directorships currently held; and
  - c) details of any interest, position, association or relations that might influence or perceive to influence the candidate's capacity to bring independent judgement to bear on issues and to act in the best interest of the entity.
  - d) a statutory declaration from each director or proposed director confirming (amongst other things) that:
    - i) he or she has not been the subject of any criminal or civil proceedings (or other enforcement action) in which he or she was found to have engaged in behaviour involving fraud, dishonesty, misrepresentation, concealment of material facts or breach of duty;
    - ii) he or she has not been the subject of any disciplinary action by a securities exchange or market regulator; and
    - iii) no listed entity of which he or she was a director has been the subject of any disciplinary action by a securities exchange or market regulator for failure to comply with the listing rules applicable to that market.
4. If relevant, the Nomination Committee recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

#### **Board Renewal**

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Re-appointment of directors is not automatic.

## **Size and Composition of the Board**

The Board should be structured in such a way that it has a proper understanding of, and competence to deal with, the current and emerging issues of the business and encourages enhanced performance of the Company.

Reference is made to the Company's size and operations as they evolve from time to time.

## **Commitment to the Board**

Non-executive Directors shall provide to the Nomination Committee (or equivalent), prior to their appointment or re-election, details of other commitments and an indication of the time involved in carrying out those other commitments.

All directors should consider the number and nature of their directorships and calls on their time from other commitments.

## **Informing Shareholders**

Shareholders shall be informed of the names of candidates submitted for re-election as directors at the company's general meetings. In order to enable shareholders to make an informed decision regarding the re-election, the following information shall be supplied to shareholders:

1. biographical details (including competencies, experience, qualifications and any material adverse information revealed by character, criminal or bankruptcy checks);
2. sufficient information to enable an assessment of the independence of the candidate;
3. details of relationships between the candidate and the Company; and the candidate and directors of the Company;
4. directorships held;
5. particulars of other positions which involve significant time commitments;
6. the term of office currently served by any directors subject to re-election; and
7. any other particulars required by law.

In addition to the above, the Board will state whether it supports the election or re-election of the candidate(s).