
Policy and Procedure for Selection and (Re) Appointment of Directors and Senior Executives

Liontown Resources Limited ACN 118 153 825 (Company)

New directors

It is the policy of the Board that in determining candidates for the Board, the following process shall occur:

- (a) The Nomination Committee (or equivalent) evaluates the mix of skills, experience, expertise and diversity of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills and diversity that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors on the Board. Regard must also be had to the Company's *Diversity Policy* in identifying appropriate candidates.
- (b) The Nomination Committee (or equivalent) will identify potential candidates by seeking applications from suitably qualified individuals; and/or placing advertisements in appropriate media; and/or engaging external consultants that will present diverse candidates.
- (c) The Nomination Committee (or equivalent) interviews selected candidates.
- (d) A potential candidate is considered with reference to their skills and expertise in relation to other Board members. The Nomination Committee (or equivalent) will also have regard to the other matters identified in this *Policy and Procedure for Selection and Re(Appointment) of Directors* as relevant when identifying and considering candidates for the Board.
- (e) If relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board, and includes reasons for its recommendation. The Nomination Committee (or equivalent) must undertake appropriate checks before recommending an appropriate candidate for appointment to the Board. These should include checks as to the person's character, experience, education, criminal record and bankruptcy history.
- (f) Any appointment made by the Board is subject to ratification by shareholders at the Company's next annual general meeting.
- (g) The Company must enter into a personal written agreement with each director appointed to the Board setting out the terms of their appointment. In the event that a director supplies their services through a personal services company, the director must enter a personal letter of appointment with the Company setting out the director's duties and responsibilities.

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. The Company must hold an election of directors each year. Under the Company's Constitution, a director of the Company must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is longer. However, a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity. This rule does not apply to the Managing Director.

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

All directors must provide to the Nomination Committee (or equivalent), prior to their appointment or re-election, details of their 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. Prior to appointment, or being submitted for re-election, non-executive directors are required to specifically acknowledge to the Company that they will have sufficient time to fulfil their responsibilities as a director.

Informing shareholders

Shareholders will be informed of the names of candidates submitted for election as directors. So that shareholders can make an informed decision on whether or not to elect or re-elect a candidate as a director, the following information will be supplied to shareholders:

- (a) biographical details, including their relevant qualifications and experience and the skills they bring to the Board;
- (b) details of any other material directorships currently held by the candidate;
- (c) if the candidate is standing for election as a director for the first time:
 - (i) confirmation that the entity has conducted appropriate checks into the candidate's background and experience;
 - (ii) if those checks have revealed any information of concern, that information;
 - (iii) details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party; and
 - (iv) if the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect;
- (d) if the candidate is standing for re-election as a director:
 - (i) the term of office currently served by the director; and
 - (ii) if the Board considers the director to be an independent director; a statement to that effect; and
- (e) a statement by the Board as to whether it supports the election or re-election of the proposed candidate, and a summary of the reasons why.

New senior executives

It is the policy of the Board that in recruiting senior executives (including Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Company Secretary and other key management personnel), the following process shall occur:

- (a) The Managing Director, with assistance from the Nomination Committee (or equivalent), will evaluate the mix of skills, experience, expertise and diversity of the existing senior management team. In particular, the Managing Director is to identify the particular skills and diversity that will best ensure senior management's effectiveness to support the Managing Director and assist implement the strategic objectives set by the Board and the day-to-day running of the Company. Regard must also be had to the Company's *Diversity Policy* in identifying appropriate candidates.

- (b) The Managing Director, with assistance from the Nomination Committee (or equivalent), will identify potential candidates by seeking applications from suitably qualified individuals; and/or placing advertisements in appropriate media; and/or engaging external consultants that will present diverse candidates.
- (c) The Managing Director, with assistance from the Nomination Committee (or equivalent), interviews selected candidates.
- (d) A potential candidate is considered with reference to their skills and expertise in relation the position they are being considered for. The Managing Director will also have regard to the other matters identified in this *Policy and Procedure for Selection and Re(Appointment) of Directors and Senior Executive* as relevant when identifying and considering candidates for senior executive positions.
- (e) If relevant, Managing Director in consultation with the Nomination Committee (or equivalent) recommends an appropriate candidate to the Board for approval of the appointment, and includes reasons for its recommendation. The Managing Director must undertake appropriate checks before recommending an appropriate candidate for appointment in a senior executive position. These should include checks as to the person's character, experience, education, criminal record and bankruptcy history.
- (f) The Company must enter into a personal written agreement with each senior executive setting out the terms of their appointment. With one exception, the agreement in question should be with the senior executive personally rather than an entity supplying their services. The one exception is where the Company is engaging a bona fide professional services firm to provide the services of a CFO, company secretary or other senior executive on an outsourced basis. In that case, it is acceptable for the agreement to be between the Company and the professional services firm.

Succession Plan

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Succession plans are used to assist in maintaining the appropriate mix of skills, experience, expertise and diversity on the Board. They also assist the Company to support the positions held by key personnel should they become vacant either temporarily or permanently.

A successful process should be:

- continuous;
- driven and controlled by the Board;
- involve Managing Director input;
- easily executed in a crisis; and
- appropriate within the Company's strategy.

The Company provides the following guidelines for succession planning.

- (a) Key positions should be identified with consideration given to the impact on this and other positions if it were to become suddenly vacant.
- (b) Consider the support that might be essential to the ongoing effectiveness of key personnel positions if the incumbent person was not able to continue.
- (c) Consider any other personnel who may not be regarded as key personnel but whose sudden absence could present serious difficulties.
- (d) Key personnel should be encouraged to document their organisational and operational knowledge as much as possible.
- (e) Any procedures within the organisation designed to address a vacancy should be formalised.
- (f) If appropriate, draft a plan which outlines how any policy or procedure could be implemented in an emergency.
- (g) Any plan should also provide for adequate resources with consideration given to cost.
- (h) If possible, develop talent pools at various levels in the organisation. For example, potential directors and/or key personnel who meet the selection criteria can be identified and included on an evergreen list. This list will then support a contingency plan should something happen that would cause one or more directors to suddenly leave the board.
- (i) Consider promotions of existing employees and appointments to senior management and the Board based on the Company's *Diversity Policy*.
- (j) Avoid the loss of key personnel, where possible.