

## **POLICY ON ASSESSING THE INDEPENDENCE OF DIRECTORS**

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

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 judgment.

It is the Board's policy that in determining a director's independence the Board considers the relationships which may affect independence as set out in Box 2.3 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* as follows:

When determining the independent status of a director the Board should consider whether the director:

1. is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
2. is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the entity or any of its child entities;
3. is, or has been within the last three years, in a material business relationship (e.g. as a supplier or customer) with the entity or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
4. is a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the entity;
5. has a material contractual relationship with the entity or its child entities other than as a director; has close family ties with any person who falls within any of the categories described above; or
6. has been a director of the entity for such a period that his or her independence may have been compromised.

In each case, the materiality of the interest, position, association or relationship will be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally.