

## RISK AND SUSTAINABILITY COMMITTEE CHARTER

### 1. INTRODUCTION

This Charter sets out the roles and responsibilities of the Risk and Sustainability Committee (**Committee**) established by the Board of Directors (**Board**) of Core Lithium Ltd (**Core** or **Company**).

The Committee has been delegated specific power as set out in this Charter in accordance with rule 15.10 of the Company's Constitution. The Committee must exercise the powers delegated to it in accordance with any directions of the Board.

### 2. ROLE

The broad role of the Committee is to assist the Board with the following:

- (a) Review the effectiveness of the risk management processes including company level risk appetite, risk management and mitigation of material business risks arising from the company's activities; and
- (b) Identify and management of material sustainability related risks and opportunities and to promote sustainable business practices.

This charter sets risk parameters and defines the Committee's function, composition, mode of operation, authority and responsibilities.

### 3. MEMBERSHIP

The Committee will comprise two non-executive directors (and three where the board size enables this number), unless otherwise determined by the Board. It is intended that a majority of the directors that comprise the Committee will be independent directors.

In appointing directors to the Committee, the Board will have regard to the following:

- (a) all members between them must have skills, experience or qualifications relevant to risks and/or sustainability frameworks and management systems as determined by the board; and
- (b) a majority of members must have an understanding of the industry in which the Company operates.

Any member may be removed at any time by ordinary resolution of the Board then in office. Any vacancy in the Committee occurring for any cause may be filled by a majority nominee of the Board then in office.

Other Directors who are not Committee members may attend meetings of the Committee should they wish and are entitled to receive all Committee papers. Selected members of management may attend meetings of the Committee by invitation.

External consultants/advisors can provide advice to the committee in order to complement the technical abilities of existing members.

The Committee's Chairman shall be an independent director where possible, as designated by the Board and should not be the Chairman of the Board.

A member of the Committee may, with the approval of the Committee Chairman and at the Company's expense, attend seminars or training courses in respect to issues related to the functions and responsibilities of the Committee.

The Committee Secretary will be the Secretary of the Company.

## **4. MEETINGS**

### **4.1 Holding of Meetings**

- (a) The Committee shall meet at least two times annually or more frequently as required.
- (b) Any Committee member may, and the Company Secretary must on the request from a member, convene a meeting of the Committee within 7 business days.

### **4.2 Quorum**

A majority of the members of the Committee, present in person or by using any technology, shall constitute a quorum for the transaction of business and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

### **4.3 Committee Papers**

- (a) The Committee Secretary will distribute in advance of a meeting of the Committee an agenda and any related papers to each member of the Committee and any other persons determined by the Committee.
- (b) Where a person has a conflict of interest in a matter, the Committee Secretary will provide that person with notice of the matter but, unless the other members of the committee otherwise determine, will not provide that person with papers in relation to that matter.

The Committee has a right to access management and seek additional information and explanations where it considers it appropriate.

The Committee, may on the approval of the Chairman of the Board, instruct Management to engage independent professional advisors as required.

#### **4.4 Committee Minutes**

- (a) The Committee Secretary shall prepare minutes of meetings and have them approved by the Committee Chairman.
- (b) Minutes of meetings shall be confirmed at the next meeting of the Committee.
- (c) All minutes will be entered into a minute book maintained by for that purpose and be available at all times for inspection by any director.

### **5. REMUNERATION**

Remuneration of Committee members shall be as determined by the Board.

### **6. REPORTING TO THE BOARD**

Minutes of each meeting will be submitted to the Board.

The Committee Chairman, or delegate, must report to the Board after each Committee meeting concerning the proceedings of the Committee.

The Committee will report to the Board on, all matters relevant to the Committee's role and responsibilities.

The Committee Chair will also, if requested, provide a brief oral report as to any material matters arising out of the Committee meeting. All Directors will be permitted, within the Board meeting, to request information of the Committee Chair or members of the Committee.

### **7. PURPOSE AND RESPONSIBILITIES**

The primary responsibility of the committee is to assist the Board in fulfilling its responsibilities relating to risks, risk management and sustainability related risks and their management.

The Committee's primary purposes are:

- (a) Review the effectiveness of the risk management processes and to determine whether there have been any changes in the material business risks that the company faces and to ensure that they remain within the risk appetite set by the board;
- (b) Identify and management of existing and emerging sustainability related risks and opportunities including:

- (i) safety (including critical risks, psychosocial risks, critical risk management and safety maturity, and emergency management);
  - (ii) health (including occupational health and hygiene, mental health and wellbeing)
  - (iii) environment (including water stewardship, dam management inclusive of tailings and water management, air emissions, land stewardship, biodiversity, rehabilitation and legacy management, and waste stewardship)
  - (iv) community and social performance (including community relations, first nations, cultural heritage and land access, local supply chain development);
  - (v) human rights (including modern slavery and human rights, responsible sourcing); and
  - (vi) our response to climate change (including carbon emissions and physical risks);
- (c) Identify and management of existing and emerging enterprise risk including but not limited to matters of strategic importance, operational performance, and financial related activity.
  - (d) The company's system for business compliance with applicable legal and regulatory requirements and applicable voluntary standards;
  - (e) The company's Risk and Sustainability policies and related reporting and disclosure of material risk and sustainability issues; and
  - (f) The company's performance in relation to risk and sustainability-related matters.

## **8. SPECIFIC DUTIES**

### **8.1 Risk Management**

The Committee will oversee management's implementation of the risk management framework having regard to the risk appetite developed by management and approved by the board.

In particular, the Committee is responsible for:

- (a) Review risk appetite statement developed by management and recommend for board approval;

- (b) Compliance with the company's risk management policy and any changes to the policy and the risk management framework including whether management is operating consistently within the risk appetite set by the board;
- (c) The overall adequacy and effectiveness of the company's risk framework, risk assessment process and methodology and risk culture;
- (d) The material and emerging risks facing the company, including cyber risks, and the controls, monitoring and reporting process put in place by management to manage those risks; and
- (e) The disclosures in the annual report in relation to material business risks;

## **8.2 Insurance**

Oversight of the company's insurances.

## **8.3 Compliance**

Oversight of the processes to ensure compliance with legal obligations (including review of legal compliance framework).

## **8.4 Sustainability**

The Committee will review and assess key areas relating to the material sustainability matters related to the Company. In particular, the Committee will:

### **8.4.1 Sustainability Management and Assurance**

- (a) Review and monitor the adequacy and effectiveness of policies and management systems and frameworks in place associated with material sustainability matters (including ensuring that material sustainability related risks are identified, and appropriate risk mitigation and controls are in place);
- (b) Oversee management's processes for compliance with applicable sustainability related laws, regulations and other requirements relating to the performance of the company;

### **8.4.2 Sustainability Performance**

- (a) Monitor the company's performance in relation to sustainability related matters;
- (b) Review and endorse the company's sustainability framework and public targets proposed by the CEO, to the board;
- (c) Review and approve new and material changes to public positions on key sustainability matters;

### **8.4.3 Sustainability Reporting**

Oversee the adequacy and integrity of reporting of the company's sustainability reporting. Where the company prepare external sustainability and /or corporate reports in accordance with Taskforce on Climate-Related Financial Disclosures (TCFD), or other related sustainability frameworks, the Committee will:

- (a) Review the report and recommend it to the board for approval; and
- (b) Review and endorse the scope of external assurance (if undertaken) for sustainability reporting.

## **9. Authority**

Within the scope of its responsibilities, the Committee is generally authorised to:

- (a) consult with and seek any information from any Director or employee of the Company or any external party
- (b) obtain (at Core's expense) professional advice from external consultants or specialists as it considers necessary to assist the Committee in meeting its responsibilities; and
- (c) require the attendance of any Company employee at Committee meetings.

## **10. COMMITTEE AND CHARTER REVIEW**

The Committee shall review its performance periodically.

The Committee shall review and reassess the adequacy of this charter not less than every 2 years and submit any proposed revisions to the Board for consideration and approval.

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