

Policies

Director Independence Policy

This policy is designed to take into account the recommendations on independence established by the ASX Corporate Governance Council.

It is the responsibility of the Board of Alliance Resources Limited to determine the independence of Directors in accordance with the following policy. In reaching their decision regarding individual director's independence, the Board reserves the right to consider a Director to be independent even though they may not meet one or more of the specific thresholds or tests specified below, having regard to the underlying policy of the independence requirement and the qualitative nature of that Director's circumstances.

1. Purpose of this Policy

The purpose of this policy is to:

- 1.1 Specify the nature of the independence requirement and the materiality thresholds and other tests that will generally be applied in determining the independence of each Director;
- 1.2 Identify the information required to make a determination, and
- 1.3 Detail the disclosure guidelines.

2. Definition of director independence

In determining the independence of a Director, the following definition applies:

"An independent director is a director who is free of any interest, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement on matters before the board or materially influence their ability to act in the best interests of the Company and its shareholders generally."

The determination of whether a director has no material relationship or association is based on the nature, circumstances and activities of the Director having regard to the following guidelines and the factors relevant to assessing the independence of a director as set out in Box 2.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition). The Company will disclose in accordance with Corporate Governance Principles and Recommendations. Materiality is considered from the viewpoint of the director and persons or organisations affiliated with the director and also any influence, or the potential for influence in the context of the Company.

3. Independence and materiality thresholds

An independent Director:

- 3.1 Is not a member of Alliance Resources Limited's management;
- 3.2 Is not a substantial shareholder, or an officer or director of, or otherwise associated directly or indirectly, with a substantial shareholder of Alliance Resources Limited. ("Substantial shareholder" means, in broad terms, the holder or controller of 5% or more of the shares entitled to vote in Alliance Resources Limited.);
- 3.3 has not (and does not have any family member who has), within the previous 3 years, or such shorter period:
 - (a) been employed by a member of the Alliance Resources Limited Group in an executive capacity or been a director after ceasing any such employment; or
 - (b) received more than \$250,000 annually in direct compensation from the Alliance Resources Limited Group (other than director and committee fees);

- 3.4 is not currently employed (and does not have any family member currently employed) as an executive officer by another company that makes payments to or receives payments from the Alliance Resources Limited Group for property or services in an amount that exceeds, in any single fiscal year, the greater of \$250,000 or 2% of the other company's consolidated gross revenues or net assets;
- 3.5 has not been a director of Alliance Resources Limited for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company;
- 3.6 has no material contractual relationship with the Alliance Resources Limited Group, other than as a Director of Alliance Resources Limited. The definition of material is where the value of the contract is the greater of \$250,000 or 2% of the other company's consolidated gross revenues;
- 3.7 does not participate in any securities based incentive scheme or performance related pay scheme (including options or performance rights) or participate in an employee incentive scheme, excluding the payment of part of the Director's remuneration in the form of Company securities;
- 3.8 is not a principal of, or employed by a present or former material professional adviser or consultant of the company within the previous 3 years. This test does not preclude an assessment of independence for a Director where they, or any family member is an employee (excluding a principal) of a material adviser or consultant, unless that employee has been materially associated with the service provided by the consultant or adviser. The definition of material is the greater of \$250,000 or 2% of the professional adviser's or consultant's gross revenues;
- 3.9 has not, and does not have any family member who has, within the previous 3 years, been affiliated or employed in a professional capacity by, a present or former internal or external auditor of the company;
- 3.10 has not, and does not have any family member who has, within the previous 3 years, been employed as an officer or director of another company in which a current officer or director of the Alliance Resources Limited Group serves on the remuneration committee of the board;
- 3.11 is not a recipient, either directly or indirectly of a personal loan from Alliance Resources Ltd. Excluded from this test are travel advances and provision of company sponsored credit cards. The use of company credit cards is restricted to business purposes and ancillary personal use.

4. Procedure

The independence of each Director will be:

- 4.1 considered prior to appointment in accordance with the Company's policy and procedures for the selection and appointment of new Directors to the Board;
- 4.2 re-assessed at least annually; and
- 4.3 re-assessed on such other occasions and at such other times determined by the Board having regard to disclosures made by the Director of any new interests or relationships. (Directors are required to disclose to the Chairman whether their independence may have been affected by certain business activities on their part)

In each case, the materiality of the interest, position or relationship needs to be assessed by the Board to determine whether it might interfere, or might reasonably be seen to interfere, with the director's 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 the interests of an individual security holder or other party. In addition, the mere fact that a director has served on a board for a substantial period does not mean that the director has become too close to management or a substantial holder to be considered independent. However, the Board should regularly assess whether that might be the case for any director who has served in that position for more than 10 years.

5. Disclosure

The Board will make the following disclosure to shareholders:

- 5.1 Independent and non-independent Directors will be identified in the Annual Report and the basis of the assessment of independence is based will be stated.
- 5.2 Material relationships, associations and other business of each Director will be described and the period of office held by each Director will be stated. This will include details of any material relationships or circumstances which the Board believes do not affect independence, but which were considered by the Board in assessing independence.

This Director Independence Policy was most recently approved by the Board on 29 September 2021 and replaces any previous versions of the policy. The Board may change this Policy by resolution.