



Sipa Resources Limited

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## Policy – Appointment and Selection of Non-Executive Directors

### Revision history

Rev.	Issued	Description	Prepared	Approved by Board
1.1	23/7/18	Annual Review	Robson	23/7/18
1.0	21/12/17	Review	Robson	14/12/17
0	23/7/15	Policy created	Robson	23/7/15

## **1 Purpose**

The Nomination & Compensation Committee has the delegated responsibility for all matters relating to the selection and re-appointment of non-executive directors necessary to make a recommendation to the Board. In carrying out these responsibilities, the following procedures are applied.

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## **2 Appointment of Non-Executive Directors**

- (a) Evaluate the current Board's range of skills, experience, expertise, diversity and independence.
  - (b) Identify the particular skills and diversity that will best increase the Board's effectiveness for the needs of the Sipa business currently and going forward.
  - (c) Develop selection criteria based on those skills identified.
  - (d) Informal discussion by the Board to generate a list of potential candidates who may fill the stated criteria.
  - (e) Seek applications from suitably qualified individuals or use the services of an independent executive search firm to assess the appropriateness of potential candidates, to supplement a candidate list provided by directors.
  - (f) Measure the final potential candidate(s) against the selection criteria with reference to their skills and expertise in relation to other Board members.
  - (g) The Nomination and Compensation Committee should undertake appropriate checks before recommending a potential candidate. Such checks should include, but are not limited to, confirmation as to the person's character, experience, education, criminal record and bankruptcy, any may vary based on the collective knowledge of the candidate.
  - (h) The Board examines the final list of candidate(s) and agrees an order of preference.
  - (i) Chairman approaches desired candidate(s).
  - (j) Candidate is appointed to the Board in accordance with Article 13 of the Company's Constitution, subject to ratification by shareholders at the Company's next annual general meeting.
  - (k) Appointment must be confirmed by a written agreement with the new director, setting out the terms of their appointment.
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## **3 Board Renewal**

The Board recognises that renewal is critical to performance and the impact of Board tenure on succession planning. Under the Company's Constitution, a director must not hold office, without re-election, past the third annual general meeting following the director's last appointment or three years, whichever is longer. This rule does not apply to the Managing Director. The following procedures are followed for Board renewal.

- (a) Evaluate the current Board's range of skills, experience, expertise, diversity and independence.
- (b) Identify the particular skills and diversity that will best increase the Board's effectiveness for the needs of the Sipa business currently and going forward.
- (c) Develop selection criteria based on those skills identified.

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- (d) Measure the retiring director's skills against the criteria.
- (e) Directors discuss and agree whether the retiring director should stand for re-election at the next annual general meeting.
- (f) If recommended for re-appointment, the retiring director stands for re-election at the shareholder meeting in accordance with the Company's Constitution, listing rules and the Corporations Act. Otherwise the new director selection process commences.

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## 4 Communication with Shareholders

Shareholders will be informed of the names of candidates submitted for election as directors so as to be able to make an informed decision on whether to elect or re-elect a candidate. The following information will be supplied to shareholders:

- (a) Biographical details, including information on competencies, qualifications, and information sufficient to enable an assessment of the independence of the candidate.
- (b) Particulars of other material positions, including directorships, which involve significant time commitments.
- (c) If the candidate is standing for election as a director for the first time:
  - (i) any material adverse information revealed by the checks the Company has performed;
  - (ii) details of any interest, position, association which might influence, or be perceived to influence, his or her capacity to bring independent judgement to issues before the Board;
  - (iii) A statement to the effect of, if the Board considers that the candidate will qualify as an independent director
- (d) If the candidate is standing for re-election, the term of office currently served by the candidate.
- (e) A statement by the Board as to whether it supports the nomination of the candidate.