



**DDH1 Limited**  
ABN 486 366 77088

# Corporate Governance Statement 2021

## CONTENTS

<b>ABOUT THIS REPORT</b> .....	<b>3</b>	<b>5. ETHICAL CONDUCT AND RESPONSIBLE DECISION-MAKING</b> .....	<b>11</b>
<b>1. OUR APPROACH TO GOVERNANCE</b> .....	<b>3</b>	5.1 Company Values.....	11
<b>2. OPERATION OF THE BOARD</b> .....	<b>4</b>	5.2 Code of Conduct.....	11
2.1 The Role of The Board.....	4	5.3 Sustainability .....	11
2.2 Board Structure and Composition .....	4	5.4 Health and Safety Policy.....	11
2.3 Director Independence .....	5	5.5 Human Rights Policy and Modern Slavery .....	11
2.4 The Role of the Chairperson .....	5	5.6 Whistleblower Policy .....	11
2.5 The Role of the Managing Director.....	5	5.7 Anti-Bribery and Anti-Corruption Policy .....	12
2.6 Composition, Selection and Appointment.....	5	5.8 Securities Trading Policy .....	12
2.7 Board Skills and Experience .....	6	5.9 Inclusion and Diversity Policy.....	12
2.8 Director Retirement, Re-Election, and Tenure.....	6	<b>6. RECOGNISE AND MANAGE RISK</b> .....	<b>14</b>
2.9 Non-Executive Director and Executive Remuneration .....	7	6.1 Risk Responsibilities Between the Board and Management.....	14
2.10 Performance Reviews .....	7	6.2 The Company’s Approach to Risk Management	14
2.11 Other Information.....	7	6.3 Audit and Risk Committee Oversight of Risk.....	15
2.12 The Role of Company Secretaries .....	7	6.4 Material Risks.....	15
<b>3. BOARD COMMITTEES</b> .....	<b>8</b>	6.5 Internal Audit Function .....	15
3.1 Board Committee Structure .....	8	<b>7. COMMITMENT TO SHAREHOLDERS</b> .....	<b>16</b>
3.2 Committee Membership and Responsibilities .....	9	7.1 Shareholder and Investor Engagement.....	16
3.3 Audit and Risk Committee .....	9	7.2 Website .....	16
3.4 People Committee .....	9	7.3 Continuous and Periodic Disclosure.....	16
3.5 Nominations Committee.....	9	7.4 Electronic Communications .....	16
<b>4. INTEGRITY IN CORPORATE REPORTING</b> .....	<b>10</b>	7.5 Annual General Meetings .....	17
4.1 Governance Oversight of Corporate Reporting .	10	7.6 Dividends Payable to Shareholders.....	17
4.2 Independence of the External Auditor.....	10	<b>ADDITIONAL INFORMATION</b> .....	<b>17</b>
4.3 Attendance of the External Auditor at the AGM	10		
4.4 Restrictions on the Provision of Non-Audit Services by the External Auditor .....	10		
4.5 Financial and Corporate Reports .....	10		



## ABOUT THIS REPORT

DDH1 Limited (the **Company**) is committed to achieving best practice standards of corporate governance. The Board has implemented and operates in accordance with a set of corporate governance principles, which the Board sees as fundamental to the Company's continued growth and achievement of its corporate ambition and strategy. The Board continues to review the Company's corporate governance framework and practices to ensure it meets the interests of shareholders.

During the reporting period, the Company completed an Initial Public Offering (**IPO**) that secured gross proceeds of \$150 million through the issue of 136,363,636 shares – or approximately 40% of the Company's shares on issue as at its listing date – to new investors at \$1.10 per share. IPO proceeds were used to allow existing shareholders to realise part of their investment in the Company and to repay borrowings. The IPO was one of the largest by a Western Australia-based business in the past decade.

The ASX listing marked a significant milestone in the evolution of the Company, which was established in 2006 with the vision to create Australia's premier mineral drilling contractor.

This Corporate Governance Statement outlines the key aspects of the Company's corporate governance framework that has been established by the Board and its compliance with ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition) (**ASX Principles**) for the period 9 March 2021 to 30 June 2021.

The Board has approved this Corporate Governance Statement on 27 August 2021.

This Corporate Governance Statement should be read in conjunction with the Company's 2021 Annual Report (**FY21 Annual Report**). Further information about the Company's corporate governance practices and copies of key governance documents referred to in this document are available on the Company's website at: <https://ddh1.com.au/about-us/corporate-governance/>

## 1. OUR APPROACH TO GOVERNANCE

The Board of the Company (**Board**) is committed to achieving the ASX Principles of corporate governance and business conduct, fostering a culture of compliance, which values integrity, ethical behaviour, accountability, transparency, and respect for all stakeholders.

The Board continues to build on its foundation of governance to improve continually and ensure it complies with current regulations, market practice and stakeholder expectations.

The Company's corporate governance framework plays a critical role in helping the Board and the business deliver on its strategy and objectives. It provides the structure through which business objectives are set, performance is monitored, and risks are managed.

The Company's corporate governance framework and practices are aligned with ASX Principles.

<b>ASX Principles</b>	<b>Sections</b>
<b>Principle 1</b> Lay solid foundations for management and oversight	<b>2, 5</b>
<b>Principle 2</b> Structure the Board to be effective and add value	<b>2, 3</b>
<b>Principle 3</b> Instil a culture of acting lawfully, ethically and responsibly	<b>5</b>
<b>Principle 4</b> Safeguard the integrity of corporate reports	<b>3, 4</b>
<b>Principle 5</b> Make timely and balanced disclosure	<b>7</b>
<b>Principle 6</b> Respect the rights of security holders	<b>7</b>
<b>Principle 7</b> Recognise and manage risk	<b>6</b>
<b>Principle 8</b> Remunerate fairly and responsibly	<b>2, 3, 5</b>

## 2. OPERATION OF THE BOARD

The Company's corporate governance framework is illustrated below:



### 2.1 The Role of The Board

The Board is responsible to shareholders for the overall strategy, governance, and performance of the Company.

The Board has a charter that sets out its authority, responsibilities and membership, and the arrangements by which it operates. The charter also describes those matters expressly reserved for the Board and those matters delegated to management.

The Board's primary role is to provide leadership and strategic guidance for the Company and provide oversight of management in implementing the Company's strategic objectives and installing a culture that supports the Company's purpose and values. The Board meets regularly to review the Company's performance and progress against its strategy.

The Board strives to deliver sustainable value to its shareholders while taking into account the interests of other stakeholders. The Board recognises its responsibility to act honestly, fairly, diligently and in accordance with the law and instil these values throughout the organisation.

The Board has established a Delegation of Authority – Group Standard outlining the matters reserved to the Board and those delegated to the executive and management.

Details of the number of Board meetings held during the reporting period and attendance by directors are set out in the Directors' Report in the Company's FY21 Annual Report.

The **Board Charters** are available on the Company's website.

### 2.2 Board Structure and Composition

The Board is structured to comprise of individuals with appropriate skills, knowledge, experience, and diversity to develop and support the Company's long-term strategy and enable it to discharge its responsibilities and add value, including facilitating effective discussion and efficient decision making. The Board determines its size and composition, subject to the Constitution of the Company.

The Board currently has six directors, comprising five Non-Executive Directors and one Managing Director.

Each Director, and their length of service, are listed in the table below. Details of each director's appointment, qualifications, experience, and special responsibilities are set out in Company's FY21 Annual Report.

Non-Executive Directors	Independent	Appointed
Diane Smith-Gander AO. <i>Chairperson</i>	Independent	8 February 2021
Andrea Sutton	Independent	8 February 2021
Alan Broome AM <sup>1</sup>	Independent	8 October 2019
Murray Pollock <sup>1</sup>	-	8 February 2021
Byron Beath <sup>1</sup>	-	8 February 2021
Managing Director		
Sy Van Dyk <sup>2</sup>	-	8 February 2021

<sup>1</sup> Directors, Alan Broome AM, Murray Pollock, and Byron Beath were directors of DDH1 Holdings Pty Ltd for several years (before the formation of DDH1 Limited and restructure of the group for listing).

<sup>2</sup>Mr Sy Van Dyk has been the Chief Executive Officer of the DDH1 Group since October 2018 and was appointed Managing Director on 8 February 2021.

### 2.3 Director Independence

The Company recognises that having independent directors helps to ensure that the decisions of the Board reflect the best interests of the Company and its shareholders generally and that those decisions are not biased towards the interests of management or any other group.

In determining whether a director is independent, the Board considers whether the director is free of interests that could (or could be perceived to) materially interfere with the independent exercise of that director's judgement and their capacity to act in the best interests of the Company and its shareholders generally. The Board takes a qualitative approach to assessing materiality and independence on a case-by-case basis by reference to each director's individual circumstances rather than applying strict quantitative thresholds.

The Board assesses the independence of new directors upon appointment and regularly assesses the independence of each Non-Executive Director. Each director is required to provide the Board with all relevant information to enable it to make this assessment.

During the reporting period, the Board reviewed the independence of Non-Executive Directors in accordance with the ASX Principles.

Non-Executive Directors Murray Pollock and Byron Beath are not considered to be independent as they each represent major shareholders who hold 13.83% and 22.1%, respectively.

The Managing Director and Chief Executive, Mr Sy van Dyk, is not independent as he is an executive of the Company.

### 2.4 The Role of the Chairperson

The directors have elected Ms Diane Smith-Gander AO as Chair of the Board. Ms Smith-Gander was appointed to the Board on 8 February 2021 and became the Chairperson on 9 March 2021.

The Chair is independent and a Non-Executive Director. The role of the Chair, includes leading the Board facilitating and encouraging constructive discussion, representing the Board to shareholders, and communicating the Board's position and undertaking performance evaluations of the Board, its committees and individual directors.

Ms Smith-Gander's qualifications and experience are set out in the Directors' Report in the Company's FY21 Annual Report.

Further details on the role of the Chairperson are set out in the Board Charter.

### 2.5 The Role of the Managing Director

The Board delegates management of the Company's affairs and implementation of the corporate strategy and policy initiatives to the Company's Managing Director and Chief Executive Officer.

Mr Sy van Dyk commenced in the role of Chief Executive Officer in October 2018 and was appointed Managing Director on 8 February 2021.

The Managing Director and Chief Executive Officer is responsible for the day-to-day management of the Group. The Managing Director and Chief Executive Officer is supported in this function by delegating authority to the appropriate Group Executives for specific activities and transactions. A formal Delegation of Authority - Group Standard governs this authority, which was approved by the Board on 28 April 2021 and will be reviewed as required.

The Managing Director and Group Executives are responsible for providing the Board and Board Committees with accurate, timely and clear information on the Group's operations. This includes information on compliance with material legal and regulatory requirements and any conduct which is materially inconsistent with the Company's Policies and Code of Conduct.

### 2.6 Composition, Selection and Appointment

The Board has established a Nominations Committee, which comprises all Board members, to review Board composition and succession matters. This includes responsibility for reviewing and making recommendations to the Board regarding Board size and composition and identifying individuals believed to be qualified to become Board members and recommend such candidates to the Board.

In assessing potential candidates and in undertaking reviews of the size and composition of the Board, the Nominations Committee considers the guiding principle that the Board's composition should reflect an appropriate mix having regard to such matters as:

- skills and experience across the key areas identified in the Board's Skills Matrix (refer section 2.7);
- directors' tenure; and
- diversity and inclusion.

Before the Board appoints a new director or puts forward a candidate for election, the Nominations Committee undertakes appropriate checks, including but are not limited to reviewing the person's character, experience, education, criminal record, and bankruptcy history. Existing directors conduct interviews with the potential candidates to ensure there is an appropriate fit for the Company's strategic direction.

## 2.7 Board Skills and Experience

The Board is committed to ensuring that the composition of the Board continues to include directors who bring an appropriate mix of skill, experience, and expertise to Board decision-making. The Board also aims to retain a balance between directors with experience and knowledge of the Company's business and history and new directors who bring an external perspective and different insights.

The Board has an objective of maintaining at least 30% female membership of the Board.

To the extent that any skills are not directly represented on the Board, they are realised through management and external advisors.

The Board has created the following Board Skills Matrix, capturing the key skills and other attributes of Board members, which it believes are needed for robust decision-making and the effective governance of the Company.

The Board considers the Board Skills Matrix to guide its assessment of the skills and experience of new and existing directors and identify any gaps in the Board's collective expertise for the purpose of Board succession planning.

The Board Skills Matrix describes the proportion of directors on the Board with particular areas of competence, skills and experience. The Board Skills Matrix recognises the director's level of proficiency or practiced or perceptive awareness in the area of competence.

## 2.8 Director Retirement, Re-Election, and Tenure

Any director who has been appointed during the year must stand for election at the Company's next Annual General Meeting.

In addition, one-third of the Board members (excluding the Managing Director and any director standing for election) must retire by rotation at every Annual General Meeting of the Company and may stand for re-election.

The Board's recommendation regarding the re-election of an existing director is not automatic and is contingent on their past performance, contribution to the Company, and the current and future needs of the Board and the Company.

Shareholders are provided with all material information in the Company's possession relevant to their decision as to whether to elect or re-elect a director.

## Board Skills Matrix

 highly proficient or practiced

### Skills/Competency

No. of Directors as of 30 June 2021

### Board Representation

	1	2	3	4	5	6
<b>Leadership</b> Experience in an executive role in an organisation of at least a similar size and complexity to DDH1.						
<b>Strategy and Commercial</b> Ability to assess, analyse and implement strategic objectives, business plans and performance.						
<b>Relevant Industry Experience</b> Experience working in drilling services, mining, or mining services industry, with strong knowledge of its economic drivers and business perspectives.						
<b>Financial Acumen</b> Ability to understand, analyse financial performance, and contribute to the oversight of the integrity of financial reporting and the effectiveness of financial controls.						
<b>Culture / People / WH&amp;S</b> Experience managing matters relating to people, including workplace safety, cultures, diversity, and human capital strategies.						
<b>Risk Management</b> Experience in the management of key business risks (financial and non-financial) and emerging risks.						
<b>Customers and Stakeholder Management</b> Experience in developing and overseeing the embedding of a customer and stakeholder focused culture in organisations.						
<b>Governance</b> Knowledge and commitment of best-practice governance, environmental and social issues, and oversight of governance frameworks, policies, and processes.						

## 2.9 Non-Executive Director and Executive Remuneration

Information about the structure of the Non-Executive Directors' remuneration and the remuneration of the executives is set out in the Remuneration Report in the Company's FY21 Annual Report.

The Board approved a **Remuneration Policy**, which describes the remuneration principles and decision-making procedures regarding remuneration arrangements for Key Management Personnel, comprising Non-Executive Directors, the Managing Director and Chief Executive Officer, and the Chief Financial Officer.

### 2.10 Performance Reviews

#### Board Performance

On a periodical basis, the performance of the Board, its committees, and individual directors is evaluated.

During the reporting period, no Board performance evaluation was conducted, as the Board was only formed on 8 February 2021.

#### Managing Director and Chief Executive Officer Performance

The Managing Director and Chief Executive Officer has a written agreement with the Company setting out his employment terms, including remuneration and performance requirements.

The Board is responsible for monitoring management's performance and implementation of the Company's strategy, including conducting a performance review of the Managing Director and Chief Executive Officer.

During the reporting period, no performance evaluation of the Managing Director and Chief Executive Officer was conducted, as the Board was only formed on 8 February 2021. However, the Chair meets regularly with the Managing Director to discuss matters related to his performance.

### 2.11 Other Information

#### Appointment Documentation

Upon appointment, each new director receives a letter of appointment, which sets out the formal terms of their appointment. Directors also receive a deed of indemnity, insurance, and access.

#### Induction For New Directors

New directors are provided with an induction that includes meeting with the Board Chairperson, the Managing Director and Chief Executive Officer, the Chief Financial Officer, and other Group Executives to gain valuable insights into relevant operational and corporate matters. This is followed up by additional meetings or information that the new director may request.

## Conflicts Of Interest

Directors are required to disclose all interests that may conflict with their duties.

The Board Charter includes a Conflicts of Interest Protocol. Pursuant to this protocol, a director may, at any time, declare a conflict of interest in relation to a matter by notification to the Board and the Company Secretary in writing.

If a director has a material personal interest in a matter being considered by the Board, they must not be present for the consideration of that matter or vote on the matter and will not receive any information which relates to that matter.

### Directors Right to Independent Advice

To help directors fulfil their responsibilities, each director has the right (with the prior approval of the Chairperson) to seek independent professional advice, at the Company's expense, about his or her responsibilities.

In addition, the Board and each Board Committee may, at the Company's expense, and with the approval of the Chairperson, obtain any independent professional advice it requires to assist in its work.

### Continuing Education for Directors and Executives

All directors are expected to maintain the knowledge and skills required to discharge their obligations to the Company.

The Board and its Committees also conduct continuing education sessions as appropriate and seeks to identify topics as part of their self-assessment.

Internal and external experts are engaged, as required, to conduct education sessions. For example, the Board receives an annual briefing on safety laws and regulations, with the most recent briefing held on 29 July 2021.

### 2.12 The Role of Company Secretaries

The Board is responsible for the appointment of the Company Secretary. The Board has appointed two Company Secretaries. The Company Secretary is directly accountable to the Board, through the Chair, on all matters regarding the proper functioning of the Board.

Profiles qualifications and experience on each Company Secretary are set out in the Directors' Report in the Company's FY21 Annual Report.

## 3. BOARD COMMITTEES

### 3.1 Board Committee Structure

The Board has established three standing Committees to assist in the discharge of its responsibilities:

- Audit and Risk Committee
- People Committee
- Nominations Committee

Periodically, the Board will review the composition of each Board Committee. As and when required, the Board may establish special purpose sub-committees to give detailed consideration to specific matters or projects.

An overview of the members, composition and responsibilities of each Board Committee is set out below:

Members	Composition	Key Responsibilities
<b>Audit and Risk Committee</b>		
Alan Broome AM (Chair) Byron Beath Andrea Sutton	<ul style="list-style-type: none"> <li>✓ Three members.</li> <li>✓ Only Non-Executive Directors and a majority of which must be independent.</li> <li>✓ An independent Chair, who is not Chair of the Board.</li> <li>✓ At least one member who has financial expertise.</li> </ul>	<ul style="list-style-type: none"> <li>• Integrity of financial reporting and effectiveness of financial risk management and internal controls.</li> <li>• External audit scope, effectiveness, and auditor independence.</li> <li>• Effectiveness of risk management framework, supporting risk reports and risk appetite.</li> </ul>
<b>People Committee</b>		
Andrea Sutton (Chair) Murray Pollock Diane Smith-Gander AO	<ul style="list-style-type: none"> <li>✓ Three members.</li> <li>✓ At least two Independent Non-Executive Directors.</li> <li>✓ An independent Chair.</li> <li>✓ At least two members who have an understanding of executive remuneration and the associated regulatory framework.</li> </ul>	<ul style="list-style-type: none"> <li>• Make recommendations in relation to remuneration of Non-Executive Directors:</li> <li>• Performance and remuneration of, and incentives for, the Managing Director and other Senior Executives.</li> <li>• Remuneration strategies, practices, and disclosures.</li> <li>• Oversight of people, including development and succession planning, diversity, and culture.</li> </ul>
<b>Nominations Committee</b>		
Diane Smith-Gander AO (Chair) Andrea Sutton Alan Broome AM Byron Beath Murray Pollock Sy Van Dyk	<ul style="list-style-type: none"> <li>✓ All directors.</li> <li>✓ An independent Chair.</li> </ul>	<ul style="list-style-type: none"> <li>• Review of matters to do with Board composition, selection, and appointment.</li> <li>• Succession planning for the Board and Executives.</li> </ul>

Non-Executive Directors may, and are encouraged, to attend meetings of other Board Committees and are provided with papers for all meetings.

The relevant qualifications and experience of Board Committee members is set out in the Directors' Report in the Company's FY21 Annual Report.

The Managing Director and Chief Executive Officer, and certain other Group Executives are invited to attend Board Committee meetings. However, their presence is not automatic, and they do not attend if their remuneration is being considered or discussed.

Each Board Committee may, within the scope of its responsibilities, have unrestricted access to management, employees, and information it considers relevant to the carrying out of its responsibilities under its charter.

Each Board Committee may request the attendance of any external party at meetings as appropriate.

Board Committees report to and make recommendations to the Board. The Chair of each Board Committee reports to the Board after each meeting.

Details of the number of Board Committee meetings held during the reporting period and attendance by each Committee member is set out in the Directors' Report in the Company's FY21 Annual Report.

### 3.2 Committee Membership and Responsibilities

Each of the Board Committees:

- is comprised of a majority of Non-Executive Directors – and has at least three members;
- has its own charter;
- has the powers necessary to discharge their responsibilities; and
- has the Board appoint one of its members as Committee Chair.

Each Board Committee has a charter setting out its role and responsibilities, objectives, composition, structure, membership requirements, and how the Committee is to operate.

The **Board Committee Charters** are available on the Company's website.

### 3.3 Audit and Risk Committee

The Audit and Risk Committee assists the Board in meeting its oversight responsibilities concerning the Company's financial reporting, external audit functions and its risk management framework and compliance with related legal and regulatory requirements.

The Audit Committee's responsibilities for the external audit functions include:

- appointing, overseeing, and annually evaluating the External Auditor – including reviewing their independence, fitness and propriety, resourcing and qualifications;
- compensation of the External Auditor;
- if appropriate, replacing the External Auditor; and
- approving certain non-audit services.

The Audit and Risk Committee regularly meets with the External Auditor without management being present. The Chair of the Audit and Risk Committee meets separately with the External Auditor and management.

The Chief Financial Officer is the executive responsible for assisting the Chair of the Audit and Risk Committee in connection with the administration and efficient operation of the Committee.

The minutes of the Audit and Risk Committee meetings are tabled at Board meetings, and the Committee Chair reports relevant matters of the Audit and Risk Committee to the Board at its next meeting.

The **Audit and Risk Committee Charter** is available on the Company's website.

### 3.4 People Committee

The People Committee assists the Board by reviewing and making recommendations to the Board on remuneration matters, including the structure, strategy and framework for executives' remuneration and incentives and review of the Company's Annual Remuneration Report to shareholders. This review includes:

- considering the short-term and long-term incentive outcomes for executives;
- reviewing changes in executives' salaries and at-risk remuneration incentives; and
- oversight of equity incentive plans, approved by shareholders.

The People Committee also plays an important role concerning the Company's people strategy and approach to inclusion and diversity. The People Committee responsibilities for the oversight of inclusion and diversity include:

- review and monitor the effectiveness of the Company's policy and approach to inclusion and diversity;
- approve the measurable objectives for achieving diversity (including gender diversity) and inclusion; and
- reviewing the Company's inclusion and diversity objectives and monitoring progress towards achieving them.

The minutes of the People Committee meetings are tabled at Board meetings, and the Committee Chair reports relevant matters of the People Committee to the Board at its next meeting.

The **People Committee Charter** is available on the Company's website.

### 3.5 Nominations Committee

The Nominations Committee assists the Board with all matters to do with the proper functioning of the Board, including in relation to its ongoing composition and overall Board operations.

The **Nominations Committee Charter** is available on the Company's website.

## 4. INTEGRITY IN CORPORATE REPORTING

The Company believes that accurate and timely corporate reporting underpins effective risk management and is key to executing the Company's strategy.

The Board is responsible for overseeing that appropriate monitoring and reporting mechanisms are in place. It has established the Audit and Risk Committee to assist in discharging this responsibility.

### 4.1 Governance Oversight of Corporate Reporting

The Audit and Risk Committee meets at least four times per year, including immediately before the release of the full and half-yearly financial statements. The Audit and Risk Committee has reviewed the integrity of the Company's financial statements for the financial year ended 30 June 2021 and is satisfied that the Company's financial report for FY21 complies with the applicable accounting standards and presents a true and fair view of the Company's financial condition and operational results.

All Audit and Risk Committee members have direct access to the External Auditor, Deloitte, and their appointed lead audit engagement partner. The lead audit engagement partner is invited to attend Audit and Risk Committee meetings, and all Committee papers are made available to Deloitte.

### 4.2 Independence of the External Auditor

The Company's External Auditor, Deloitte, was appointed by Directors on 15 October 2019. As the Company will only hold its first Annual General Meeting in November 2021, Deloitte's appointment as the Company's External Auditor will be required to be approved by shareholders in accordance with *section 327B of the Corporations Act (Cth) 2001*.

The Audit and Risk Committee review the effectiveness, performance, and independence of the External Auditor. If it becomes necessary to replace the External Auditor for performance or independence reasons, the Committee will formalise a procedure for the selection and appointment of a new External Auditor.

The *Corporations Act (Cth) 2001* requires the External Auditor to make an annual independence declaration to the Board, declaring that the auditor has maintained its independence in accordance with the *Corporations Act (Cth) 2001* and the rules of professional accounting bodies. Deloitte has provided an independence declaration to the Board for the reporting period. Deloitte's independence declaration is contained in the Directors' Report in the Company's FY21 Annual Report.

Deloitte's practice is to rotate the lead audit engagement partner at least every five years.

### 4.3 Attendance of the External Auditor at the AGM

Deloitte's lead audit engagement partner attends the Company's annual general meeting and is available to answer shareholders' questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted in relation to the preparation of the financial statements, and the independence of the auditor.

### 4.4 Restrictions on the Provision of Non-Audit Services by the External Auditor

The Company has procedures to monitor the independence of the External Auditor. The Company's Delegation of Authority - Group Standard regulates the provision of non-audit services by the External Auditor.

The provision of permissible non-audit services, above a defined amount, must be pre-approved by either the Audit and Risk Committee or the Chair of that Committee.

### 4.5 Financial and Corporate Reports

The Company is committed to providing clear, concise, and effective disclosure in its corporate reports.

Prior to approval of the Company's financial statements, the Board receives a written declaration, in accordance with *section 295A of the Corporations Act (Cth) 2001*, from the Chief Executive Officer and the Chief Financial Officer in relation to the Company and the Group's financial reporting processes.

The declaration received by the Board during the relevant reporting period state that the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the Company and the Group's financial position and performance, and that the integrity of the financial statements is founded on a sound system of risk management and internal control, which is operating effectively.

For periodic corporate reports released to the market, which are not required to be audited or reviewed by the Company's External Auditor, the Company has a verification, review and approval process to ensure the integrity of the information disclosed to the market. The process involves the reports being reviewed, material statements reviewed for accuracy and the report subject to internal verification by the Company Secretaries, and an appropriate approval process involving the Managing Director and Chief Executive Officer, and by the Chairperson for disclosure of certain matters, which are within the Board's reserved powers or matters that are otherwise of significance to the Company.

## 5. ETHICAL CONDUCT AND RESPONSIBLE DECISION-MAKING

The Company is committed to conducting its business with integrity and in an open and accountable manner. The Board believes that lawful, ethical, and responsible business practices are essential to achieving sustainable long-term performance and creating shareholder value.

The Board recognises its role in setting the ethical tone and standards of the Company and its responsibility in monitoring and developing a corporate culture.

The Company has established the following policies or codes, which promote ethical and responsible business practices.

### 5.1 Company Values

The Company's core values are:

- *we value the safety and health of our employees*
- *we value, challenge and reward our people*
- *we put our customers at the center of what we do*
- *we are committed to leadership in sustainability*
- *we drive excellent sustainable financial performance*

These values are the guiding principles that define the type of organisation the Company aspires to be and standards and behaviours that the Company expects of its directors, executives, and employees.

### 5.2 Code of Conduct

The Company has a Code of Conduct. Directors and employees are required to demonstrate the standards of behaviour required to promote responsible decision-making and ethical behaviour, which aligns with the Company's strategic objectives.

The Code of Conduct is supported by several Company policies that are reviewed regularly to ensure they reflect any changes in law and otherwise remain fit for purpose.

Through the People Committee, the Board is informed of any material breaches of the Code of Conduct or policies.

The **Code of Conduct** is available on the Company's website.

### 5.3 Sustainability

The Board is committed to the Company taking a sustainable approach to its operations and business practices to create the best long-term outcomes for its shareholders, employees, communities, customers, and other stakeholders.

The Board has established an Environmental Policy, which encourages the business to take a proactive approach to its sustainability efforts in areas that matter to the business, including to manage environmental and climate change impacts, minimising the Company's carbon footprint, and increase the Company's attractiveness to investors, employees, and other stakeholders.

The **Environmental Policy** is available on the Company's website.

### 5.4 Health and Safety Policy

The Company prioritises a healthy and safe workplace for all employees, contractors, customers, and the community while seeking to minimise impacts of injuries.

Health and Safety is, therefore, a critical part of the Company's business and decision-making. Further details on the range of strategies, systems, initiatives, and policies to manage health and safety for employees, contractors, and customers is set out in the Company's FY21 Annual Report.

Health and Safety is also a critical area of focus for the Board, with the Board regularly briefed on safety performance, strategies to improve safety performance and awareness, and employee and contractor physical and mental wellbeing.

The **Health and Safety Policy** is available on the Company's website.

### 5.5 Human Rights Policy and Modern Slavery

The Company is committed to the protection of fundamental human rights and freedoms, including eliminating all forms of modern slavery.

The Company's Human Rights Policy and Supplier Code of Conduct, sets out the Company's approach to managing human rights and modern slavery risks in its operations and supply chains.

The Company issued its first Modern Slavery Statement for the year ended 30 June 2021, in accordance with *the Commonwealth Modern Slavery Act (Cth) 2018*.

The **Human Rights Policy, Supplier Code of Conduct and Modern Slavery Statement** are available on the Company's website.

### 5.6 Whistleblower Policy

The Company has established a Whistleblower Policy, which encourages anyone to report any concerns about actual or suspected wrongdoing and improper conduct and ensures confidentiality and protection is provided to those who do so. The policy also sets out how the Company will respond to and

investigate reports of misconduct and outlines the protections available to those who report under the policy.

A whistleblower can make a confidential disclosure under the Whistleblower Policy in a number of ways, including to a Whistleblower Protection Officer or anonymously to an external toll-free and online whistleblower reporting service via phone, email and web-based channels operated by third-party provider, Deloitte.

The Company maintains confidentiality of all whistleblower reports to the fullest extent possible and does not tolerate any detriment or form of reprisal against anyone who raises a genuine concern about actual or suspected misconduct.

Through the Audit and Risk Committee, the Board is informed of any material incidents reported under the policy.

The **Whistleblower Policy** is available on the Company's website.

### 5.7 Anti-Bribery and Anti-Corruption Policy

The Company has established an Anti-Bribery and Anti-Corruption Policy, which sets out the Company's zero tolerance for any bribery or corruption in its business dealings and operations. The policy includes prohibitions on:

- the giving or receiving of bribes in any form, including to public officials and all commercial relationships;
- the giving or receiving of gifts, entertainment and sponsored travel;
- offering anything of value to a public official in order;
  - to improperly influence in order to obtain any improper advantage of any kind; and
  - making a donation to improperly influence to obtain an advantage of any kind.

Through the Audit and Risk Committee, the Board is informed of any material incidents reported under the policy.

The **Anti-Bribery and Anti-Corruption Policy** is available on the Company's website.

### 5.8 Securities Trading Policy

The Company has established a Securities Trading Policy, which prohibits trading in DDH1 securities by all directors, employees and contractors (and their immediate family members and associates) who possess information that is not generally available and that could be reasonably expected to have a material, or significant, effect on the price or value, of an DDH1 securities.

The policy also specifically prohibits 'restricted persons' (including all directors, executives, and nominated senior personnel) and their associates from trading in DDH1 securities during 'closed periods' as defined in the policy.

The Securities Trading Policy also:

- allows in exceptional circumstances, and with prior written clearance, trading during a closed period;
- prohibits directors, executives, and employees (and their associates) from hedging interests that have been granted under any DDH1 equity incentive plan that is either unvested or subject to a holding lock; and
- prohibits directors and restricted persons from using DDH1 securities in connection with a margin loan or similar financing arrangement, which may be subject to a margin call or loan-to-value ratio breach.

Through the Audit and Risk Committee, the Board is informed of any material breaches under the policy.

The **Securities Trading Policy** is available on the Company's website.

### 5.9 Inclusion and Diversity Policy

The Company has a diverse workforce in various geographic locations around Australia, which comprises employees from varied ethnic backgrounds, age groups and races, across all genders.

The Company's Inclusion and Diversity Policy sets out the Company's approach to inclusion and diversity, which is underpinned by the principles that the work environment promotes equal opportunity and diversity, allows employees to reach their potential, and is free from discrimination, harassment, and bullying.

The Company does not discriminate based on gender, age, ethnicity, religion or cultural background. The Company ensures that all employees are provided with the same opportunities through open and honest communication, training and development opportunities.

The People Committee is responsible for (amongst other things) reviewing the Company's Inclusion and Diversity Policy and strategy, overseeing compliance with equal opportunity and anti-discrimination legislation, and ensuring that the Company is able to attract and retain an inclusive and diverse selection of employees.

The **Inclusion and Diversity Policy** is available on the Company's website.



### **Gender Diversity at Board, Management and Workforce Levels**

Whilst the Board did not set any specific, measurable objectives for achieving gender diversity during the reporting period, the Company's approach to filling existing vacancies or new positions has been to apply general strategies, which encourage diversity. This included recruiting from a diverse pool of candidates and identifying factors in recruitment and selection processes that encourage diversity.

Despite not setting any specific, measurable objectives for achieving gender diversity in the composition of the Board during the reporting period, the Board is pleased to note that 33.33% of the Company's directors are female. The ASX Principles provide that the measurable objective for achieving gender diversity in board composition for entities in the S&P / ASX 300 Index should be to have not less than 30% of its directors of each gender within a specified period.

The Company is a 'relevant employer' under the *Workplace Gender Equality Act 2012 (Cth)* and discloses its "Gender Equality Indicators" to the Workplace Gender Equality Agency (WGEA) annually. While the Company's Inclusion and Diversity Policy does not include a requirement to assess the Company's diversity against any specified gender objectives during the reporting period, the Company uses internal reports and the WGEA indicators to assess its progress in improving gender diversity.

The Company's **2020-2021 Report to the WGEA** is available on the WGEA website and on the Company's website.

### **Indigenous Engagement**

The Company promotes the involvement of Indigenous people in its operations. It is committed to offering Indigenous people meaningful and sustainable employment and supporting long-term careers with the Company.

## 6. RECOGNISE AND MANAGE RISK

### 6.1 Risk Responsibilities Between the Board and Management

The Board recognises that effective risk management is critical to maintaining the Company's reputation.

The Board is responsible for setting the Company's risk appetite. It is also responsible for satisfying itself, at least annually, that management has developed and implemented a sound system of risk management and internal control. Detailed work on this task is delegated to the Audit and Risk Committee and reviewed by the Board.

Management is responsible for implementing the Board approved risk management framework and for managing the Company's operations within the risk appetite set by the Board. It is also responsible for identifying, managing, monitoring, mitigating, and reporting on material risks.

### 6.2 The Company's Approach to Risk Management

Before the Company's listing on the ASX on 9 March 2021, Management's approach to risk management system has been primarily focussed on safety management using hazard identification tools and the risk management methodologies in ISO 31000:2018 Risk Management.

Since listing on the ASX, both the Board and Management have moved promptly to develop a whole of enterprise risk management framework, which resulted in the Board approving on 29 June 2021 the Company's Risk Management Policy. The policy aims to support the Company's risk management framework and outlines the Company's commitment to sound risk management practices aligned to regulatory and shareholder requirements. The policy also sets out the Board's risk appetite relating to the health, safety and wellbeing of the Company's workforce, the environment, community, reputational risks, project delivery, and legislative compliance breaches.

Work on developing the Company's risk management framework, standards, risk registers and reporting is ongoing. The objectives of the risk management framework will be to provide processes for the regular identification and assessment of key risks and controls (financial and non-financial) as well as strategies to manage material risks across the business appropriately.

The **Risk Management Policy** is available on the Company's website.



### 6.3 Audit and Risk Committee Oversight of Risk

The Board’s Audit and Risk Committee have a mandate from the Board to provide risk management oversight. This includes responsibility for reviewing, at least annually, the effectiveness of the Company’s risk management framework and internal control systems for the management of material business risks within the risk appetite set by the Board.

Details of the membership, charter and meetings of the Audit and Risk Committee are outlined in sections 3.1 above.

The Audit and Risk Committee held its first meeting on 1 June 2021. At that meeting, the Committee considered the desired risk management framework, risk appetite, risk management policy and the processes required to govern risk identification, assessment, monitoring and reporting. Work on the Company’s risk management approach is ongoing.

### 6.4 Material Risks

The Company is exposed to a range of market, financial, operational, environments, and socio-political risks that could have an adverse effect on the Company’s future performance. The nature and potential impact of these risks can change over time and vary in the degree to the extent the Company can control them.

The Company’s key business risks include, but are not limited to:

#### Material Risks

- Access to rigs and equipment
- Business interruptions
- Concentration risk
- COVID-19 and Infectious disease outbreaks
- Customer demand and outlook for the minerals exploration and mining industry
- Environmental compliance
- Health, safety, and wellness of personnel
- Increased competition from new and existing competitors
- Inability to identify, execute and manage acquisitions and expansion plans
- Key personnel, labour availability and cost of labour increases
- Loss of customer contracts and levels of new work
- Operational risks
- Sustainability, climate change and significant weather events
- Tender process risk

The risks outlined above reflect the key business risks that have the potential to impact the Company’s operations and its financial performance if not managed effectively.

Further information of the Company’s material business risks, including any material exposure to economic, environmental, and social sustainability risks and how these are managed, is set in the Director’s Report in the Company’s FY21 Annual Report and the Company’s Prospectus dated 8 February 2021.

### 6.5 Internal Audit Function

For the reporting period, the Company did not have an internal audit function.

In the absence of a formal internal audit function, the Board relies on management’s ongoing monitoring and reporting of material business risks at Board and Committee meetings.

The Audit and Risk Committee also periodically review the need for an internal audit function and monitor the adequacy of existing internal controls.

## 7. COMMITMENT TO SHAREHOLDERS

### 7.1 Shareholder and Investor Engagement

The Company values and facilitates two-way dialogue with shareholders and investors and is committed to ensuring that shareholders have access to accurate, timely and effective information about the Company and its governance both through its website and other communication technologies.

The Managing Director is responsible for shareholder and investor relations activities with the assistance of the Chief Financial Officer. The Chairperson is responsible for engaging with shareholders on Board, governance and remuneration matters.

The Company has an active investor relations program to facilitate effective two-way communication with investors. This includes communicating through several channels and technologies, to allow shareholders to participate in shareholder meetings and to have their enquiries heard.

The Company also hosts briefings for institutional investors and analysts to discuss information already released to the market via ASX and provide background information to assist analysts and institutions in understanding the Company's business.

Before giving any new and substantive investor or analyst presentations, the Company releases a copy of the presentation materials to ASX.

The Company aims to ensure that shareholders are provided with all information necessary to assess the Company's performance. The Company follows the principles of continuous disclosure to ensure all investors are fully informed on the Company's activities.

All market announcements are posted on the Company's website as soon as practicable after being released to the market.

### 7.2 Website

Ready access to information about the Company and all relevant corporate governance information is available via the Company's website at [www.ddh1.com.au](http://www.ddh1.com.au)

The Company publishes its ASX announcements, annual and half-year results presentations, financial statements, investor presentations, media releases, key dates, dividends, and other communications material on the Company's website at [www.ddh1.com.au/investors/](http://www.ddh1.com.au/investors/)

### 7.3 Continuous and Periodic Disclosure

The Company is committed to providing shareholders and the market with equal and timely access to material information concerning the Company in a factual, clear and balanced way.

The Company has adopted a **Continuous Disclosure Policy**, which sets out how it complies with its disclosure obligations under *Corporations Act 2001 (Cth)* and the ASX Listing Rules.

The Board considers potential disclosure issues at each of its meetings.

The Managing Director and the Chief Financial Officer are responsible for overseeing and coordinating the disclosure of information to the media, analysts, brokers, and shareholders. The Chief Financial Officer or the Company Secretaries are responsible for communication with ASX.

The Managing Director is responsible for ensuring that all employees are aware of their obligation to bring price-sensitive matters to management's attention and safeguard corporate information confidentiality to avoid the need for premature disclosure.

All market-sensitive information is first notified to ASX and then promptly placed on the Company's website following receipt of confirmation from ASX. Before giving any new and substantive investor or analyst presentations, the Company releases a copy of the presentation materials to ASX.

Key periodic shareholder communications include the Company's Annual Report and its full-year and half-year financial results.

Copies of the final versions of all material ASX announcements are provided to the Board promptly after those announcements have been made.

The **Continuous Disclosure Policy** is available on the Company's website.

### 7.4 Electronic Communications

The Company also gives shareholders the option to receive communications from, and send communications to, the Company and its Share Registry, Computershare Limited (**Share Registry**), electronically.

The Company's Share Registry also allows shareholders to register to receive alerts on any Company ASX Announcements.



## 7.5 Annual General Meetings

The Board regards the Company's Annual General Meeting (AGM) as an important opportunity to communicate with shareholders and encourages shareholders to attend the AGM and participate by, exercising their voting rights, and asking questions of the Board.

The Board also encourages shareholders to submit any questions about the performance of the Company, so that these can be addressed before or at the AGM.

The Company's first AGM will be held on 19 November 2021 in Perth, Western Australia. For this first AGM, the Company has determined that a hybrid AGM will be held, enabling shareholders to participate via video webcast facilities. This improves access and participation for those who cannot attend in person.

All the directors are expected to attend the shareholder meetings, subject to any public gathering restrictions that may be in place at the time.

All substantive resolutions at shareholder meetings are decided by a poll rather than a show of hands.

### 1.1 Dividends Payable to Shareholders

Declaration of any dividend is at the Board's discretion, which is subject to future business conditions, available profits, franking credits and the financial position of the Company.

The Company expects to target the payment of dividends which, on an annual aggregate basis, are in the range of 30% to 50% of NPATA. The payment of dividends is anticipated to be paid every six months, with an interim dividend in March and a final dividend in September of each calendar year. The actual dividend payout ratio is expected to vary between periods depending on various factors, including those outlined above.

## ADDITIONAL INFORMATION

### Company Directory

DDH1 Limited – ABN 48 636 677 088  
Head Office - 21 Baile Road, Canning Vale, WA 6155  
Telephone: +618 9435 170

### General Enquiries

Website: [www.ddh1.com.au](http://www.ddh1.com.au)  
Email: [investor.relations@ddh1.com.au](mailto:investor.relations@ddh1.com.au)

### Whistleblower Services

DDH1 encourages anyone to report any concerns about actual or suspected wrongdoing and improper conduct and ensures confidentiality and protection is provided to those who do so. Disclosures may be made via our Whistleblower Service provide:

By Email: [ddh1whistleblower@deloitte.com.au](mailto:ddh1whistleblower@deloitte.com.au)

Online: [www.ddh1whistleblower.deloitte.com.au](http://www.ddh1whistleblower.deloitte.com.au)

### Share Registrar

Computershare Investor Services Pty Limited manages the Company's share register.

Telephone:  
Australia: 1300 558 062  
International: (+61 3) 9415 4631

Website: [www.computershare.com.au](http://www.computershare.com.au)



## **DDH1 Limited**

ABN 48 636 677 088

Head Office - 21 Baile Road, Canning Vale, WA 6155

Website: [www.ddh1.com.au](http://www.ddh1.com.au)

Telephone: +618 9435 1700