



## CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement reports the governance processes and procedures in place at Twenty Seven Co. Limited ("TSC" or the "Company") and has been approved by the Board of the Company as at 3 December 2021.

This Corporate Governance Statement is also provided on our website at [www.twentysevenco.com.au](http://www.twentysevenco.com.au), together with copies of our Board and Board Committee Charters and some of the Company's key policies. The ASX Appendix 4G, which is a checklist cross referencing the fourth edition of the ASX Corporate Governance Principles and Recommendations to the relevant disclosures in Company's Corporate Governance Statement and 2021 Annual Report is also provided on that webpage.

The Directors of TSC believe that effective corporate governance improves company performance, enhances corporate social responsibility and benefits all stakeholders. Governance practices are not a static set of principles and the company assesses its governance practices on an annual basis. Changes and improvements are made in a substance over form manner, which appropriately reflect the changing circumstances of the company as it grows and evolves. Accordingly, the Board has established a number of practices and policies to ensure that these intentions are met and that all stakeholder are fully informed about the affairs of the Company.

The Company reviews all of its corporate governance practices and policies on an annual basis to ensure they are appropriate for the Company's current stage of development. This year, the review was made against the new ASX Corporate Governance Council's Principles and Recommendations (fourth edition) ('CGRs').

The following section outlines which the ASX recommendations and summarises the Company's compliance with them, and reasons for noncompliance as relevant.

References in this statement to "reporting period" are to the financial year ended 30 June 2021.

### PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT BY THE BOARD

#### Recommendation 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.*

*Disclosure:*

The Company's Board Charter sets out (amongst other things): (a) the roles and responsibilities of the Board and of management; (b) the matters expressly reserved to the Board; and (c) the matters delegated to management.

A copy of the Board Charter can be viewed at the Corporate Governance section on the Company's website: [Board Charter](#)

The Audit & Risk Committee have also been referred responsibilities by the Board as set out in the Committee's Charter. The Charter for the Audit & Risk Committee can be viewed at the Corporate Governance section on the Company's website: [Audit & Risk Committee Charter](#)

## **Recommendation 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.*

*Disclosure:*

Prior to the appointment of a person, or putting forward to security holders a candidate for election, as a director, the Company undertakes checks which it believes are appropriate to verify a director's character, experience, education, criminal record and financial history including for new directors, including, but not limited to the following:

- Background and reference checking
- Requesting information in relation to the person's current and previous positions, directorships, financial history and any potential conflicts of interest.

The Company ensures that all material information in its possession relevant to a shareholder's decision whether to elect or re-elect a director, including the information referred to in Recommendation 1.2, is provided to shareholders in the Company's Notice of Annual General Meeting.

The Policy and Procedure for Selection and Appointment of New Directors can be viewed at the Corporate Governance section on the Company's website: [Policy and Procedure for Selection Appointment of New Directors](#)

## **Recommendation 1.3**

*A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

*Disclosure:*

Each director and senior executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities and (to the extent applicable) the matters referred to in the commentary to Recommendation 1.3.

## Recommendation 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.*

*Disclosure:*

The Company Secretary has a direct line of reporting to the Chairman and is responsible for:

- advising and supporting the Chairman and the Board and its committees to manage the day to day governance framework of the Company;
- assisting with Board effectiveness by monitoring whether applicable Board and committee policies, procedures and charters are followed and coordinating timely completion and despatch of Board agendas and papers; and
- assisting with all matters to do with the proper functioning of the Board including advising on governance matters and assisting with induction and professional development of directors.

The responsibilities of the Company Secretary are set out in the Board Charter referenced in this statement.

## Recommendation 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.*

*Disclosure:*

Given the size of the Company and status of the Company's projects, the directors believe that it is not appropriate at this stage to set measurable objectives in relation to diversity beyond those included in the Diversity Policy. Notwithstanding this, the Company strives to provide the best possible opportunities for current and prospective employees of all backgrounds in such a manner that best adds to overall shareholder value and which reflects the values, principles and spirit of the Diversity Policy. The directors also believe that diversity is a relevant consideration for constitution of an effective Board, as discussed at Recommendation 2.2.

The Company seeks to treat everyone with fairness and respect, which includes valuing diversity and difference and acting without prejudice. The Company believes that decision-making is

enhanced through diversity and supports and encourages diversity at all levels of the organisation in accordance with the Company's Diversity Policy. A copy of the Diversity Policy is located in the Corporate Governance section on the Company's website: [Diversity Policy](#)

The Board assesses any measurable objectives for achieving gender diversity and annually reviews any such objectives and the Company's progress towards achieving them. The Board reviews at least annually on the relative proportion of women and men appointed or employed within the Company group and reports this in the Company's Corporate Governance Statement and as appropriate in its Annual Report, each year.

At the end of the reporting period, the Company reports as follows:

Gender diversity report	Total positions	Held by women
Director	3	-
Contractor	2	2
Employee	-	-
<b>Total organisation</b>	<b>5</b>	<b>2</b>

## Recommendation 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.*

*Disclosure:*

The Board Charter details the company's commitment, responsibility and process to annually evaluate the performance of the Board, individual directors, the Chairman and indirectly Committees of the Board. The Board Charter is located in the Corporate Governance section on the Company's website: [Board Charter](#)

Consistent with this commitment, the Company also has a policy titled Performance Evaluation of the Board, Individual Directors and Key Executives which details the procedures in respect of performance evaluation of the Board which can be viewed at: [Performance Evaluation of Board, Individuals and Key Executives](#)

The board itself is responsible for the evaluation of its performance and the performance of individual directors. This evaluation is currently conducted via self-assessment annually, and is managed by the Company Secretary at the direction of the Chairman. From time to time and as deemed necessary, the Company, at the direction of the Chairman, may undertake to have its performance evaluation process facilitated externally by an appropriately qualified service provider.

The Board conducts a formal review of its effectiveness, against this charter, code and individual employment agreements, and involves:

- evaluating the performance of each Director against appropriate qualitative and quantitative measures (including if warranted by considering the use of external advisers to conduct this performance review);
- for the Directors (excluding the Chairman), evaluating the performance of the Chairman;
- comparing its performance with the requirements of its Charter and code of conduct set out in its constitution;
- setting out its future goals and objectives; and
- reviewing and recommending any changes to its Charter deemed necessary or desirable.

The performance evaluation shall be conducted in such manner as the Board deems appropriate.

The review of the Board's performance also addresses the ability for directors to access continuing education to update and enhance their skills and knowledge as they relate to the Company's strategy and objectives.

During the period the Company has undertaken an evaluation of the performance of the Board, individual directors, and indirectly Committees of the Board.

## Recommendation 1.7

*A listed entity should:*

- have and disclose a process for periodically evaluating the performance of its senior executives; and*
- disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

*Disclosure:*

The Board reviews the performance of the CEO annually. A formal review was not undertaken during the period.

The Company's Chief Executive Officer (CEO) was appointed on 1 February 2021. While a formal review was not undertaken during the period, informal reviews took place and frequent discussions were had with the CEO about his achievement toward his targets to progress current exploration projects, reducing costs and seeking other projects and opportunities that may add significant value for shareholders.

The CEO normally reviews the performance of other senior executives annually (excluding the Company Secretary whose performance is reviewed by the Board). During the reporting period the reviews were done informally as the level of company activity did not warrant more.

The Board also recognises the need for flexibility in defining performance objectives which must reflect the current status of the company (as an exploration company) and the respective stages of its projects.

The performance of the CEO and that of senior executives is also considered at board meetings.

Consistent with this commitment, the Company has a policy titled Performance Evaluation of the Board, Individual Directors and Key Executives which details the procedures in respect of performance evaluation of the senior executives which can be viewed at: [Performance Evaluation of Board, Individuals and Key Executives](#)

## PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

### Recommendation 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;*
- 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.*

*Disclosure:*

The Board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new Directors.

To assist the Board with the selection and appointment of new Directors the Company has a 'policy and procedure for selection and appointment of new directors' which is located in the Corporate Governance section on the Company's website: [Policy & Procedure for Director Appointment](#)

Directors are selected by reference to their knowledge, skills and experience relevant to the business needs of the Company. New directors are invited to join the Board by the Chairman, who makes the invitation based on recommendations made by the Board and approved by the Board.

The Company aims to nominate and appoint individuals with diverse skills, values, backgrounds and experiences. The Company values this diversity and recognises the strengths and opportunities it may bring to the Board.

In order to attract and retain a diverse Board composition, the Company is committed to providing a working environment in which all directors, employees and consultants are treated fairly and respectfully, and have equal access to opportunities available within the Company for personal and professional development.

Twenty Seven Co. Limited is aware of the benefits of gender diversity and is committed to ensuring female participation is reflected at all levels of the organisation including among senior management and directors of the Board.

In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any further substance to this process.

## Recommendation 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.*

### Disclosure:

The Board regularly evaluates the mix of skills, experience and diversity at the Board level. The Board believes that a highly credentialed Board, with a diversity of background, skills and perspectives, will be effective in supporting and enabling delivery of good governance for the Company and value for the Company's shareholders.

At the end of the reporting period, the Board comprised three Directors from diverse backgrounds with a range of business experience, skills and attributes. The following table demonstrates the skills and experience of the Directors across several dimensions that are relevant to the Company. Biographical information on each director is contained in the Annual Report and on the Company's website.

Composition of skills and experience of the Board as a whole (out of 3)

<b>Skills &amp; Experience</b>	
<b>Industry experience</b> - Management / board representation in other resource entities (past and present) - transactions within the resources sector (i.e. mergers, acquisitions, joint ventures, IPOs etc)	3
<b>Executive leadership/management</b> - Outside directorships (past or present) - senior management positions (past or present)	3
<b>Financial acumen</b> - Financial literacy	3
<b>Governance &amp; regulation</b> - Experience in the governance of listed organisations	3
<b>Strategy</b> - Experience to analyse information, think strategically and review and challenge management in order to make informed decisions and assess performance against strategy.	3
<b>Risk</b> - Experience in risk management and oversight.	3



The Company aspires to have a Board comprised of individuals' with diverse experience and expertise and will be mindful of this when making appointments which will also be based on merit.

### **Recommendation 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.*

*Disclosure:*

In the opinion of the board, to qualify as being "independent", a director must be independent of management and free of any business or other relationship which could materially interfere or could reasonably be perceived to interfere materially with the Director's independent exercise of their judgement.

Mr D Dalziell, Chairman, was appointed to the Board on 9 September 2021, and is considered by the Board to be an independent director, having regard to the factors set out above. Mr R Dalziell holds no shares in the Company at the end of the reporting period.

Mr R Scott, the previous Chairman, who was appointed to the Board on 12 April 2019 and resigned on the 9 September 2021, was also considered by the Board to be an independent director, having regard to the factors set out above. Mr R Scott held less than 5% of the share capital of the Company at the end of the reporting period.

Mr M Burchnall was appointed to the Board on 12 April 2019 and is considered by the Board to be an independent director, having regard to the factors set out above. Mr M Burchnall holds less than 5% of the share capital of the Company at the end of the reporting period.

Mr T Armstrong was appointed to the Board on 12 April 2019 and is considered by the Board to be an independent director, having regard to the factors set out above. Mr T Armstrong holds less than 5% of the share capital of the Company at the end of the reporting period.

### **Recommendation 2.4**

*A majority of the board of a listed entity should be independent directors.*

*Disclosure:*

The Company follows the recommendation of principle 2.4 as the Board is wholly comprised of independent directors.



In accordance with the ASX Recommendations, the independence of a director is assessed by determining whether the director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment. The test of whether a relationship or business is material is based on the nature of the relationship or business and on the circumstances and activities of the director. Materiality thresholds are considered by the Board from time to time.

Mr Dalziell (appointed 9 September 2021), Mr R Scott (resigned 9 September 2021), Mr M Burchnall and Mr T Armstrong are all regarded as independent directors as they are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

As the business develops, changes to and/or further appointments to the Board may be warranted and the Board will consider the need to appoint independent directors.

## **Recommendation 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.*

*Disclosure:*

The Chairman of the Board is an independent director as described in recommendation 2.3. The Chairman is not the current or previous CEO or Managing Director of the Company.

## **Recommendation 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.*

*Disclosure:*

All new directors are provided with an induction including comprehensive meetings with the CEO and senior executives / management as appropriate and provision of information on the Company including Company and Board policies, charters and other material documents.

All directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education and, if this involves industry seminars and approved education courses, where appropriate, this is paid for by the Company. Furthermore, Directors' skills, knowledge and opportunities for continuing education and development are considered annually as part of the performance evaluation of the Board, individual directors and Chairman.

The company's 'Director Induction Program' is located in the Corporate Governance section of the Company's website: [Director Induction Program](#)

The Company procedure in respect of performance evaluation of the Board and individual directors is located in the Corporate Governance section of the Company's website: [Board & Executive Evaluation](#)

## **PRINCIPLE 3 – A LISTED ENTITY SHOULD ACT ETHICALLY AND RESPONSIBLY**

### **Recommendation 3.1**

*A listed entity should articulate and disclose its values*

- (a) have a code of conduct for its directors, senior executives and employees; and*
- (b) disclose that code or a summary of it.*

#### *Disclosure:*

The Company expects Directors, Officers and Employees to practice honesty, integrity and observe high standards of business and personal ethics and comply with all applicable laws and regulations in fulfilling their duties and responsibilities. The Code of Conduct and Ethics is located in the Corporate Governance section of the Company's website: [Code of Conduct & Ethics](#).

### **Recommendation 3.2**

*A listed entity should*

- (a) have a code of conduct for its directors, senior executives and employees; and*
- (b) ensure that the board or a committee of the board is informed of any material breaches of that code.*

#### *Disclosure:*

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

### **Recommendation 3.3**

*A listed entity should*

- (a) have and disclose a whistleblower policy; and*
- (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.*

#### *Disclosure:*

The Company has adopted a Whistleblower Policy which aims to encourage reporting of violations (or suspected violations) of the Company's Code of Conduct, or material legal or regulatory obligations, and to provide effective protection from victimisation and retaliation or dismissal to those reporting by implementing systems for confidentiality, anonymity and report handling.

Everyone working for the Company receives training on the Whistleblower Policy and are expected to understand and comply with it. Complaints made under the Whistleblower Policy which are regarded as serious and warrant investigation by the Responsible officer are investigated as set out in the Policy. The Board is informed of material breaches or incidents reported under the Whistleblower Policy and the Board periodically reviews and makes changes to the Policy.

The Whistleblower Policy is located in the Corporate Governance section of the Company's website: [Whistleblower Policy](#).

### **Recommendation 3.4**

*A listed entity should*

- (a) have and disclose an anti-bribery and corruption policy; and*
- (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.*

*Disclosure:*

The Company has an Anti-Bribery and Anti-Corruption Policy that applies to its employees, Directors, contractors, consultants, third parties and other persons associated with the Company's business operations.

All Company policies are aimed at conducting business that is fair, honestly, transparently, with integrity and in compliance with the law in all jurisdictions in which it operates. Acknowledging the potential for reputational damage if the Company is, or is alleged to be, involved in bribery or corruption, the Policy addresses:

- What may be deemed as forms of bribery and corruption;
- Encourages a robust culture of integrity, transparency and compliance, which is critical to long term success and value preservation in the business;
- Aims to safeguard and make transparent relationships with external parties in the context of receiving and giving hospitality, gifts and other financial benefits for legitimate purposes consistent with normal business practice; and
- Prohibits bribes and improper payments, and places appropriate controls on gifts and donations

Employees are trained in the policy and are responsible for reporting actual or suspected breaches of the Policy. All safeguards in terms of confidentiality, anonymity, ongoing support and protection in that Policy will apply in these circumstances. Any material breaches of the Anti-Bribery and Anti-Corruption Policy are reported to the Board. The Board periodically reviews and makes changes to the Policy.

The Anti-Bribery and Anti-Corruption Policy is located in the Corporate Governance section of the Company's website: [Anti-Bribery and Anti-Corruption Policy](#).

## PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

### Recommendation 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.*

*Disclosure:*

The Company has established an Audit & Risk Committee which comprises 3 independent non-executive directors. The Audit & Risk Committee is chaired by Mr M Burchnall. Mr M Burchnall is not the chair of the Board.

The Company also has processes it employs that independently verifies and safeguards 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. These processes are detailed in the Audit & Risk Committee Charter located in the Corporate Governance section of the Company's website: [Audit & Risk Committee Charter](#)

The Committee's members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and the attendance of the Committee's members at those meetings are set out in the Company's latest Annual Report.

### Recommendation 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.*

*Disclosure:*

The Board has received a declaration in the form set out in Recommendation 4.2 from its Chief Executive Officer and Chief Financial Officer in relation to the financial statements for the reporting period.

### Recommendation 4.3

*A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.*

#### Disclosure:

The Audit and Risk Committee reviews and makes recommendations to the Board for the approval of all financial reports. Where a report does not require an audit or review by an external auditor, the report is prepared by the Chief Financial Officer and is circulated internally to any appropriate member before being circulated to the full board for comment and approval prior to lodging with the ASX.

## PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

### Recommendation 5.1

*A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the Listing Rule 3.1.*

#### Disclosure:

The Company has a Continuous Disclosure & Communications Policy that outlines the processes followed by the Company to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance. The policies also include examples of disclosure requirements and who can communicate with media outlets. The policy is designed to ensure that the Company complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules such that:

- All investors have equal and timely access to material information; and
- TSC announcements are factual and presented in a clear and balanced manner.

All TSC Directors, officers and employees should observe the requirements set out in this policy.

The purpose of the policy is to:

- Summarise the Company's disclosure obligations in accordance with the Listing Rules and the Corporations Act 2011 (Cth);
- Explain what type of information needs to be disclosed;
- Identify who is responsible for disclosure; and
- Explain how individuals at the Company can contribute.

The Continuous Disclosure & Communications Policy is located in the Corporate Governance section of the Company's website: [Continuous Disclosure & Communications Policy](#)

## Recommendation 5.2

*A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.*

### Disclosure:

Any announcement is first prepared by the appropriate department of the Company and forwarded to the Chief Executive Officer and Company Secretary for review. It is then sent to the full Board for comment and approval prior to lodging with the ASX.

## Recommendation 5.3

*A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platforms ahead of the presentation.*

### Disclosure:

The Company lodges all presentations with new or substantive material prior to any meeting with analysts. From time to time the Company will provide a Company Update which is lodged on the ASX platform ahead of the commencement of trading hours where possible.

## PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

### Recommendation 6.1

*A listed entity should provide information about itself and its governance to investors via its website.*

### Disclosure:

Appropriate information about the Company and its operations is located on the Company's website: [www.twentysevenco.com.au](http://www.twentysevenco.com.au)

### Recommendation 6.2

*A listed entity should have an investor relations program to facilitate effective two-way communication with investors.*

### Disclosure:

The Company has a Continuous Disclosure & Communications Policy that outlines the processes followed by the Company to ensure communication with shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure.

The Continuous Disclosure & Communications Policy is located in the Corporate Governance section of the Company's website: [Continuous Disclosure & Communications Policy](#)

### **Recommendation 6.3**

*A listed entity should disclose how it facilitates and encourage participation at meetings of security holders.*

*Disclosure:*

The Continuous Disclosure & Communications Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders. The Company permits shareholders to cast their proxies prior to a General Meeting if they are unable to attend the meeting.

### **Recommendation 6.4**

*A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.*

*Disclosure:*

Decisions on all substantive resolutions at general meetings of the Company will be decided by a poll to ensure the true will of Shareholders is ascertained.

### **Recommendation 6.5**

*A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

*Disclosure:*

The Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically, as provided for in the Company's Continuous Disclosure & Communications Policy.

## **PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**

### **Recommendation 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 risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

**Disclosure:**

The Company has established an Audit & Risk Committee to oversee risk whether financial, operational or otherwise. The Audit & Risk Committee comprises of 3 members, all of whom are independent directors. Mr M Burchnall is the Chairman of the Audit & Risk Committee. Mr M Burchnall is an independent director.

Additionally, the Committee, in accordance with its charter, has a process it employs for overseeing the entities risk management framework. The Company also has a Risk Management Policy that provides further guidance in the management of risk within the Company.

The Committee's members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and the attendance of the Committee's members at those meetings are set out in the Company's latest Annual Report.

The Company's Audit & Risk Committee Charter is located in the Corporate Governance section of the Company's website: [Audit & Risk Committee Charter](#)

The Company's Risk Management Policy is located in the Corporate Governance section of the Company's website: [Risk Management Policy](#)

## **Recommendation 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 that the entity is operating with due regard to the risk appetite set by the board; and*
- (b) disclose, in relation to each reporting period, whether such a review has taken place.*

**Disclosure:**

The Company's Risk Management Policy sets the framework for risk management and review of the risk management framework.

The Company's Risk Management Policy requires the Board to, at least annually, assisted by the Audit & Risk Committee, undertake a structured consideration and review of the risk management framework and the material risks faced by the Company.

The Risk Management Policy is located in the Corporate Governance section of the Company's website: [Risk Management Policy](#)

During the reporting period, the Board, assisted by the Audit & Risk Committee has completed a review of the Company's risk management framework and key corporate risk in accordance with the Audit & Risk Charter. The Board as a whole addresses individual risks as required on an ongoing basis.

### Recommendation 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.*

*Disclosure:*

TSC is committed to understanding and managing risk and to establishing an organisational culture that ensures risk management is included in all activities, decision making and business processes. The company does not have a formal internal audit function due to its size.

The Audit & Risk Committee meets at least bi-annually to receive and consider reports on, and monitor and discuss, known and emerging risk and compliance issues, including non-financial operational and other business risks.

The ongoing mitigation and management of key business risks is a standing agenda item and is addressed by the Board as a whole at each Board meeting through discussion and it is an item of business on the agenda of the Audit & Risk Committee which meets at least bi-annually. Operational, financial, legal, compliance, strategic and reputational risks continue to be managed primarily by the CEO, CFO and Company Secretary as a part of the day-to-day management of the Company's affairs. Where appropriate, these risks are managed with the support of relevant external professional advisers.

The company undertakes an ongoing review of its safety and environmental risks and reports on this aspect at each Board meeting.

### Recommendation 7.4

*A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.*

*Disclosure:*

The Company undertakes minerals exploration activities and, as such, faces risks inherent to its business, including economic, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term.

One of the Company's core values is safety; it prioritises safety and health to people, the environment and community. The Company views sustainable and responsible business practices as an important long term driver of performance and shareholder value and is committed to transparency, fair dealing, responsible treatment of employees and partners and positive interaction with the community.

In addition to the company's risk management framework (as described in the Company's Risk Management Policy), the Company undertakes an ongoing review of its safety and environmental risks and reports on this aspect at each Board meeting.

The company is committed to continual review of its status with respect of the materiality of its economic, environmental and social sustainability risks, and take appropriate action to address, as circumstances require.

## **PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY**

### **Recommendation 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 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 remuneration is appropriate and not excessive.*

*Disclosure:*

The Company does not have a separate remuneration committee due to the current size of the Company and its operations. The Board as a whole has responsibility for the function of the remuneration committee, including the performance evaluation and remuneration of the CEO.

The primary function is to consider and recommend compensation arrangements for the CEO and other senior executives, remuneration policies and practices, retirement termination policies and practices, company share schemes and other incentive schemes, company superannuation arrangements and remuneration arrangements for members of the Board.

The Board recognises that the attraction and retention of high calibre executives is critical to generating shareholder value. As a general rule, the Board believes that individual salary negotiation is more appropriate than formal remuneration policies.

Fees and payments to non-executive Directors reflect the demands that are made on, and the risks and responsibilities, of the Directors. The Board reviews non-executive Directors' fees and payments periodically, and any increase recommended in the overall amount allocated to Directors fees is subject to shareholder approval.

Each member of the executive team has signed a formal contract at the time of their appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard contract sets out a specific formal job description.

The company's Remuneration Policy is located in the Corporate Governance section of the Company's website: [Remuneration Policy](#)

The primary functions of the Board in relation to the Remuneration policy is to:

- make specific decisions for remuneration of directors and senior officers;
- resolve the terms and conditions of employment for the CEO;
- undertake a review of the CEO's performance, at least annually, including setting with the CEO goals for the coming year and reviewing progress in achieving those goals;

- report on the decisions; and
- develop and facilitate a process for board and director evaluation.

In fulfilling its role of the remuneration committee, the Board may seek external advice and market comparisons where necessary.

## **Recommendation 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.*

### *Disclosure:*

Company's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives is set out in the Remuneration Report contained in the Company's latest Annual Report. A copy of the Company's latest Annual Report is located on the Company's website [www.twentysevenco.com.au](http://www.twentysevenco.com.au)

## **Recommendation 8.3**

*A listed entity which has an equity-based remuneration scheme should:*

- 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*
- disclose that policy or a summary of it.*

### *Disclosure:*

The Company has an equity-based remuneration scheme. The Company's Securities Trading Policy provides that participants in the scheme must not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested equity interest. The Securities Trading Policy is located in the Corporate Governance section of the Company's website: [Securities Trading Policy](#)