

**HORSESHOE METALS LIMITED**

**ACN 123 133 166**

**CORPORATE GOVERNANCE PLAN**

**ADOPTED BY BOARD ON XX MARCH 2016**

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## INTRODUCTION

### Background

The Board of Horseshoe Metals Limited (ASX:HOR) (“the Company”) recognises that good corporate governance structures encourage companies to create value and provide accountability and control systems commensurate with the risks involved.

This Corporate Governance Plan provides a basic framework of the rules, relationships, systems and processes within and by which authority is exercised and controlled within the Company. It influences how the strategic objectives of the Company are set and achieved, how risk is monitored and assessed and how performance is optimised.

The ASX Corporate Governance Council has established Corporate Governance Principles and Recommendations (3<sup>rd</sup> Ed.). The eight Corporate Governance Principles are:

1. Lay solid foundations for management and oversight;
2. Structure the Board to add value;
3. Promote ethical and responsible decision making;
4. Safeguard integrity in financial reporting;
5. Make timely and balanced disclosure;
6. Respect the rights of shareholders;
7. Recognise and manage risk; and
8. Remunerate fairly and responsibly.

As an ASX listed company, the Company is required to report against its compliance with these Principles and Recommendations in its Annual Report on an “if not, why not” basis. In order to ensure the highest standards of Corporate Governance and transparency, the Company has incorporated these Principles and Recommendations into the corporate governance policies outlined in this document.

The policies, procedures and guidelines adopted by the Board are disclosed in this document and will be the subject of ongoing review to reflect the growth and evolution of the Company.

## **BOARD CHARTER**

The Board's role is to set the strategic direction of the Company, guide and monitor the management of the Company in achieving its strategic plans and oversee overall good governance practice.

### **1. RESPONSIBILITIES OF THE BOARD**

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

- (a) appointment of the Managing Director (or equivalent) and the determination of his/her terms and conditions including remuneration and termination;
- (b) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (c) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (d) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (e) approving the annual, half yearly and quarterly accounts;
- (f) approving material changes to the organisational structure;
- (g) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (h) approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with applicable legislation and ASX Listing Rules);
- (i) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (j) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules) (see Section 2 below); and
- (k) meeting with the external auditor, at their request, without management being present.

### **2. PROCEDURE FOR SELECTION, APPOINTMENT AND ROTATION OF EXTERNAL AUDITOR**

- (a) The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any

vacancy arises, as per the recommendations of the Audit and Risk Committee (or its equivalent). Any appointment made by the Board must be ratified by shareholders at the next Annual General Meeting of the Company.

(b) **Selection Criteria**

(i) *Mandatory criteria*

Candidates for the position of external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period. Further, the successful candidate must have arrangements in place for the rotation of the audit engagement partner on a regular basis.

(ii) *Other criteria*

Other than the mandatory criteria mentioned above, the Board may select an external auditor based on criteria relevant to the business of the Company, such as experience in the industry in which the Company operates, references, cost and any other matters deemed relevant by the Board.

3. **COMPOSITION OF THE BOARD**

(a) The Board should comprise Directors with a mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders. The Board has developed a Skills Matrix and the composition of the Board is to be reviewed regularly to ensure the appropriate mix of qualifications, experience and expertise is present.

(b) In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company. In determining new members to the Board the following process shall occur:

(i) The Remuneration and Nomination Committee (or equivalent) evaluates the range of skills, experience and expertise of the existing Board. In particular, the Remuneration and Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors on the Board.

- (ii) A potential candidate is considered with reference to their skills and expertise in relation to other Board members. Appropriate background checks as to a candidate's character, experience, education, criminal record and bankruptcy history will be conducted.
  - (iii) If relevant, the Remuneration and Nomination Committee recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next Annual General Meeting;
  - (iv) Formal letters of appointment will be prepared on appointment of a Board member setting out the key terms and conditions relative to the appointment.
- (c) Where practical, the majority of the Board is comprised of independent, non-executive Directors. An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere with, the exercise of independent judgement. Independent Directors should meet the definition of what constitutes independence as set out in the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (3<sup>rd</sup> Ed.) as set out in Annexure A.
- (d) Directors must disclose their interests. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.
- (e) Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or actual conflicts of interest.
- (f) Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- (g) 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 and no member of the Board may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.
- (h) Shareholders shall be informed of the names of candidates submitted for election or re-election as Directors. In order to enable shareholders to make an informed decision regarding the election, the following information shall be supplied to shareholders:

- (i) biographical details (including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate);
  - (ii) a statement by the Board as to whether it supports the nomination of the proposed candidate(s);
  - (iii) details of relationships between the candidate and the Company; and the candidate and directors of the Company;
  - (iv) directorships held;
  - (v) particulars of other positions which involve significant time commitments;
  - (vi) the term of office currently served by any Directors subject to re-election; and
  - (vii) any other particulars required by law.
- (i) Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Remuneration and Nomination Committee to ensure that they continue to contribute effectively to the Board.

#### 4. **THE ROLE OF THE CHAIRMAN**

- (a) Where practical, the Chairman should be an independent, non-executive Director. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director. At present, the Chairman is also an Executive Chairman and so he also has responsibility for overall management of the Company. The Board will review this position from time to time recognising that, ultimately, the role will change as the Company progresses and develops.
- (b) Where practical, the Company will, in time, appoint a Managing Director ( or equivalent role with senior executive responsibility) . All references henceforth to “ Managing Director” shall be to a Managing Director ( or equivalent role with senior executive responsibility ) when appointed. The Managing Director should not be the Chairman of the Company during his term as Managing Director or in the future.
- (c) The Chairman must be able to commit the time to discharge the role effectively.
- (d) The Chairman is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings.
- (e) The Chairman should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.

- (f) In the event that the Chairman is absent from a meeting of the Board then the Board shall appoint a Chairman for that meeting.

## 5. **BOARD COMMITTEES**

- (a) The Board may from time to time, if considered appropriate, establish committees, each with written terms of reference, including:
  - (i) Audit and Risk Committee; and
  - (ii) Nomination and Remuneration Committee.
- (b) The charter of each Board Committee is approved by the Board and reviewed following any applicable regulatory changes.
- (c) The Board will ensure that any Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.
- (d) Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.
- (e) The draft minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following such Committee meeting.
- (f) Where the Board does not consider that the Company will gain any benefit from a particular separate committee, the full Board will carry out the duties that would ordinarily be assigned to that Committee under the written terms of reference for that Committee.

## 6. **BOARD MEETINGS**

- (a) There must be two Directors present at a meeting to constitute a quorum.
- (b) The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.
- (c) Non-executive Directors may confer at scheduled times without management being present.
- (d) The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairman and circulated to Directors as soon as practicable after each meeting.
- (e) The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable.
- (f) Minutes of meetings must be included in the Company's minute book within one month of the meeting and approved at the next Board meeting.

- (g) Further details regarding Board meetings are set out the Company's Constitution.

**7. THE COMPANY SECRETARY**

- (a) When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committee and between senior executives and non-executive Directors.
- (b) The Company Secretary is to facilitate the induction of new Directors, in accordance with the Company's Induction and Professional Development Policy.
- (c) The Company Secretary is to facilitate the implementation of Board policies and procedures.
- (d) The Company Secretary is to provide advice to the Board, on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and applicable other laws.
- (e) All Directors have access to the advice and services provided by the Company Secretary.
- (f) The Company Secretary is accountable to the Board, through the Chairman, on all governance matters to do with the proper functioning of the Board;
- (g) The Board has the responsibility for the appointment and removal of the Company Secretary.

**8. ACCESS TO ADVICE**

- (a) All Directors have unrestricted access to Company records and information except where the Board determines that such access would be adverse to the Company's interests.
- (b) All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
- (c) The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is to be made available to all members of the Board.

**9. THE BOARD'S RELATIONSHIP WITH MANAGEMENT**

The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director (or equivalent), including:

- (a) Developing business plans, budgets and strategies for the Board's consideration and, to the extent approved by the Board, implementing these plans, budgets and strategies.
- (b) Ensuring appropriate funding arrangements are in place for Company activities.
- (c) Operating the Company's businesses and operations within the parameters set by the Board from time to time and keeping the Board informed of all material developments relating to the businesses and operations.
- (d) Where proposed transactions, commitment or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval.
- (e) Identifying and managing operational and other risks and, where those risks could have a material impact on the Company's businesses and operations, formulating strategies for managing these risks for consideration by the Board.
- (f) Managing the Company's current financial and other reporting mechanisms to ensure that these mechanisms are functioning effectively to capture all relevant material information on a timely basis.
- (g) Implementing the Company's internal controls; establishing procedures for monitoring these controls; and ensuring that these controls and procedures are appropriate and effective.
- (h) Taking all reasonable steps to ensure that the Board is provided with accurate and sufficient information regarding the Company's operations on a timely basis and, in particular, that the Board is made aware of all relevant matters relating to the Company's performance (including future performance), financial condition, operating results and prospects and potential material risks so that the Board is in an appropriate position to fulfil its corporate governance responsibilities; and
- (i) Implementing all policies, procedures and codes approved by the Board.

In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors.

10. **PERFORMANCE REVIEW**

The Board will arrange an annual performance review of the Board and any Board Committees (if applicable) in accordance with the Company's Performance Evaluation Policy.

The Board will oversee the performance evaluation of the Managing Director on an annual basis, in accordance with the Company's Performance Evaluation Policy.

## **BOARD INDUCTION AND PROFESSIONAL DEVELOPMENT POLICY**

The Company 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 in the Company quickly, so that they are able to make an effective contribution to the work of the Board.

This Policy sets out the procedure to be followed for the induction of new Directors of the Company.

### **1. INDUCTION**

The Chairman of the Board and the Managing Director (or if the same person, an existing 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 personal requirements, having considered background 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 new Director with the following materials:
  - (i) Company structure chart.
  - (ii) Capital Structure.
  - (iii) Constitution.
  - (iv) Corporate Governance Policies and Procedures – including but not limited to the Board charter, Code of Conduct, Securities Trading Policy, Committee Charters and Continuous Disclosure Policy. It is expected that the Director will become familiar with all these documents.
  - (v) Copies of papers and minutes of the last 3 Board meetings - the Board papers and minutes are provided to assist the Director to gain familiarity with the Company's operations, current issues and risks affecting the Company.
  - (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's Auditor's last 2 reports to the Board.
  - (viii) The current year's approved budget.
  - (ix) All current standing notices of interests from the other Directors.

- 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 the Board awareness and decision making.
- d) Providing information about any Committees that might be established by the Board and their charters and their responsibilities.
- e) Providing new Directors with the opportunity to visit the Company's major operational sites within a short period after commencement.
- f) Providing access to management for briefings on strategic, financial and other matters.

A copy of this Policy will be provided to all Directors as part of the Company's induction process.

## 2. **CHAIRMAN'S ROLE**

As part of the induction process for new Directors, 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 processes 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).

The Chairman will provide a new Director with an overview of the current matters before the Board and will highlight relevant priorities, minutes, discussions and actions.

## 3. **PROFESSIONAL DEVELOPMENT**

In order to achieve continuing improvement in Board performance, all Directors

are encouraged to undergo continual professional development. Specifically, Directors are to be provided with access to resources and training to address skills gaps where they are identified and to receive continuing education concerning key developments in the Company and in the industry and environment within which the Company operates. In the case of a Director who does not have specialist accounting skills or knowledge, professional development will be encouraged to ensure that he or she has a sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the entities financial statements.

Examples of professional development activities will include, where appropriate:

- a) Professional development sessions offered by the AICD, GIA and other relevant industry bodies.
- b) Specialist briefings on developments in accounting standards.
- c) Membership of relevant industry bodies.

Requests for approval for professional development and educational expenses should be submitted to the Chairman.

#### 4. **QUESTIONS**

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

## **CORPORATE CODE OF CONDUCT**

### **1. PURPOSE**

The purpose of this Corporate Code of Conduct is to provide a framework for decisions and actions in relation to ethical conduct by Directors, officers and employees of the Company. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from Directors, officers and employees.

### **2. ACCOUNTABILITIES**

#### **2.1 Directors and Officers**

Directors and officers are responsible and accountable for:

- (a) undertaking their duties and behaving in a manner that is consistent with the provisions of the Code of Conduct;
- (b) the effective implementation, promotion and support of the Code of Conduct in their areas of responsibility; and
- (c) ensuring employees under their control understand and follow the provisions outlined in the Code of Conduct.

#### **2.2 Employees**

All employees are responsible for:

- (a) undertaking their duties in a manner that is consistent with the provisions of the Code of Conduct;
- (b) reporting suspected corrupt conduct; and
- (c) reporting any departure from the Code of Conduct by themselves or others.

### **3. PERSONAL AND PROFESSIONAL BEHAVIOUR**

When carrying out your duties, you should:

- (a) behave honestly and with integrity and report other employees who are behaving dishonestly;
- (b) carry out your work with integrity and to a high standard and in particular, commit to the Company's policy of producing quality goods and services;
- (c) operate within the law at all times;
- (d) follow the policies of the Company; and

- (e) act in an appropriate business-like manner when representing the Company in public forums.

#### 4. **CONFLICT OF INTEREST**

Potential for conflict of interest arises when it is likely that you could be influenced, or it could be perceived that you are influenced by a personal interest when carrying out your duties. Conflicts of interest that lead to biased decision making may constitute corrupt conduct.

- (a) Some situations that may give rise to a conflict of interest include situations where you have:
  - (i) financial interests in a matter the Company deals with or you are aware that your friends or relatives have a financial interest in the matter;
  - (ii) directorships/management of outside organisations;
  - (iii) membership of boards of outside organisations;
  - (iv) personal relationships with people the Company is dealing with which go beyond the level of a professional working relationship;
  - (v) secondary employment, business, commercial, or other activities outside of the workplace which impacts on your duty and obligations to the Company;
  - (vi) access to information that can be used for personal gain; and
  - (vii) offer of an inducement.
- (b) You may often be the only person aware of the potential for conflict. It is your responsibility to avoid any conflict from arising that could compromise your ability to perform your duties impartially. You must report any potential or actual conflicts of interest to your manager.
- (c) If you are uncertain whether a conflict exists, you should discuss that matter with your manager and attempt to resolve any conflicts that may exist.
- (d) You must not submit or accept any bribe, or other improper inducement. Any such inducements are to be reported to your manager.

#### 5. **PUBLIC AND MEDIA COMMENT**

- (a) Individuals have a right to give their opinions on political and social issues in their private capacity as members of the community.
- (b) Employees must not make official comment on matters relating to the Company unless they are:

- (i) authorised to do so by the Managing Director (or equivalent);  
or
  - (ii) giving evidence in court; or
  - (iii) otherwise authorised or required to by law.
- (c) Employees must not release unpublished or privileged information unless they have the authority to do so from the Managing Director (or equivalent).
- (d) The above restrictions apply except where prohibited by law, for example in relation to “whistleblowing”.

## 6. **USE OF COMPANY RESOURCES**

Requests to use Company resources outside core business time should be referred to management for approval.

If employees are authorised to use Company resources outside core business times they must take responsibility for maintaining, replacing, and safeguarding the property and following any special directions or conditions that apply.

Employees using Company resources **without** obtaining prior approval could face disciplinary and/or criminal action. Company resources are not to be used for any private commercial purposes.

## 7. **SECURITY OF INFORMATION**

Directors, officers and employees are to make sure that confidential and sensitive information cannot be accessed by unauthorised persons. Sensitive material should be securely stored overnight or when unattended. You must ensure that confidential information is only disclosed or discussed with people who are authorised to have access to it. It is considered a serious act of misconduct to deliberately release confidential documents or information to unauthorised persons, and may incur disciplinary action.

## 8. **INTELLECTUAL PROPERTY/COPYRIGHT**

Intellectual property includes the rights relating to scientific discoveries, industrial designs, trademarks, service marks, commercial names and designations, and inventions and is valuable to the Company.

The Company is the owner of intellectual property created by employees in the course of their employment unless a specific prior agreement has been made. Employees must obtain written permission to use any such intellectual property from the Company Secretary before making any use of that property for purposes other than as required in their role as employee.

**9. DISCRIMINATION AND HARASSMENT**

Directors, officers and employees must not harass, discriminate, or support others who harass and discriminate against colleagues or members of the public on the grounds of sex, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), physical or intellectual impairment, homosexuality or transgender.

Such harassment or discrimination may constitute an offence under legislation. Managers should understand and apply the principles of Equal Employment Opportunity.

**10. CORRUPT CONDUCT**

Corrupt conduct involves the dishonest or partial use of power or position which results in one person/group being advantaged over another. Corruption can take many forms including, but not limited to:

- (a) official misconduct;
- (b) bribery and blackmail;
- (c) unauthorised use of confidential information;
- (d) fraud; and
- (e) theft.

Corrupt conduct will not be tolerated by the Company. Disciplinary action up to and including dismissal will be taken in the event of any employee participating in corrupt conduct.

**11. OCCUPATIONAL HEALTH AND SAFETY**

It is the responsibility of all employees to act in accordance with occupational health and safety legislation, regulations and policies applicable to their respective organisations and to use security and safety equipment provided.

Specifically all employees are responsible for safety in their work area by:

- (a) following the safety and security directives of management;
- (b) advising management of areas where there is potential problem in safety and reporting suspicious occurrences; and
- (c) minimising risks in the workplace.

**12. LEGISLATION**

It is essential that all Directors, officers and employees comply with the laws and regulations of the countries in which the Company operates. Violations of such laws may have serious consequences for the Company and any individuals concerned. Any known violation must be reported immediately to management.

**13. FAIR DEALING**

The Company aims to succeed through fair and honest competition and not through unethical or illegal business practices. Each Director, officer and employee should endeavour to deal fairly with the Company's suppliers, customers and other employees.

**14. INSIDER TRADING**

All Directors, officers and employees must observe the Company's "*Securities Trading Policy*". In conjunction with the legal prohibition on dealing in the Company's securities when in possession of unpublished price sensitive information, the Company has established specific time periods when Directors, officers and employees are permitted to buy and sell the Company's securities.

**15. RESPONSIBILITIES TO INVESTORS**

The Company strives for full, fair and accurate disclosure of financial and other information on a timely basis.

**16. BREACHES OF THE CODE OF CONDUCT**

Breaches of certain sections of this Code of Conduct may be punishable under legislation.

Breaches of this Code of Conduct may lead to disciplinary action. The process for disciplinary action is outlined in Company policies and guidelines, relevant industrial awards and agreements.

**17. REPORTING MATTERS OF CONCERN**

Directors, officers and employees are encouraged to raise any matters of concern in good faith with the head of their business unit or with the Company Secretary, without fear of retribution.

## **AUDIT AND RISK COMMITTEE CHARTER**

### **1. ROLE**

The role of the Audit and Risk Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. This Charter defines the Audit and Risk Committee's function, composition, mode of operation, authority and responsibilities.

### **2. MEMBERSHIP**

- (a) The Committee must comprise at least three members.
- (b) Where possible, all members of the Committee must be non-executive Directors.
- (c) A majority of the members of the Committee must be independent in accordance with the criteria set out in Annexure A.
- (d) The Board will appoint members of the Committee and may remove and replace members of the Committee by resolution.
- (e) All members of the Committee must be financially literate, with at least one member, where possible, possessing accounting or related financial expertise and qualifications.
- (f) The Chairman of the Committee may not be the Chairman of the Board of Directors and must be independent.
- (g) The Chairman shall have leadership experience and a strong finance, accounting or business background.
- (h) The external auditors, other Directors, the Managing Director (or equivalent), Chief Financial Officer, Company Secretary and senior executives, may be invited to Committee meetings at the discretion of the Committee.

### **3. PURPOSE**

The primary purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- (a) the quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- (b) compliance with all applicable laws, regulations and company policy;
- (c) the effectiveness and adequacy of internal control processes;
- (d) the performance of the Company's external auditors and their appointment and removal;

- (e) the independence of the external auditor and the rotation of the lead engagement partner; and
- (f) the identification and management of business risks.

A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

#### **4. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

##### **4.1 Review of Financial Reports**

- (a) Review the appropriateness of the accounting principles adopted by management in the financial reports and the integrity of the Company's financial reporting.
- (b) Oversee the financial reports and the results of the external audits of those reports.
- (c) Assess whether external reporting is adequate for shareholder needs.
- (d) Assess management processes supporting external reporting.
- (e) Establish procedures for treatment of accounting complaints.
- (f) Review the impact of any proposed changes in accounting policies on the financial statements.
- (g) Review the quarterly, half yearly and annual results.

##### **4.2 Relationship with External Auditors**

- (a) Recommend to the Board procedures for the selection and appointment of external auditors and for the rotation of external auditor partners.
- (b) Review performance, succession plans and rotation of lead engagement partner.
- (c) Approve the external audit plan and fees proposed for audit work to be performed.
- (d) Discuss any necessary recommendations to the Board for the approval of quarterly, half yearly or annual reports.
- (e) Review the adequacy of accounting and financial controls together with the implementation of any recommendations of the external auditor in relation thereto.
- (f) Meet with the external auditors at least twice in each financial period without management being present and at any other time the Committee considers appropriate.

- (g) Provide pre-approval of audit and non-audit services that are to be undertaken by the external auditor.
- (h) Ensure adequate disclosure as may be required by law of the Committee's approval of all non-audit services provided by the external auditor.
- (i) Ensure that the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company.
- (j) Receive from the external auditor their report on, among other things, critical accounting policies and alternative accounting treatment, prior to the filing of their audit report in compliance with the Corporations Act.

#### **4.3 Internal Audit Function**

- (a) Monitor the need for a formal internal audit function and its scope.
- (b) Assess the performance and objectivity of any internal audit procedures that may be in place.
- (c) Review risk management and internal compliance procedures.
- (d) Monitor the quality of the accounting function.

#### **4.4 Risk Management**

- (a) Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
- (b) Review at least annually the Company's risk management and internal control system and report to the Board on its efficiency and effectiveness;
- (c) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.
- (d) Develop and maintain a risk register which identifies the business risks to the Company and its operations (including economic, environmental and social sustainability risks) and assess the likelihood of their occurrence;
- (e) Review the insurance strategy and determine the extent to which it aligns with the risk profile of the Company.

#### **4.5 Other**

- (a) Oversee treasury and tax management practices.

- (b) Oversee the Company's environmental risk management and occupational health and safety processes.
- (c) Oversee procedures for whistle-blower protection.
- (d) Monitor related party transactions.

**5. MEETINGS**

- (a) The Committee will meet at least two times yearly and additionally as circumstances may require for it to undertake its role effectively.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- (c) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.
- (d) A quorum shall consist of two members of the Committee. In the absence of the Chairman of the Committee or their nominees, the members shall elect one of their members as Chairman of that meeting.
- (e) Decisions will be based on a majority of votes with the Chairman having a casting vote.
- (f) The Committee Chairman, through the Secretary, will prepare a report of the actions of the Committee to be included in the Board papers for the next board meeting.
- (g) Minutes of each meeting are included in the papers for the next full Board meeting after each Committee meeting.

**6. SECRETARY**

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

**7. RELIANCE ON INFORMATION OR PROFESSIONAL OR EXPERT ADVICE**

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- (a) an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;

- (b) a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- (c) another Director or officer of the Group in relation to matters within the Director's or officer's authority.

**8. ACCESS TO ADVICE**

- (a) Members of the Committee have rights of access to management and to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- (b) Members of the Committee may meet with the auditors, both internal and external, without management being present.
- (c) Members of the Committee may consult independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities, subject to prior consultation with the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

**9. REVIEW OF CHARTER**

- (a) The Board will conduct an annual review of the membership to ensure that the Committee has carried out its functions in an effective manner, and will update the Charter as required or as a result of new laws or regulations.
- (b) The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.

**10. REPORT TO THE BOARD**

- (a) The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role and responsibilities.
- (b) The Committee must brief the Board promptly on all urgent and significant matters.

## REMUNERATION AND NOMINATION COMMITTEE CHARTER

This Charter sets out the specific responsibilities delegated by the Board to the Remuneration and Nomination Committee and details the manner in which the Remuneration and Nomination Committee will operate.

### 1. GENERAL SCOPE AND AUTHORITY

- (a) The Remuneration and Nomination Committee is a Committee of the Board. The Charter may be subject to review by the Board at any time.
- (b) The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:
  - (i) maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
  - (ii) ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.
  - (iii) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
  - (iv) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
  - (v) recommending to the Board the remuneration of executive Directors;
  - (vi) fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
  - (vii) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
  - (viii) reviewing and approving the remuneration of direct reports to the Managing Director (or equivalent), and as appropriate other senior executives; and
  - (ix) reviewing and approving any equity based plans and other incentive schemes.
- (c) The Committee shall have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense.

**2. MEMBERSHIP**

- (a) The Committee shall comprise at least three Directors, the majority being independent non-executive Directors.
- (b) The Committee will be chaired by an independent Director who will be appointed by the Board.
- (c) The Board may appoint such additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

**3. SECRETARY**

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee, and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meeting of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

**4. MEETINGS**

- (a) The Committee will meet at least once per year and additionally as circumstances may require.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- (c) A quorum shall comprise any two members of the Committee.
- (d) In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their members as Chairman for that meeting.
- (e) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or a conference call.
- (f) Decisions will be based on a majority of votes with the Chairman having the casting vote.
- (g) The Committee may invite any executive management team members or other individuals, including external third parties, to attend meetings of the Committee, as they consider appropriate.

**5. ACCESS**

- (a) Members of the Committee have rights of access to the books and records of the Company to enable them to discharge their duties as

Committee members, except where the Board determines that such access would be adverse to the Company's interests.

- (b) The Committee may consult independent experts to assist it in carrying out its duties and responsibilities. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

## 6. **DUTIES AND RESPONSIBILITIES**

In order to fulfil its responsibilities to the Board, the Committee shall:

### (a) **Board Composition**

Periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors. In particular, the Committee is to:

- (i) identify and recommend to the Board candidates for the Board after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience and after assessment of how the candidates can contribute to the strategic direction of the Company;
- (ii) conduct appropriate background checks as to a potential Board candidate's character, experience, education, criminal record and bankruptcy history;
- (iii) approve and review induction procedures for new appointees to the Board to ensure that they can effectively discharge their responsibilities;
- (iv) assess and consider the time required to be committed by a non-executive Director to properly fulfil their duty to the Company and advise the Board.
- (v) consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
- (vi) review Directorships in other public companies held by or offered to Directors and senior executives of the Company;
- (vii) review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
- (viii) arrange an annual performance evaluation of the Board, its Committees and individual Directors;
- (ix) make recommendations to the Board on the appropriate size and composition of the Board;

- (x) make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board;
- (xi) conduct all Board appointment processes in a manner that promotes gender diversity.

(b) **Executive Directors and Senior Executives**

- (i) Consider and make recommendations to the Board on the remuneration for each Executive Director (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the Remuneration Policy.
- (ii) Review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for the direct reports of the Managing Director (or equivalent). As part of this review the Committee will oversee an annual performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.
- (iii) Review and approve the Group's recruitment, retention and termination policies and procedures for senior executives to enable the Company to attract and retain executives and Executive Directors who can create value for shareholders.
- (iv) Review the on-going appropriateness and relevance of the remuneration policy and other executive benefit programs.
- (v) Ensure that remuneration policies fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and prevailing remuneration expectations in the market.

(c) **Executive Incentive Plans**

- (i) Review and approve the design of any executive incentive plans.

(d) **Equity Based Plans**

- (i) Review and approve any equity based plans that may be introduced (**Plans**) in the light of legislative, regulatory and market developments.
- (ii) For each Plan, determine each year whether awards will be made under that Plan.
- (iii) Review and approve total proposed awards under each Plan.

- (iv) In addition to considering awards to executive Directors and direct reports to the Managing Director (or equivalent), review and approve proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee.
- (v) Review, approve and keep under review performance hurdles for each equity based plan.
- (e) **Diversity**

Where considered appropriate, develop measurable objectives and strategies to meet the objectives of the Company's Diversity Policy and monitor the progress of the measurable objectives through the monitoring, evaluation and reporting mechanisms listed in the Diversity Policy.
- (f) **Other**

The Committee shall perform other duties and activities that it or the Board considers appropriate.

## 7. **APPROVALS**

The Committee must approve the following prior to implementation:

- (a) changes to the remuneration or material contract terms of executive Directors and direct reports to the Managing Director (or equivalent);
- (b) the Plans or amendments to current equity plans or executive cash-based incentive plans;
- (c) total level of awards proposed from equity plans or executive cash-based incentive plans; and
- (d) termination payments to executive Directors or direct reports to the Managing Director (or equivalent). Termination payments to other departing executives should be reported to the Committee at its next meeting.

## REMUNERATION POLICY

### 1. GENERAL

The Company chooses to remunerate and reward its Directors, officers and employees in accordance with the following policy.

Emoluments of Directors and senior executives are set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of the Directors and executives. Details of the nature and amount of emoluments of each Director of the Company are disclosed annually in the Company's Annual Report.

#### (a) **Non-Executive Directors**

The Company's policy is to remunerate non-executive Directors at market rates (for comparable companies) for time, commitment and responsibilities. Fees for non-executive Directors are not linked to the performance of the Company.

The Company recognises that grants of equity to non-executive Directors are not recommended by the ASX Corporate Governance Council however from time to time the Company may grant equity incentives to non-executive Directors. The grant of equity incentives is designed to attract and retain suitably qualified non-executive Directors and to provide them with incentive to continue efforts for the benefit of the Company and is considered an appropriate incentive at this stage to incentivise without using cash. All of the Directors' equity holdings are fully disclosed.

The Company does not have any schemes for retirement benefits (other than superannuation) for non-executive Directors.

The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at General Meeting.

#### (b) **Executive Directors and Senior Executives**

Executive remuneration and reward consists of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Remuneration and Nomination Committee and subject to obtaining the relevant approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles.

Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

## **PERFORMANCE EVALUATION POLICY**

The Remuneration and Nomination Committee will arrange a performance evaluation of the Board, its Committees and its individual Directors on an annual basis. To assist in this process an independent advisor may be used.

The Remuneration and Nomination Committee will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively.

The review will include:

- (a) comparing the performance of the Board with the requirements of its Charter;
- (b) examination of the Board's interaction with management;
- (c) the nature of information provided to the Board by management; and
- (d) management's performance in assisting the Board to meet its objectives.

A similar review will be conducted for each Committee (where applicable) with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.

The Remuneration and Nomination Committee will oversee the performance evaluation of the Managing Director on an annual basis. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.

## CONTINUOUS DISCLOSURE POLICY

### Introduction

The Company is listed on the Australian Stock Exchange (ASX) and is required to comply with the ASX Listing Rules. The ASX Listing Rules contain general and specific continuous disclosure requirements based on principles that include the interests of listed entities, maintenance of investor protection and the need to protect the reputation of the market. The Company is committed to meeting its disclosure obligations in accordance with these principles and to the promotion of investor confidence in its securities.

The Company has a comprehensive continuous disclosure policy to comply with the ASX Listing Rules (and applicable guidance notes) regarding the public disclosure of material information. The aim of this policy is to ensure that the Company releases market sensitive information in a timely manner.

This policy applies to all directors, officers and employees and is reviewed annually to ensure it remains effective in guiding disclosure in accordance with the Company's obligations.

### Disclosure principle

The Company will immediately (ie promptly and without delay) notify the market by announcement to the ASX of any information concerning the business of the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities (**Market Sensitive Information**).

Information about the Company is regarded as material if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to buy or sell the Company's securities.

Examples of Market Sensitive Information include:

- a transaction that will lead to a significant change in the nature or scale of the Company's activities;
- a material acquisition or disposal;
- the granting or withdrawal of a material licence;
- the entry into, variation or termination of a material agreement;
- becoming a plaintiff or defendant in a material lawsuit;
- the fact that the Company's earnings will be materially different from market expectations;
- the appointment of a liquidator, administrator or receiver;
- the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- under subscriptions or over subscriptions to an issue of securities (a proposed issue of securities is separately notifiable to ASX under Listing Rule 3.10.3);
- giving or receiving a notice of intention to make a takeover; and
- any rating applied by a rating agency to the Company or its securities and any change to such a rating.

Officers and employees are encouraged not to rely on their judgement and to consult the Company Secretary on whether particular information is considered to be Market Sensitive Information.

- The only exceptions to this disclosure principle are those permitted under Listing Rule 3.1A where a Company may withhold disclosure if all three of the following criteria are satisfied: One or more of the following applies: -
  - It would be a breach of the law to disclose the information;
  - The information concerns an incomplete proposal or negotiation;
  - The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - The information is generated for the internal management purposes of the Company; and/or
  - The information is a trade secret; and
- The information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- A reasonable person would not expect the information to be disclosed.

### **Managing Market Disclosure**

The Board is responsible for overseeing the Company's disclosure practices and procedures.

Specific responsibilities of the Board in this area are: -

- The Company's continuous disclosure obligations;
- Communications with the ASX;
- Making decisions on what should be disclosed publicly under this policy.
- Promoting awareness of this policy within the Company;
- Overseeing, reviewing and updating this policy, as required, to ensure continuing compliance with changing legal and regulatory compliance; and
- Implementing reporting processes and controls

The Board has the power to delegate aspects of the administration of this policy to senior management. To this end, the practical application of this policy is the responsibility of the Managing Director (or equivalent) and/or Company Secretary.

The Board will make decisions on the disclosure of material information pursuant to legal and regulatory requirements, and will advise the Audit and Risk Committee with respect to disclosure issues relating to financial information.

It is the responsibility of all senior executives to keep the Managing Director (or equivalent) fully apprised of all potential material developments. The Managing Director (or equivalent) and/or Company Secretary will make a preliminary assessment of whether the information is material and the appropriateness and timing of any public release of information relating to those developments.

The Managing Director will liaise with the Investor Relations Representative in relation to the pending release of material information.

The Company Secretary is the convener of this policy responsible for its administration and the monitoring of compliance. The Company Secretary will ensure he/she is readily contactable by ASX by telephone and available to discuss any disclosure issues that may arise during normal market hours and for at least one hour either side on each ASX trading day.

### **Market disclosure principles**

Once a matter has been determined to constitute Market Sensitive Information, the Company will comply with the following principles of disclosure:

- Material Information will be publicly disclosed promptly to the ASX in accordance with the ASX Listing Rules to prevent selective, unauthorised disclosures;
- Disclosure must be complete, without any omissions that might make the rest of the disclosure misleading, and unfavourable Material Information will be disclosed as promptly and completely as favourable Material Information;
- The Company will not make selective disclosures of Material Information. Previously undisclosed Material Information will not be disclosed to selected individuals (for example, as a result of telephone calls or inquiries from an analyst or a shareholder); and
- Disclosure should be corrected as soon as reasonably practicable if the Company subsequently learns that an earlier disclosure contained a material error at the time it was given.

### **Significant announcements**

The Chairman will approve the content of any announcement that contains or relates to financial forecasts or material that is significant as regards the Company policy or strategy and if appropriate involve the full Board.

Significant announcements of a recurring nature, such as the Company's half-year and end-of-year results, are as a matter of course presented for consideration by the full Board prior to their release to the market.

### **Managing Expectations**

The Company will try to ensure, through its regular public dissemination of quantitative and qualitative information that analysts' estimates are in line with the Company's expectations.

However, the Company will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with analysts' models and earnings estimates.

### **Media Monitoring**

The Managing Director (or equivalent) and Company Secretary will monitor the media following the release of Material Information and, in the event of perceived inaccuracies in reporting, will determine if and what corrective steps need to be taken.

Where the Company is relying on an exception to the disclosure principle under ASX Listing Rule 3.1A not to disclose Market Sensitive Information, the Company will, as appropriate, monitor, either itself or through advisers:

- the market price of its securities and of the securities of any other listed entity involved in the transaction;
- major national and local newspapers;
- if it or its advisers have access to them, major news wire services such as Reuters and Bloomberg;
- any investor blogs, chat sites or other social media it is aware of that regularly post comments about the Company; and
- enquiries from analysts or journalists.

### **Rumours**

The Company will not normally comment, affirmatively or negatively, on rumours. This policy also applies to rumours on the Internet. The Company's spokespersons will respond consistently to rumours, by stating, "It is our policy not to comment on market rumours or speculation."

Should the ASX request that the Company make a definitive statement in response to a market rumour, the Company will respond to the ASX as required by the ASX Listing Rules.

Where the Company becomes aware of a media or analyst report or market rumour that could lead to a false market in its securities, the Company Secretary, at the direction of the Managing Director (or equivalent) or Chairman, will liaise with ASX immediately.

### **Trading halts**

The Company may, in appropriate circumstances, request a trading halt, or in exceptional circumstances a voluntary suspension, to prevent the emergence of a false or uninformed market for the Company's securities and to manage disclosure issues.

No officer or employee of the Company is authorised to seek a trading halt or voluntary suspension except for the Managing Director (or equivalent), the Chairman or the Company Secretary (in consultation with the Managing Director (or equivalent) and/or Chairman where possible).

### **Breaches of policy**

Breaches by employees of the Company's Continuous Disclosure Policy may lead to disciplinary action including dismissal in serious instances.

## **RISK MANAGEMENT POLICY**

### **1. RISK MANAGEMENT REVIEW PROCEDURE AND INTERNAL COMPLIANCE AND CONTROL**

The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

The Audit and Risk Committee (or full Board in the absence of a Committee) will submit particular matters to the Board for its approval or review. Among other things it will:

- (a) oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements;
- (b) assist management to determine the key risks to the businesses and prioritise work to manage those risks; and
- (c) review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The Company's process of risk management and internal compliance and control includes:

- (a) identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, including economic, environmental and social sustainability risks, and monitoring the environment for emerging factors and trends that affect these risks.
- (b) formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls.
- (c) monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

To this end, comprehensive practises are in place that are directed towards achieving the following objectives:

- (a) compliance with applicable laws and regulations.
- (b) preparation of reliable published financial information.
- (c) implementation of risk transfer strategies where appropriate e.g. insurance.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to the Managing Director (or equivalent). The Managing Director (or equivalent) is required to assess risk management and associated internal compliance and control procedures and report back quarterly to the Audit and Risk Committee.

The Board will review the risk management framework and assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

## **SECURITIES TRADING POLICY**

### **1. INTRODUCTION**

These guidelines set out the policy on the sale and purchase of securities in the Company by its Directors, officers and employees.

Directors, officers and employees are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any purchase or sale of such securities.

The purpose of these guidelines is to assist Directors, officers and employees to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the Corporations Act.

### **2. WHAT TYPES OF TRANSACTIONS ARE COVERED BY THIS POLICY?**

This policy applies to both the sale and purchase of any securities of the Company and its subsidiaries on issue from time to time.

### **3. WHAT IS INSIDER TRADING?**

#### **3.1 Prohibition**

Insider trading is a criminal offence. It may also result in civil liability. In broad terms, a person will be guilty of insider trading if:

- (a) that person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of the Company's securities (ie, information that is 'price sensitive');
- (b) and that person:
  - (i) buys or sells securities in the Company; or
  - (ii) procures someone else to buy or sell securities in the Company; or
  - (iii) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

#### **3.2 Examples**

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to affect materially the price of the Company's securities:

- (a) the Company considering a major acquisition or disposal of assets;
- (b) the threat of major litigation against the Company;

- (c) the Company's sales and profit results materially exceeding (or falling short of) the market's expectations;
- (d) a material change in debt, liquidity or cash flow;
- (e) a significant new development proposal ie, new product or technology;
- (f) the granting (or loss) of a major contract;
- (g) management or business restructuring proposal;
- (h) a share issue proposal;
- (i) an agreement or option to acquire an interest in a mining tenement, or to enter into a joint venture or farm-in or farm-out arrangement in relation to a mining tenement; and
- (j) significant discoveries, exploration results, or changes in reserve/resource estimates from mining tenements in which the Company has an interest.

### **3.3 Dealing through third parties**

A person does not need to be a Director or employee of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealings by Directors and employees through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as "Associates" in these guidelines).

### **3.4 Information however obtained**

It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute inside information.

### **3.5 Employee share schemes**

The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. However, the prohibition does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

## **4. GUIDELINES FOR TRADING IN THE COMPANY'S SECURITIES**

### **4.1 Closed Period**

Unless otherwise provided in this policy, a Director or employee may not buy or sell Company securities in the following periods ("Closed Periods"):

- (a) In the period two weeks prior to and the day of release of quarterly results announcements to the ASX;

- (b) In the period two weeks prior to and the day of release of the half yearly results announcement to the ASX;
- (c) In the period two weeks prior to and the day of release of the annual financial statements announcement to the ASX; or
- (d) If there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception.

The Company may at its discretion vary this rule in relation to a particular period by general announcement to all employees either before or during the period.

However, if a Director, officer or employee of the Company is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company's securities at **any** time.

#### **4.2 No short-term trading in the Company's securities**

Directors, officers and employees should never engage in short-term trading of the Company's securities except for the exercise of options where the shares will be sold shortly thereafter.

#### **4.3 Securities in other companies**

Buying and selling securities of other companies with which the Company may be dealing is prohibited where an individual possesses information which is not generally available to the market and is 'price sensitive'. For example, where an individual is aware that the Company is about to sign a major agreement with another company, they should not buy securities in either the Company or the other company.

#### **4.4 Exceptions**

- (a) Directors, officers and all employees may at any time:
  - (i) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
  - (ii) acquire Company securities under a bonus issue made to all holders of securities of the same class;
  - (iii) acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders or securities of the same class;
  - (iv) acquire, or agree to acquire or exercise options under a Company Share Option Plan;
  - (v) withdraw ordinary shares in the Company held on behalf of the employee in an employee share plan where the withdrawal is permitted by the rules of that plan;

- (vi) acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;
  - (vii) transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
  - (viii) make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
  - (ix) where a restricted person is a trustee, trade in the securities of the Company by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
  - (x) undertake to accept, or accept, a takeover offer;
  - (xi) trade under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
  - (xii) dispose of securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;
  - (xiii) exercise (but not sell securities following exercise) an option or a right under an employee incentive scheme, or convert a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period and the Company has been in an exceptionally long prohibited period or the Company has had a number of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so; or
  - (xiv) trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.
- (b) Where the Company has in place any active share or option plans:

- (i) it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs during one of the periods specified in paragraph 4.1; and
- (ii) where the exercise price of options is being provided by a margin loan or other form of lending arrangement then there may be a risk that the employee, officer or Director may need to sell shares to avoid providing additional capital or security to the lender in the event of a decrease in the value of the shares.

Were this to occur at a time when the person possessed inside information then the sale of Company securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the inside information that the person possessed and the person may not have made a profit on the sale. Where Company securities are provided to a lender as security by way of mortgage or charge a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

## 5. APPROVAL AND NOTIFICATION REQUIREMENTS

### 5.1 Approval Requirements – Directors

- (a) Any Director wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior written approval of the Chairman or the Board before doing so; or
- (b) If the Chairman wishes to buy, sell or exercise rights in relation to the Company's securities the Chairman must obtain the prior written approval of the Board before doing so.

### 5.2 Approval Requirements – Employees

- (a) Any employee wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior written approval of the Managing Director (or equivalent) before doing so.

### 5.3 Notification

Any Director, officer or employee who (or through his or her Associates) buys, sells, or exercises rights in relation to Company securities **must** notify the Company Secretary in writing of the details of the transaction within two (2) business days of the transaction occurring. This notification obligation operates at all times but does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme.

#### **5.4 Approvals to buy or sell securities**

- (a) All requests to buy or sell securities must include the intended volume of securities to be purchased or sold and an estimated time frame for the sale or purchase.
- (b) Copies of written approvals must be forwarded to the Company Secretary prior to the approved purchase or sale transaction.

#### **5.5 Director and Key Management Personnel sales of securities**

Directors and Key Management Personnel need to be mindful of the market perception associated with any sale of Company securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of Company securities (i.e. a volume that would represent a volume in excess of 10% of the total securities held by the seller prior to the sale, or a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of the Company on the ASX for the preceding 20 trading days) by a Director or other Key Management Personnel needs to be discussed with the board and the Company's legal and financial advisers prior to the execution of any sale. These discussions need to be documented in the form of a file note, to be retained by the Company Secretary.

#### **5.6 Exemption from Closed Period restriction due to exceptional circumstance**

A Director, officer, employee or contractor who is not in possession of inside information in relation to the Company, may be given prior written clearance by the Managing Director (or equivalent) (or in the case of a Director the Chairman, or in the case of the Chairman all of the other members of the Board) to sell or otherwise dispose of Company securities during a closed period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this policy.

#### **5.7 Severe Financial Hardship or Exceptional Circumstances**

The determination of whether a Director, officer, employee or contractor is in severe financial hardship will be made by the Managing Director (or equivalent) in the case of employees, the Chairman in the case of a Director, and all of the Board in the case of the Chairman.

A financial hardship or exceptional circumstances determination can only be made by examining all of the facts and if necessary obtaining independent verification of the facts from banks, accountants or other like institutions.

#### **5.8 Financial Hardship**

A Director, officer, employee or contractor may be in severe financial hardship if they have a pressing financial commitment that can not be satisfied other than by selling the securities of the Company.

In the interests of an expedient and informed determination by the Managing Director (or equivalent), Chairman or Board of Directors, any application for an exemption allowing the sale of Company securities outside of the Trading Window based on financial hardship must be made in writing, be accompanied by a statutory declaration stating all of the facts and be accompanied by copies of relevant supporting documentation, including contact details of the persons accountant, bank and other such independent institutions.

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

#### **5.9 Exceptional Circumstances**

Exceptional circumstances may apply to the disposal of Company securities by a Director, officer, employee or contractor if the person is required by a court order, a court enforceable undertaking for example in a bona fide family settlement, to transfer or sell securities of the Company or there is some other overriding legal or regulatory requirement to do so.

Any application for an exemption allowing the sale of Company securities outside of the Trading Window based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation.

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

#### **6. ASX NOTIFICATION FOR DIRECTORS**

The ASX Listing Rules require the Company to notify the ASX within 5 business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company. The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by the ASX.

#### **7. EFFECT OF COMPLIANCE WITH THIS POLICY**

Compliance with these Guidelines for trading in the Company's securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company's securities.

## **INVESTOR RELATIONS AND COMMUNICATIONS POLICY**

### **Introduction**

The Company's Board of Directors is responsible for ensuring shareholder and other stakeholder communications are adequate and appropriate and based on transparency and sound corporate governance principles. These principles form the basis of the Company's Investor Relations Policy, with the objective of providing stakeholders with important information in a timely manner through written and electronic communication.

The Company promotes direct communications with shareholders and encourages them to direct questions or requests for information to its Directors or management through its Investor Relations Representative.

### **Written Information**

In accordance with ASX Listing Rules, the Company adheres to the continuous disclosure requirements as specified in its Continuous Disclosure Policy, and will promptly release to the ASX all written communications of material information, including but not limited to financial results announcements, media releases, all external presentations, speeches and statements of importance.

The agenda and materials for all investor relations events must be reviewed by the Company Secretary to ensure no new material information is included, or if new information is included that it is released to the ASX Company Announcements Platform prior to the particular investor relations event.

The Company's Annual Report is the main communication document provided to shareholders following the end of each financial year. In addition to meeting all statutory requirements set by the Corporations Act and the ASX Listing Rules, the Annual Report contains information that assists shareholders to understand how the Company's operational and financial results were achieved, the nature of the industry in which it operates, and the Company's outlook in relation to its product offering and market trends.

The Annual Report will be made easily available to shareholders and other stakeholders in a timely manner in both print and on-line versions.

A half year report will be issued following the end of the financial half-year.

### **Electronic Communications**

The Company is aware of the efficiencies and effectiveness of communicating to shareholders electronically. With this in mind, shareholders can visit the Company's website, from which its financial reports and presentations can be freely downloaded and which reflects information released to the ASX.

### **Investor Relations Activities**

The Board will appoint an Investor Relations Representative, who will report to the Board regularly on investor relations activities.

The Investor Relations Representative will be responsible for dealing with stakeholder queries and will benchmark frequency of contact with individual analysts to ensure equal access and avoid any perception of favouritism or “selective briefing”.

The Investor Relations Representative will maintain a register of contact with analysts, including the purpose and substance of discussions held.

The Investor Relations Representative and at least one of the Managing Director (or equivalent) and CFO must be present at all investor relations events, including analyst meetings and investor briefings.

The Company will, where practicable, at significant investor relations events, webcast or record proceedings so that analysts and Shareholders who cannot attend in person, can access the information discussed. Where practicable to do so, the Company will also simultaneously release a link to a recording of such webcasts to the ASX Company Announcements Platform or include in an announcement where it can be found on the website.

In the event the Company forms the view that an analyst has failed to appreciate the significance of previously released material information, the Investor Relations Representative must seek to clarify the position with the analyst. The Investor Relations Representative and at least one of the Managing Director (or equivalent) and CFO must be present at any clarifying meeting. In such circumstances, the Company should seek to ensure that there can be no perception of “selective investor relations briefings”.

In the event market consensus moves materially out of line with the Company’s assessment of significant real-time metrics, the Company will pro-actively use the ASX Company Announcements Platform to correct the misconception in favour of the investor relations function.

### **Investors Relations Blackout Periods**

Investor relations activity is prohibited in the 14 days period in the lead up to significant Board meetings and material announcements. Any exception to this blackout requires the approval of both the Chairman and Managing Director (or equivalent).

### **Access to Directors, Management and Auditors**

Shareholders may at any time direct questions or requests for information to Directors or management by contacting the Company’s Investor Relations Representative.

At each Annual General Meeting, shareholders will be given the opportunity to ask the Company’s Directors and external auditors questions relating to the business and the conduct of the audit respectively.

The Board aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

Information is communicated to shareholders through:

1. the Annual Report delivered by post and which is also placed on the Company's website;
2. the half yearly report which is placed on the Company's website;
3. the quarterly reports which are placed on the Company's website;
4. disclosures and announcements made to the ASX copies of which are placed on the Company's website;
5. notices and explanatory memoranda of Annual General Meetings (**AGM**) and Extraordinary General Meetings (**EGM**) copies of which are placed on the Company's website;
6. the Chairman's address and the Managing Director (or equivalent) address made at the AGMs and the EGMs, copies of which are placed on the Company's website;
7. the Company's website on which the Company posts all announcements which it makes to the ASX; and
8. the auditor's lead engagement partner being present at the AGM to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

Shareholders can register with the Company's Registrar to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the annual, half yearly and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.

Shareholders queries should be referred to the Investor Relations Representative in the first instance.

## DIVERSITY POLICY

The Board is committed to workplace diversity. The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

To the extent practicable, the Company will address the recommendations and guidance provided in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles).

This Diversity Policy does not form part of an employee's contract of employment with the Company, nor gives rise to contractual obligations. However, to the extent that the Diversity Policy requires an employee to do or refrain from doing something and at all times subject to legal obligations, this Diversity Policy forms a direction of the Company with which an employee is expected to comply.

### Objectives

The Diversity Policy provides a framework for the Company to achieve:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- improved employment and career development opportunities for women;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity,

collectively, the **(Objectives)**.

The Diversity Policy does not impose on the Company, its Directors, officers, agents or employees any obligation to engage in, or justification for engaging in, any conduct which is illegal or contrary to any anti-discrimination or equal employment opportunity legislation or laws in any State or Territory of Australia or of any foreign jurisdiction.

### The Board's Commitment

The Board is committed to workplace diversity, with a particular focus on supporting the representation of women at the senior level of the Company and on the Board.

The Remuneration and Nomination Committee is responsible for developing measurable objectives and strategies to meet the Objectives of the Diversity Policy (**Measurable Objectives**) and monitoring the progress of the Measurable Objectives through the monitoring, evaluation and reporting mechanisms listed below.

The Remuneration and Nomination Committee may also set Measurable Objectives for achieving gender diversity and monitor their achievement.

The Remuneration and Nomination Committee will conduct all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary.

### **Strategies**

The Company's diversity strategies include:

- recruiting from a diverse pool of candidates for all positions, including senior management and the Board;
- reviewing succession plans to ensure an appropriate focus on diversity;
- identifying specific factors to take account of in recruitment and selection processes to encourage diversity;
- developing programs to develop a broader pool of skilled and experienced senior management and board candidates, including, workplace development programs, mentoring programs and targeted training and development;
- developing a culture which takes account of domestic responsibilities of employees; and
- any other strategies the Board or Remuneration and Nomination Committee develops from time to time.

### **Monitoring and Evaluation**

The Board will monitor the scope and currency of this policy.

The Managing Director (or equivalent) is responsible for implementing, monitoring and reporting on the Measurable Objectives as established by the Remuneration and Nomination Committee.

Measurable Objectives as set by the Remuneration and Nomination Committee will be included in the annual key performance indicators for the Managing Director (or equivalent) and senior executives.

In addition, the Board will review progress against the Objectives as a key performance indicator in its annual performance assessment.

### **Reporting**

The Remuneration and Nomination Committee will report to the Board on progress against the Measurable Objectives on a six-monthly basis.

The Remuneration and Nomination Committee will report annually to the Board on the achievement of the Objectives.

The Board will include in the Annual Report each year:

- Measurable Objectives, if any, set by the Board;
- progress against the Objectives; and
- the proportion of women employees in the whole organisation, at senior management level and at Board level.

## **ANNEXURE A – DEFINITION OF INDEPENDENCE**

A director should only be characterised and described as independent if he or she is free of any interest, position, 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 to bear on issue before the Board and to act in the best interests of the entity and its security holders generally.

Examples of interests, positions, associations and relationships that might cause doubts about the independence of a director include if the director:

- (a) is, or has been in the previous three years, employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- (b) is, or has within the last three been, a partner, director or senior employee of a provider of material professional services to the Company or another group member;
- (c) is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the Company or another group member, or an officer of, or otherwise associated with someone with such a relationship;
- (d) is a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company;
- (e) has a material contractual relationship with the Company or another group member other than as a Director;
- (f) has close family ties with any person who falls within any of the categories described above; or
- (g) has been a director of the Company for such a period that his or her independence may have been compromised.

The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.