

# EUROPEAN LITHIUM LIMITED

## **CORPORATE GOVERNANCE - DIRECTOR SELECTION & APPOINTMENT PROCEDURE**

### **Purpose**

To ensure that there are defined procedures for the selection and appointment of new directors to the Company's Board.

### **Procedure**

It is recognised by the Board of the Company that a formal and transparent procedure for the selection and appointment of new directors to the Board helps promote understanding and confidence in that process.

### **1. Board Composition**

The Board's Charter requires that the Board comprise a majority of non-executive directors with a broad range of expertise, skills and experience. Particular candidates may also be considered where they hold particular experience in the various activities conducted by the Company.

### **2. Identification of potential Board candidates**

The Board and each of the individual directors are expected to be continually on the lookout for candidates who they consider may be valuable members of the Board. At various times the Board may also determine that there is a specific requirement for a director with a particular skill set, and at this time external consultants may be engaged to identify potential candidates.

### **3. Selection**

Once a potential candidate has been identified that candidate would be expected to provide a copy of their Resume detailing their skills and experience. The Board, generally as part of a Board meeting, would interview the candidate and also explain details of the Company, its operations, policies and expectations. The Board, as a whole, shall consider the appointment and this is subject to the directors' voting arrangements set out in the Company's Constitution.

### **4. Appointment to the Board**

Once the Board decides to appoint a new director, that director would be expected to sign the Terms and Conditions for appointment of non-executive directors and the director's 'Consent to Act' form. The Director would also be provided with access to the Company's Corporate Governance Statement and other relevant policies and procedures. Following this an announcement would be made to the ASX containing various details concerning the directors' skills and experience and the reason for the appointment of the Board. Appropriate details would also be provided to the ASX concerning the directors' shareholdings in the Company.

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### **5. Informing Shareholders**

Shareholders shall be informed of the names of candidates submitted for election as directors. In order to enable shareholders to make an informed decision regarding the election, the following information shall be supplied to shareholders for new directors:

- biographical details (including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate);
- a statement by the Board as to whether it supports the nomination of the proposed candidate;
- details of relationships between the candidate and the Company; the candidate and Directors of the Company; and details of any other relationships that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its security holders;
- directorships held;
- particulars of other positions which involve significant time commitments;
- material adverse information revealed by the checks the Company has performed on the director; and
- any other particulars required by law.

Shareholders shall be informed of the names of candidates submitted for election as directors. In order to enable shareholders to make an informed decision regarding the election, the following information shall be supplied to shareholders for existing directors:

- a statement by the Board as to whether it supports the re-election of the existing Director and whether or not the Board considers the existing Director to be independent;
- the term of office currently served by any existing Director; and
- any other particulars required by law.

### **Responsibility**

The Chairman is ultimately responsible for compliance with this procedure, however it would be expected that all directors comply with this procedure.

### **Review**

This Procedure will be formally reviewed by the Board every 3 years.