

Mount Gibson Iron Limited  
Corporate Governance Principles and Practices Manual  
Induction Procedures for New Board Appointees

## Introduction

- 1.1 The purpose of this Policy is to set out the induction procedures for new Directors of Mount Gibson Iron Limited (**Company**) and its controlled entities. The Board recognises that the appointment of new Directors is a means of enhancing the performance of the Board and the Company, through the inclusion of additional skills and experience. The Board also recognises the importance of providing new Directors with the opportunity to build their knowledge of the Company quickly, so that they are able to make an effective contribution to the work of the Board. This Policy has been approved by the Board to promote these objectives.
- 1.2 Before induction of a new Director, the Chairman and the Managing Director will work to determine a time-effective program for the formal induction process. The induction will be tailored for each new Director (depending on their requirements, skills, qualifications and experience) and will as a minimum include:
- (a) Providing the Director with detailed information about the Company and its structure, corporate governance regime, business plans and strategy. In particular, and as soon as possible following the new Director's appointment, the Company Secretary will provide the Director with the following materials:
    - (i) Company structure chart.
    - (ii) Constitution.
    - (iii) Corporate & Governance Principles and Practices Manual – This Manual includes documents such as Board Charter, Board Code of Conduct, Employee Code of Conduct, Conflict of Interest Policy, Securities Trading Policy, Committee Charters and Continuous Disclosure and ASX Announcements Policy. It is expected that the Director will become familiar with all of the material in this Manual.
    - (iv) Disclosure Agreement & Declaration Form – The Director will be required to complete the disclosure agreement and disclosure form, detailing any interests in the Company's securities. The form of these documents will be substantially as set out in the Attachments to Guidance Note 22 to the ASX Listing Rules.
    - (v) Copies of papers for the last 3 Board meetings – The Board papers are provided to assist the Director to gain familiarity with the Company's operations, current issues and risks affecting the Company.

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- (vi) Latest financial statements of the Company – The latest financial statements together with the annual and half-yearly reports for the last 2 financial years are provided to assist the Director to gain familiarity with the financial performance, operations and risk management position of the Company.
  - (vii) The Company Auditor's last 2 reports to the Board.
  - (viii) All ASX announcements for the year preceding the new Director's commencement date (excluding statutory lodgments such as Directors' shareholding notices).
  - (ix) All current standing notices of interest from other Directors – These will be provided in accordance with the Company's Conflict of Interest Policy.
- (b) Providing additional information relating to the Director's role and responsibilities, including payroll documentation and superannuation information.
- (c) Facilitating introductions to and structured meetings with other Board members, the Managing Director, the Company's senior management team, the Company Secretary and the Company's external auditors with a focus on key issues for Board awareness and decision-making.
- (d) Providing information about the Committees established by the Board which are currently:
- (i) Audit & Risk Committee.
  - (ii) Nomination, Remuneration and Governance Committee,
- and their charters and their responsibilities.
- (e) Providing the Director with the opportunity to visit the Company's major operational sites within a short period after commencement.
- (f) Providing access to management for briefings to the Director on strategic, financial and other matters.
- 1.3 A copy of this Policy will be provided to all Directors as part of the Company's induction procedures. A copy can also be found on the Company's website ([www.mtgibsoniron.com.au](http://www.mtgibsoniron.com.au)).

## **2 Chairman's role**

- 2.1 As part of the induction process, the Chairman will hold a meeting or meetings with the new Director to provide an opportunity for the Chairman to formally welcome the new Director and discuss:
- (a) Ethics, values, culture and history of the Company and the Board.
  - (b) Strengths and weaknesses of the Company, the Board and senior management.
  - (c) Role and responsibilities of the Board and senior executives.
  - (d) Performance evaluation of the Board and senior executives.
  - (e) Workload, time and commitment (both at a Board and individual Director level).
  - (f) The Chairman's expectations, including as to how the new Director can contribute.
  - (g) Current strategies.
  - (h) Board meeting procedures and protocols (including the interaction of Directors with each other and with senior management and Board support functions).
- 2.2 The Chairman will provide the new Director with an overview of the current matters before the Board and will highlight relevant priorities, minutes, discussions and actions.
- 2.3 Following the induction process the Chairman will conduct a review approximately 6 months after the new Director's appointment to discuss the new Director's performance and any issues or actions that should be addressed, including the need for further training or development in any area.

## **3 Contact details and availability**

- 3.1 Prior to appointment, each Director is required to provide details of a secure street address, email address and facsimile number for the receipt of confidential Company documents and secure telephone numbers at which the Director can be contacted.
- 3.2 Directors are expected to regularly check their emails as the majority of communications will be conducted by email for convenience.
- 3.3 Directors who plan any extended holiday or business travel and will not be contactable in the usual manner are expected to notify the Company Secretary in advance, provide alternative contact details and indicate any periods when they will not be available.

## **4 Director Remuneration**

- 4.1 Non-Executive Director remuneration will be paid to their designated bank accounts in accordance with the terms and conditions of the Appointment Letter. Non-Executive Directors remuneration is generally paid on a monthly basis in arrears. Non-Executive Directors will normally receive a pay slip each quarter confirming that the remuneration has been paid into their designated bank account.

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4.2 In accordance with the Constitution, each Director will also be entitled to be paid all reasonable travel, accommodation and other expenses incurred in attending meetings of the Company, the Board or Board Committees or while otherwise engaged on the business of the Company.

## **5 Indemnities, insurance and access to information**

5.1 Before appointment, each new Director must sign a directors' deed of indemnity, insurance and access (**Deed**) which will be executed by the Company after the Director is appointed.

5.2 The Deed will provide (amongst other matters) that:

- (a) To the extent permitted by the law, the Company will indemnify the Director against liability as an officer of the Company. The indemnity will also extend to legal costs and the costs of responding to administrative investigations or appearing as a witness in legal proceedings, if related to what the Director does (or did) as an officer of the Company.
- (b) The Company will procure directors' and officers' insurance for the Director with a reputable insurer on usual commercial terms.
- (c) The Director is entitled to access the Company's records after retiring from the Board, in certain circumstances and subject to maintenance of confidentiality.
- (d) If the Director needs to take independent professional advice on any matters arising in the course of their Board or Committee duties, reimbursement for the cost of that advice may be obtained in accordance with the Board Charter.

5.3 The Chief Financial Officer will promptly notify the Company's insurer of the appointment of the new Director.

## **6 Disclosure**

6.1 The Corporations Act and the Company's Conflict of Interest Policy permit a Director to give standing notice to other Board members of interests that the Director may have. In accordance with the Conflict of Interest Policy, a form of this standing notice will be provided to the Director by the Company Secretary. This must be completed by the Director and returned to the Company Secretary to arrange distribution to the other Board members as soon as possible.

6.2 Further information regarding standing notices is provided in the Conflict of Interest Policy.

**7 Notifications**

- 7.1 The Company Secretary will promptly arrange all required filings with the Australian Securities and Investments Commission and ASX, in accordance with the Corporations Act and ASX Listing Rules.

**8 Questions**

- 8.1 Directors who have any questions about this Policy or any aspect of the induction process should seek clarification from the Chairman or the Company Secretary.

**9 Review**

- 9.1 The Nomination, Remuneration and Governance Committee is to review this Policy annually and make recommendations to the Board on whether changes are required. The Board must consider any recommendation received from the Committee and, where appropriate, amend this Policy.