

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Real Energy Corporation Limited

ABN / ARBN:

92 139 792 420

Financial year ended:

30 June 2019

Our corporate governance statement² for the above period above can be found at:³

☒ This URL on our website:
www.realenergy.com.au

The Corporate Governance Statement is accurate and up to date as at 26 September 2019 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.



Ron Hollands – Secretary
Date: 26 September 2019

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ☒ at www.realenergy.com.au – Board Charter ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management)	
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ☒ at our 2019 Annual General Meeting Notice of Meeting	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ☒ in our 2019 Remuneration Report (audited) contained within our 2019 Annual Report	
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au	

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.		☒ an explanation why we have not complied with all of recommendation 1.5 in our Corporate Governance Statement available on our website at www.realenergy.com.au
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au	
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	...the fact that we follow this recommendation: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ☒ in our 2019 Remuneration Report (audited) contained within our 2019 Annual Report .	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	... the fact that we followed paragraph (a) (2) and (3) this recommendation: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au The information referred to in paragraphs (4) and (5) is ☒ in our Directors' Report in the 2019 Annual Report.	the fact that we have a nomination committee but that it does not comply with paragraph 2.1 (a) (1): ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	... our board skills matrix is disclosed: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au	
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... We have disclosed the names of the directors considered by the board to be independent directors: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ... and the length of service of each director: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ☒ in our Directors' Report in the 2019 Annual Report	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.4	A majority of the board of a listed entity should be independent directors.		☒ an explanation why that is so in our Corporate Governance Statement available on our website at www.realenergy.com.au
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.		☒ an explanation why that is so in our Corporate Governance Statement available on our website at www.realenergy.com.au
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au	
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1), (2), (3), (4) and (5): ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ☒ at www.realenergy.com.au – Audit and Risk Management Committee Charter: ☒ in our Directors' Report in the 2019 Annual Report	
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au	
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ☒ in our 2019 AGM Notice of Meeting	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ☒ at www.realenergy.com.au – Continuous Disclosure Policy	
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au and on the company's website itself ☒ at www.realenergy.com.au – Shareholder Communication Policy	
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ☒ at www.realenergy.com.au – Shareholder Communication Policy	
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ☒ at www.realenergy.com.au – Shareholder Communication Policy	
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ☒ at www.realenergy.com.au – Shareholder Communication Policy	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	[If the entity complies with paragraph (a):] ... the fact that we have a committee that complies with paragraphs (1), (2), (3), (4) and (5): ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ☒ at www.realenergy.com.au – Audit and Risk Management Committee Charter ☒ in our Directors' Report in the 2019 Annual Report	
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	The fact that we follow this recommendation: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au	
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (b):] ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au	
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (2), (3), (4) and (5): ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ☒ in our Directors' Report in the 2019 Annual Report ☒ at www.realenergy.com.au – Audit and Risk Management Committee Charter:	☒ an explanation why we have not complied with paragraph 8 (a) (1) is in our Corporate Governance Statement available on our website at www.realenergy.com.au.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au ☒ in our Directors' Report in the 2019 Annual Report	
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: ☒ in our Corporate Governance Statement available on our website at www.realenergy.com.au	



Corporate Governance Statement

Introduction

The practice of good corporate governance is vital in enhancing investor confidence in corporate accountability by demonstrating a commitment to transparency. Real Energy Corporation Limited (**Company or RLE**) is committed to the principles of corporate governance.

The ASX Corporate Governance Council (**Council**) was first convened in August 2002 bringing together various business, shareholder and industry groups, each offering valuable insights and expertise on governance issues from the perspective of their particular stakeholders. Its primary work has been the development of the Corporate Governance Principles and Recommendations which were initially issued in 2003, then in 2007 (substantial re-write) and again in 2010.

Following another comprehensive review, a 3rd edition of Corporate Governance Principles and Recommendations ('ASX Recommendations') was issued in 2014 with an application for entities whose first full financial year started on or after 1 July 2014 ie: the year ended 30 June 2015 and there are after.

The ASX Recommendations are intended to be a reference point for companies about their corporate governance structures and practices. A company may choose not to implement certain ASX Recommendations, provided that the company explains why it has not done so and what alternate approaches have been adopted.

The ASX Recommendations require companies to communicate their corporate governance practices through both the annual report and the company web page. This summary of our corporate governance practices forms part of this communication.

Principle 1: Lay Solid Foundations for Management and Oversight

Role of the Board

The Company has adopted recommendation 1.1, disclosing the functions reserved to the Board and those delegated to Senior Executives. A Charter of the Board is available on the RLE website.

The Board's role is to govern RLE rather than to manage it. In governing RLE, the Directors must act in the best interests of RLE as a whole. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of RLE. Each candidate will confirm that they have the necessary time to devote to their Company Board position prior to appointment.

Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of RLE. It is required to do all things that may be necessary to be done in order to carry out the objectives of RLE.

Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- Formulation and approval of the strategic direction objectives and goals of the Company;
- The prudential control of the Company's finances and operations and the monitoring of the financial performance of the Company;
- The resourcing, reviewing and monitoring of executive management;
- Ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- The identification of significant business risks and ensuring that such risks are adequately managed; and
- The establishment and maintenance of appropriate ethical standards.





The Board generally meetings as and when required.

In carrying out its governance role, the main task of the Board is to oversee the performance of RLE. The Board is committed to RLE's compliance with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.

Independent Professional Advice and Access to Company Information

Each director has the right of access to all RLE information and to RLE's executives. Further, the Board collectively and each director, subject to informing the Chairman, has the right to seek independent professional advice from a suitably qualified advisor, at RLE's expense, to assist them to carry out their responsibilities. Where appropriate, a copy of this advice is to be made available to all other members of the Board.

Where the Board considers that particular expertise or information is required, which is not available from within their members, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

Relationship with Management

The Board has delegated responsibility for the day-to-day operations of RLE to senior executives as set out in the Board Charter. It is the role of senior executives to manage RLE in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

Appointment, Election and Re-Election of Directors

The Company has adopted recommendation 1.2 concerning the appointment, election and re-election of directors.

The Board regularly review the blend of the skills and balance of board and committee members

When it is decided to appoint a new director, a process is undertaken to source the person and includes numerous reference checks, a bankruptcy check and criminal record (all states and territories of Australia and the AFP) check of any candidates offered roles and to be put forward to shareholders for election as a director.

At a general meeting of the company, annually, directors appointed by the company's directors, are put to members for election. Similarly, existing directors, as required by the Company's Constitution, are put to members for re-election. In all instances, appropriate information concerning a respective director is provided to members.

Access to information

Each Director has access to Board papers and all relevant documentation.

Skills, knowledge and experience

Directors are appointed based on the specific corporate and governance skills and experience required by the Company. The Board consists of a relevant blend of personal experience in accounting and finance, law, financial and investment markets, financial management and public company administration, and, Director-level business or corporate experience required by the Company.

In each of the above instances, detailed and relevant information, concerning the respective director is provided to members. All newly appointed directors who are appointed by the Board must stand for election by shareholders at the next annual general meeting.

Appointment, performance review/evaluation

The Company has adopted recommendations 1.3, 1.6, 1.7 and 2.6 concerning the appointment and evaluation of senior executives and directors and the induction and ongoing training and development of directors.





Non-executive Directors receive formal letters of appointment setting out the key terms, conditions and expectations of their appointment. All directors (and senior management roles) have written agreements that set out, inter alia, the terms of their respective employment. Further, all new directors and employees undertake a detailed induction programme that covers inter alia, company history and information, policies and procedures and ASX requirements. In addition, the board considers training and professional development requirements of directors.

It is the policy of the Board to ensure that the Directors and executives of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed.

The Company has a policy of providing each new Director or officer with a copy of the following documents:

- Audit and Risk Committee Charter;
- Remuneration and Nomination Committee Charter;
- Code of Conduct;
- Continuous Disclosure Policy;
- Share Trading Policy

The performance of executives is monitored by the Remuneration and Nomination Committee. The performance of individual Directors is monitored by the Chairman. The Chairman also speaks to Directors individually regarding their role as a Director.

Senior executive key performance indicators are set annually, with performance appraised by the Board and reviewed in detail by the Remuneration & Nomination Committee at the end of the financial year.

Performance appraisals of the board, directors and committees were not undertaken in the year ended 30 June 2019.

Company Secretary

The Company has adopted recommendation 1.4 concerning the company secretary role.

The company has appointed an experienced company secretary, well versed in listed public company requirements. The company secretary is accountable to the board, via the chairman for all matters to do with the proper functioning of the board and its committees.

Diversity

The Company has not promulgated a Diversity Policy, nor has it set any measurable objectives for gender diversity in compliance with ASX Recommendation 1.5.

The Company hires staff who are competent in the role, irrespective of gender, and employs females from a variety of cultural backgrounds and industries. The Company prefers the employment of local citizens, both male and female.

The company has three (3) employees as at 30 June 2019, two (2) of which are male and one (1) female. Given the organisation size, the board has determined that a *Diversity Policy* and the setting of measurable objectives to achieve gender diversity are not warranted at this time. Due to the changing and casual nature of most of its workforce and the nature of mining work, the Company is unable at this stage to develop meaningful measurable objectives for achieving specific proportions of its workforce who are male or female.





Principle 2: Structure the board to add value

Remuneration & Nomination Committee

The Company follows recommendation 2.1 (except 2.1 (a) (1)).

The Board has established a Remuneration & Nomination Committee (Committee) and its role is set out in a formal charter which is available on the RLE website.

The Remuneration & Nomination Committee is chaired by John Wardman, an independent director and Lan Nguyen is also a committee member. Both of these directors are non-executive. The number of meetings held during the financial year and the respective attendances by committee members is disclosed annually in the company's annual report.

The company has not followed recommendation 2.1(a) (1) in that the Remuneration & Nomination Committee has only two (2) committee members and that 50%, not a majority, of members are independent directors.

The company is satisfied that given its current size and complexity that its current Remuneration & Nomination Committee members can adequately address all remuneration & nomination requirements of the company.

The Remuneration and Nomination Committee is responsible for the evaluation of the Board, committees and individual directors' performance.

Composition of the Board and details of Directors

The Company follows recommendations 2.2 and 2.3.

Name of Director	Independent? Y/N	Any relationship affecting independence?	Skills and experience relevant to the position	Term of office
Scott Brown	N	Managing Director	Strategy, Corporate Governance, Management, accounting and finance expertise	2 October 2009 – current.
Lan Nguyen	N	Substantial shareholder	Strategy and technical expertise	2 October 2009 – current
John Wardman	Y	N/A	Capital markets, Resources	6 September 2018 - current
Peter Mangano	Y	N/A	Capital markets, investor relations and resources	15 August 2019 - current

The company has not followed recommendation 2.4 in that 1/3rd, not a majority, of the directors are independent directors.

Despite the above, the company are satisfied that the current board composition is suitable and appropriate given its size and status. All incumbent directors bring an independent judgment to bear in Board deliberations. The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. It is the approach and attitude of each Non-Executive Director which determines independence, and this must be considered in relation to each Director, while considering all other relevant factors. Determination of the independence of directors is made with reference to the factors set out in the relationships affecting independent status in the ASX Principles.





The office of Chair is held by Lan Nguyen, a non-executive Director. The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board.

The company has not followed recommendation 2.5 given Lan Nguyen (Chairman) is not an independent director.

The Company believes that the combined experience of all of the directors in the energy and resources industry adequately mitigates this non-compliance. In addition, Messrs Nguyen, Wardman, Mangano and Brown have long standing listed public company experience and are well versed in governance requirements.

The Managing Director is responsible and accountable to the Board for the Company's management. Scott Brown is the Managing Director of the Company and performs the role of Chief Executive Officer.

Regular Assessment of Independence

An Independent Director, in the view of the Company, is a Non-executive Director who:

- Is not a substantial shareholder of the Company or an Officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- Within the last three years has not been employed in an executive capacity by the Company, or been a Director after ceasing to hold any such employment;
- Within the last three years has not been a principal of a material professional advisor or a material consultant to the Company, or an employee materially associated with a service provider;
- Is not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- Has no material contractual relationship with the Company other than as a Director of the Company;
- Has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- Is free from any interest and any business or other relationship which would, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The composition of the Board is reviewed periodically with regards to the optimum number and skills of Directors required for the Board to properly perform its responsibilities and functions.

Principle 3: Act ethically and responsibly

The Company follows recommendation 3.1.

Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of RLE have agreed to keep confidential information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

Company Code of Conduct and Ethics

As part of its commitment to recognising the legitimate expectations of stakeholders and promoting practices necessary to maintain confidence in the Company's integrity, RLE has an established Code of Conduct to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the responsibility and accountability required of the Company's personnel for reporting and investigating unethical practices or circumstances where there are breaches of the Code. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. This Code governs all RLE's commercial operations and the conduct of Directors, employees, consultants, contractors and all other people when they represent RLE. This





Code also governs the responsibility and accountability required of the Company's personnel for reporting and investigating unethical practices.

The Board, management and all employees of RLE are committed to implementing this Code and each individual is accountable for such compliance. A copy of the Code is given to all employees, contractors and relevant personnel, including directors, and is available on the RLE website.

Principle 4: Safeguard integrity in corporate reporting

Audit Committee

The Board follows recommendations 4.1, 4.2 and 4.3.

The Board has established an Audit Committee to assist the Board. The responsibilities of the Committee are set out in a formal charter which is available on the RLE website. The Audit Committee Charter sets out the policy for the selection, appointment and rotation of external audit engagement partners.

The Committee makes recommendations to the Board regarding the adequacy of the external audit and compliance procedures. The Committee evaluates the effectiveness of the financial statements prepared for Board meetings. The Chairman of the Audit Committee (John Wardman) is not Chairman of the Board and is an independent director and the Committee consists of three members whom are non-executive directors (John Wardman, Lan Nguyen and Peter Mangano).

The Company believes that the combined experience of John Wardman and Lan Nguyen in the energy and resources industry adequately mitigates this non-compliance. In addition, Lan Nguyen has long standing listed public company experience and is well versed in governance requirements.

In addition, the company does not currently have an internal audit function.

Per above Lan Nguyen has long standing listed public company experience and is well versed in governance requirements and the mining industry and have a comprehensive understanding of the risks faced and how to address these risks.

The number of meetings held during the financial year and the respective attendances by committee members is disclosed annually in the company's annual report.

Both the Managing Director and Finance Manager are required to provide written assurances to the Board that the financial reports submitted to the Board present a true and fair view of the Company's financial position and operational results and that the Company's risk management and internal compliance and control system is operating efficiently and effectively.

The Board receives annual assurance from the Managing Director and the Finance Manager that the declaration provided in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The independent external auditor is invited to attend all Annual General Meetings and is available to answer questions from shareholders concerning their annual audit.

Principle 5: Make timely and balanced disclosure

The Board follows recommendation 5.1.

Continuous Disclosure

The Board has designated RLE's Managing Director as the person responsible for overseeing and co-ordinating





disclosure of information to the ASX as well as communicating with the ASX.

The Board has established a written policy for ensuring compliance with ASX Listing Rule disclosure requirements and accountability at senior executive level for that compliance. A copy of the RLE Continuous Disclosure Policy is available on the RLE website.

Principle 6: Respect the rights of security holders

The Company follows recommendations 6.1, 6.2, 6.3 and 6.4.

Shareholder Communication

RLE respects the rights of its shareholders and to facilitate the effective exercise of those rights. RLE communicates with its shareholders continually via business and other announcements made periodically and RLE encourages shareholder participation at annual general meetings. Periodic ASX announcements include quarterly reports, the half-year report, annual report and annual general meeting presentations. Copies of all ASX announcements and reports are made available on the Company's website.

Shareholders are encouraged to provide an email address to receive electronic copies of all announcements and reports.

The independent external auditor attends the Annual General Meeting to respond to questions from shareholders on the conduct of the audit and the preparation and content of the audit report.

Principle 7: Recognise and manage risk

The Company follows recommendations 7.1 (except 7.1 (a) (1)), 7.2, 7.3 and 7.4.

The Board has accepted the role of identifying, assessing, monitoring, managing and mitigating wherever possible, any significant risks applicable to RLE and its operations. It has not established a separate committee to deal with these matters nor does it have an Internal Audit function. The Directors consider the Board Members as a whole are best able to consider risk management of a mining and exploration company in view of their respective qualifications, knowledge and experience in the industry. The Audit Committee is charged with the responsibility of financial risk management.

The company has not followed recommendation 7.1(a) (1) in that a majority, of members are not independent directors.

The Company is committed to the identification, monitoring and management of material business risks of its activities. The Board has in place a number of policies that aim to manage specific risks that have been identified. The Company's personnel are responsible for adhering to the Occupational Health and Safety Policy as part of the risk management process. Further, the Board is aiming to develop an overall policy for the oversight and management of material business risks accommodating its present and future stages of development.

The Board assumes ultimate responsibility for the oversight and management of material business risks and satisfies itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management and internal control to manage the Company's material business risks. The Company has implemented management reporting on the company's key risks. The Board oversees the adequacy and content of risk reporting from management.

In the annual report, the company will disclose, if applicable and appropriate, whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages/intends to manage those risk

Principle 8: Remunerate fairly and responsibly

The Company follows recommendations 8.1 (except 8.1 (a) (1)), 8.2 and 8.3.





The company has a Remuneration and Nomination Charter, available on the RLE website.

The Board has established a remuneration (and nomination) Committee. The Committee consists of independent directors but has only two members at this time.

The company has not followed recommendation 8.1(a) (1) in that the Remuneration & Nomination Committee has only two (2) committee members and that 50%, not a majority, of members are independent directors.

The Company believes that the combined experience of John Wardman and Lan Nguyen in the energy, resources and capital markets industries adequately mitigates this non-compliance. The number of meetings held during the financial year and the respective attendances by committee members is disclosed annually in the company's annual report.

Non-executive Directors remuneration is adopted by shareholders at the Annual General Meeting. The salary and emoluments paid to officers are approved by the Board. The Managing Director has entered into a Directors' Service Agreement for a term not exceeding three years. Consultants are engaged as required pursuant to consultancy agreements. The Company ensures that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of the Company. All remuneration of Directors and Statutory Officers are disclosed in the Annual Report of the Company each year.

- The salary component of the Managing Director's remuneration is made up of fixed remuneration;
- The salary component of Non-executive Directors is made up of fixed remuneration.
- The Company discloses the name of Directors in the Remuneration Committee and the attendance of each Director at the Remuneration Committee meetings, within its Directors' Report.
- The Company does not provide any schemes for retirement; and
- The Company has made publicly available a summary of the Remuneration Committee Charter on the Company's website.
- The company discloses in its annual report its policies and practices concerning non-executive director remuneration and remuneration of executive directors and other senior management. This includes any equity-based remuneration scheme and that participants are not permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

Other

Trading in RLE Shares

RLE's Share Trading Policy prohibits Directors from taking advantage of their position or information acquired, in the course of their duties, and the misuse information for personal gain or to cause detriment to the Company.

Directors, senior executives and employees are required to advise RLE's Chairman of their intentions prior to undertaking any transaction in RLE securities. If an employee, officer or director is considered to possess material non-public information, they will be precluded from making a security transaction until after the time of public release of that information.

A copy of RLE's Share Trading Policy is available on the RLE website.

Conflict of interest

To ensure Directors are at all times acting in the best interests of the Company, they must:





- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot, or is unwilling to remove a conflict of interest then the Director must, as required by the Corporations Act, absent himself from Board discussion and/or voting occurs on matters about which the conflict relates.

Related party transactions

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Company also discloses related party transactions in its financial statements as required under relevant Accounting Standards.

Publicly available information

The Company has adopted recommendation 6.1 by making publicly available on the Company's website, the Share Trading Policy, Continuous Disclosure policy and Code of Conduct under the corporate governance section.

Current as is and approved by the Board on 26 September 2019.

