

# 20 21

Corporate Governance Statement



**PALADIN**

Clean energy. Clear future.



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The Board of directors of Paladin Energy Ltd (**Paladin** or **Company**) recognises the importance of its corporate governance framework in establishing accountabilities, guiding and regulating activities, monitoring and managing risks and optimising Paladin's performance.

Paladin, as a listed entity, must comply with the *Corporations Act 2001* (Cth), Australian Securities Exchange Listing Rules (**ASX LR**) and other Australian and international laws.

In accordance with ASX LR 4.10.3 this Corporate Governance Statement is aligned with the fourth edition Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council in February 2019 (**ASX Principles**). Paladin's Corporate Governance Statement can be found in the Corporate Governance section of the Investor Centre on its website at [www.paladinenergy.com.au](http://www.paladinenergy.com.au).

Paladin reviews and amends its corporate governance policies as appropriate to reflect the growth of the Company, current legislation and best practice. Paladin's website [www.paladinenergy.com.au](http://www.paladinenergy.com.au) includes copies or summaries of key corporate governance policy documents. The website also contains copies of all Board and Committee Charters.

This Corporate Governance Statement, dated 30 June 2021 and approved by the Board on 26 August 2021, outlines the key governance principles and practices of the Company which, taken as a whole, sets out the Company's governance framework.

## THE BOARD OF PALADIN ENERGY LIMITED



**Cliff Lawrenson**  
Chairman



**Peter Watson**  
Non-Executive Director



**Melissa Holzberger**  
Non-Executive Director



**Peter Main**  
Non-Executive Director



**Joanne Palmer**  
Non-Executive Director



## 1 ROLES AND RESPONSIBILITIES OF BOARD AND MANAGEMENT

### 1.1 Board Responsibility

The Paladin Board is responsible for:

- setting strategic direction;
- overseeing the Company's management and its business activities to ensure implementation of Paladin's strategic objectives;
- ensuring the Company is properly managed to protect and grow shareholder interests; and
- overseeing good governance practice, including instilling of the Company's values and performance generally.

The role of the Board is to oversee and guide the management of the Company with the aim of protecting and enhancing the interests of its shareholders, taking into account the interests of other stakeholders including employees, customers, suppliers and the wider community.

The Board operates under a Board Charter and the Company has a Code of Business Conduct and Ethics that applies to the Board which establishes guidelines for its conduct. The purpose of the Code of Business Conduct and Ethics is to outline our expectation that directors and officers will act honestly, responsibly, legally and ethically and in the best interests of the Company.

#### Key focus areas of the Board during the 2021 financial year included:

- Adoption of new sustainability commitments and values.
- Adoption of a new Paladin Constitution.
- Transformational fully underwritten A\$218.7M equity raise to redeem senior notes and reset capital structure.
- Appointment of Ms Melissa Holzberger and Ms Joanne Palmer as independent non-executive directors on 13 May 2021.
- Commencement of Paladin's trading on the US based OTCQX Market on 2 June 2021 to improve liquidity and provide greater US investor access.
- Establishment of a share sale facility to facilitate the sale of shares which constitute unmarketable parcels (less than A\$500).
- Appointment of General Manager Projects, General Manager Business Development & Marketing and General Manager Exploration.



## **1.2 The Roles of the Chairman and Chief Executive Officer**

The Chairman of the Board, Mr Cliff Lawrenson, is an independent, non-executive director. The Chairman is responsible for leadership of the Board, setting and implementing the Company's direction and strategy and promoting and overseeing the highest standards of corporate governance. The Chairman's responsibilities are separate from the Chief Executive Officer Ian Purdy (**CEO**), who has responsibility for the day to day management of the Company. The roles of the Chairman and CEO are defined in the Paladin Board Charter.

## **1.3 The Role of the Company Secretary**

Nathan Bartrop was appointed as the Company Secretary of the Company on 26 February 2021. The appointment and removal of a Company Secretary is a decision made by the Board. The Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board as well as being responsible for ensuring that Board procedures are complied with and that governance matters are met.

# **2 STRUCTURE AND COMPOSITION OF THE BOARD**

## **2.1 Board Composition and Expertise**

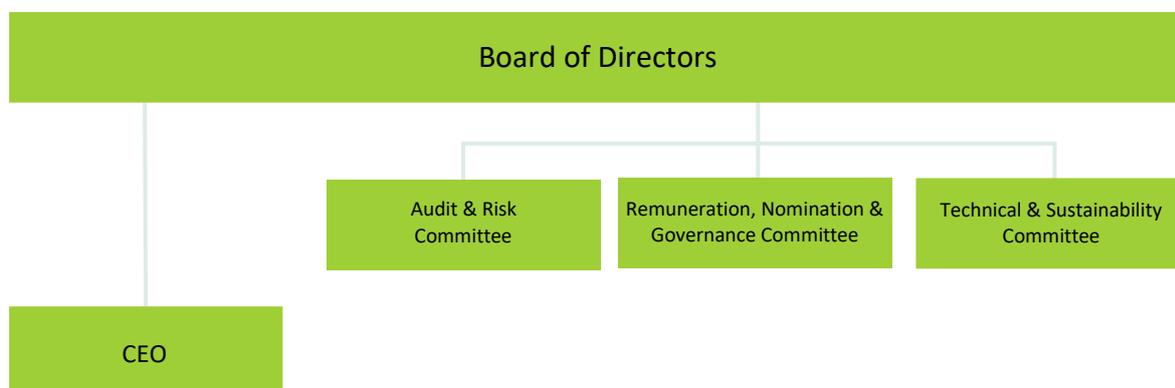
The composition of the current Board includes five independent non-executive directors. Paladin complies with Recommendation 2.4 of the ASX Principles, which recommends that a majority of Board members be independent. Directors are expected to bring independent view and judgement to the Board's deliberations.

The structure of the Board has evolved over time to reflect the changing needs of the Company to ensure an appropriate mix of skills and experience are available to oversee the growth of Paladin. Skill sets represented at Board level include leadership, legal and regulatory, financial, strategy, corporate governance, mining, international operations, risk management and sustainability.

Details of the directors, including their qualifications and date of appointment are set out on the following page. Detailed biographies of the directors as at 30 June 2021 are set out in the Company's 2021 Annual Report.



## PALADIN GOVERNANCE FY2021 FRAMEWORK



### Board Tenure and Qualifications

Name of Director	Term in Office	Qualifications
Cliff Lawrenson	Independent Chairman since October 2019	B.Com (Hons)
Peter Main	Independent Director since December 2019	B Bus.
Peter Watson	Independent Director since December 2019	B Eng (Hons), FIEAust, GAICD, RPEQ
Melissa Holzberger	Independent Director since May 2021	LLM Resources Law (Distinction) (Scotland) Dip. International Nuclear Law (Hons) (France) LLB BA GDLP FGIA GAICD
Joanne Palmer	Independent Director since May 2021	RCA, FCA (ICAEW), FCA (ICAA), GAICD, BSc Hons Mathematics & Statistics



## 2.2 Board Skills Matrix

Paladin has devised a Board skills matrix for each director to self-assess their skills and experience considered relevant to Paladin. The Board skills matrix set out below, describes the combined skills, experience and expertise presently represented on the Board.

Skills and Experience of the Chairman and Non-Executive Directors	Board Members
<p><b>Leadership</b> Experience in a senior management position in a listed company, large organisation or government body.</p>	
<p><b>Strategy</b> Experience in corporate planning, including identifying and analysing strategic opportunities, developing, implementing and delivering strategic objectives and monitoring performance against strategic objectives.</p>	
<p><b>Financial Acumen</b> Highly proficient in accounting or related financial management, understanding of financial statements and reporting.</p>	
<p><b>Sustainability</b> Understanding and experience in sustainability best practices to manage the impact of business operations on the environment and community, and expertise in community and stakeholder relations.</p>	
<p><b>Risk Management</b> Experience in identification, monitoring and management of material financial and non-financial risks and understanding, implementation and oversight of risk management frameworks and controls.</p>	
<p><b>International Operations</b> Experience in international business, trade and/or investment at a senior executive level and exposure to global markets and a range of different political, regulatory and business environments.</p>	
<p><b>Mining</b> Experience in advising mining or resources companies or as a senior executive in the mining industry.</p>	
<p><b>Corporate Governance</b> Experience in and commitment to the highest standards of corporate governance and includes experience as a director or senior executive in a listed company, large organisation or government body.</p>	
<p><b>Legal/Regulatory</b> Experience in the management and oversight of compliance with legal and regulatory requirements and/or experience in the development, implementation and review of regulatory and public policy, including professional experience working or interacting with government and regulators.</p>	
<p><b>Investor Relations</b> Experience in related shareholder and investor relationships.</p>	



### **2.3 Independence of the Chairman**

The Chairman is elected from the independent non-executive directors. The responsibilities of the Chairman are set out in the Board Charter on the Company's website [www.paladinenergy.com.au](http://www.paladinenergy.com.au).

### **2.4 Director Independence**

Directors are expected to bring views and judgement to Board deliberations that are independent of management and free of any interest, position, association, business or other relationship or circumstance that could materially interfere with the exercise of objective, independent judgement, having regard to the best interests of the Company as a whole.

### **2.5 Independent Advice**

The Board collectively, and each Director individually, has the right to seek independent professional advice, provided such advice is necessary for the Director to discharge his or her responsibilities as a Director of the Company, and subject to the consent of the Chairman.

### **2.6 Paladin Board Meetings**

The Board meets formally at least four times a year. Having regard to the COVID-19 pandemic, continuing Government restrictions and in the interests of the health and safety of shareholders, staff and other stakeholders, video conferencing facilities have been utilised to provide greater ease of communications at Board and Committee meetings.

### **2.7 Committees of the Board**

For the 2021 financial year, the Board had three standing Committees being the Audit & Risk Committee, the Technical & Sustainability Committee and the Remuneration, Nomination & Governance Committee.

Details of meeting attendance for members of each Committee are set out in Paladin's 2021 Annual Report.



For all meetings held during the 2021 financial year, the membership of each Board Committee was as follows:

<b>Committee</b>	<b>Members</b>	<b>Composition</b>
<b>Audit &amp; Risk Committee</b>	Peter Main (Chair) Cliff Lawrenson (Non-Executive Director) Peter Watson (Non-Executive Director)	<ul style="list-style-type: none"> <li>• Three or more non-executive directors</li> <li>• Members who between them have accounting and financial expertise and a sufficient understanding of the industries in which the Company operates, to be able to discharge the Committee's mandate effectively</li> <li>• A majority of independent non-executive directors</li> <li>• Chaired by an independent director who is not the chair of the Board</li> </ul>
<b>Technical &amp; Sustainability Committee</b>	Peter Watson (Chair) Ian Purdy (CEO) Jonathan Clements (GM, Projects and Development)	<ul style="list-style-type: none"> <li>• At least three members</li> <li>• Independent non-executive as Chair</li> <li>• CEO</li> <li>• Chaired by an independent director</li> </ul>
<b>Remuneration, Nomination &amp; Governance Committee</b>	Peter Main (Chair) Peter Watson (Non-Executive Director) Cliff Lawrenson (Non-Executive Director)	<ul style="list-style-type: none"> <li>• Three or more non-executive directors</li> <li>• A majority of independent non-executive directors</li> <li>• Chaired by an independent director</li> </ul>

The new Committee structure as set out on the next page was introduced in July 2021 in order to reflect Paladin's evolving needs and governance focus. In streamlining Committee functions non-financial risk and assurance are now assumed by the Audit & Risk Committee. The Audit & Risk Committee Charter has been amended to reflect these changes. Technical and sustainability risk are also addressed by management directly with the Board. It is anticipated that the status of the Committees will be reconsidered when the Company commits to a return to operations. The roles and responsibilities of each Committee member are set out in the respective Committee Charters which are available on the Corporate Governance page of the Company's website [www.paladinenergy.com.au](http://www.paladinenergy.com.au).



Committee	Members	Composition
<b>Audit &amp; Risk Committee</b>	Joanne Palmer (Chair) Peter Main (Non-Executive Director) Peter Watson (Non-Executive Director) Melissa Holzberger (Non-Executive Director)	<ul style="list-style-type: none"> <li>• Three or more non-executive directors</li> <li>• Members who between them have accounting and financial expertise and a sufficient understanding of the industries in which the Company operates, to be able to discharge the Committee's mandate effectively</li> <li>• A majority of independent non-executive directors</li> <li>• Chaired by an independent director who is not the chair of the Board</li> </ul>
<b>Remuneration &amp; Nomination Committee</b>	Peter Main (Chair) Peter Watson (Non-Executive Director) Joanne Palmer (Non-Executive Director)	<ul style="list-style-type: none"> <li>• Three or more non-executive directors</li> <li>• A majority of independent non-executive directors</li> <li>• Chaired by an independent director</li> </ul>

### 3 REMUNERATION & NOMINATION

#### 3.1 Appointment of New Non-Executive Directors

The Board, through the Remuneration & Nomination Committee, reviews the size and composition of the Board and the mix of existing and desired competencies annually. The Remuneration & Nomination Charter sets out the responsibilities of the committee.

If it is necessary to appoint a new director to fill a vacancy on the Board or to complement the existing Board, a wide potential base of possible candidates is considered, and external consultants are engaged to assist in the selection process if required.

The Remuneration & Nomination Committee assesses the qualifications of the proposed new director against the Board skills matrix and applies a range of criteria including experience, professional skills, personal qualities, the potential for the candidate's skills to augment the existing Board and the candidate's availability to commit to the Board's activities. Paladin also conducts appropriate background checks prior to the appointment of a new director. All directors are appointed under an engagement letter or contract which details the terms of their appointment.

In FY2021, management and the Board evaluated the current Board skillset and identified the need for two additional independent Directors. On 13 May 2021, two new independent Directors, Melissa Holzberger and Joanne Palmer were appointed. Ms Holzberger's extensive experience in legal, governance and compliance roles and Ms Palmer's experience within audit and financial services will broaden the Board's experience and expertise. These new appointments reflect the Paladin's commitment to maintaining the highest standards of governance.



### **3.2 Induction of New Non-Executive Directors and Ongoing Director Development**

New directors appointed to the Board participate in an induction program which includes provision of comprehensive written material regarding the Company such as:

- information on the financial, strategic and operational position of the Company;
- a comprehensive letter of appointment which sets out the Company's expectations on acceptance of the position;
- a written statement which sets out the duties, rights and responsibilities they undertake on becoming a director together with material detailing the operations, policies and practices of the Company;
- access to previous Board papers together with recent Annual Reports and interim financial statements; and
- access to insurance information and provision of a deed of indemnity, access and insurance.

Upon rotation of directors at each Annual General Meeting, all relevant information is provided to security holders within the Notice of Meeting including biographical details, other material directorships, term of office and independence of directors.

Paladin has developed a board skills matrix to assist in identifying any gaps in the collective skills of the Board for professional development and succession planning purposes. All directors are expected to maintain the skills required to discharge their obligations to the Company. The Board, through the Remuneration & Nomination Committee, periodically reviews the professional development needs of the directors. To assist the directors in maintaining an appropriate level of knowledge of the operations of the Company, it is proposed that every second year directors will undertake a site visit to the Langer Heinrich Mine in Namibia. Due to COVID and Government travel restrictions the next site visit is tentatively planned for FY2022/2023.

### **3.3 Notification of Interests and Treatment of Conflicts**

In accordance with the Company's Board Charter and Code of Business Conduct and Ethics (copies of which are available on Paladin's website) a director must fully and frankly inform the Board or the Chairperson, as soon as the director is aware of any conflict or potential conflict of interest which that director may have in relation to any particular matter or item of business. Unless decided otherwise by the other members of the Board, the director should be absent from discussion and decision on that matter. Directors must comply strictly with Corporations Act requirements and Board policy for the avoidance of conflicts. The Company Secretary maintains a register of all possible conflict of interests.

### **3.4 Board Performance Evaluation**

Improvement in Board processes and effectiveness is a continuing objective and the primary purpose of Board evaluation is to identify ways to improve performance. The Chairman is responsible for conducting an annual review of the Board performance. A Board performance review was not conducted during FY2021, however is expected to be completed during FY2022. The Board evaluation process involves completion of individual questionnaires focused on process, structure, effectiveness



and contributions. Responses to the questionnaires are collated and discussed by the Board and Committees and recommendations for improvement considered.

### **3.5 Remuneration and Evaluation of the Performance of Senior Executives**

The remuneration responsibility of the Remuneration, Nomination & Governance Committee is to assist the Board with respect to remuneration by reviewing and making appropriate recommendations on:

- remuneration packages of non-executive directors and senior executives; and
- employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Each senior executive (in their personal capacity) has a written contract with the Company, setting out the terms of his or her appointment, including remuneration entitlements and performance requirements.

The Trading in Company Securities Policy reflects the *Corporations Act 2001* prohibition on key management personnel and their closely related parties entering into any arrangement that would have the effect of limiting the key management personnel's exposure to risk relating to an element of their remuneration that remains subject to restrictions on disposal.

The policies and practices regarding remuneration and the remuneration paid to directors and senior executives are shown in the Remuneration Report, forming part of the Company's 2021 Annual Report. A copy of the Company's Performance Share Rights Plan as approved by Shareholders at the 2020 AGM is located on the Company's website.

During the reporting period both the CEO and CFO completed performance reviews.

### **3.6 Nomination, Succession Planning, Skills**

The nomination responsibility of the Remuneration, Nomination & Governance Committee is to assist the Board with respect to:

- reviewing the size and composition of the Board, including succession plans, to enable an appropriate mix of skills, experience, expertise and diversity to be maintained;
- assisting in the development and annual review of a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership;
- reviewing and making recommendations to the Board in relation to the process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, considering the role and capabilities required for a particular appointment;
- identifying, evaluating and making recommendations to the Board regarding potential candidates for appointment as a director;
- reviewing and making recommendations to the Board in relation to the induction and continuing professional development programs for directors; and
- developing the appropriate process for evaluation of the performance of the Board and its Committees, each non-executive director and the Chairperson of the Board.



## 4 GOVERNANCE POLICIES

Details of Paladin's corporate governance policies are summarised below:

### **Code of Business Conduct and Ethics**

All directors, officers and employees of the Company are required to comply with the Code of Business Conduct and Ethics (Code of Conduct). Managers are expected to take reasonable steps to ensure that employees, contractors, consultants, agents and partners under their supervision are aware of the Code of Conduct to foster an environment that encourages ethical behaviour and compliance with the Code of Conduct. The Board is informed of any material breach of the Code of Conduct.

### **Whistleblower Policy**

The Whistleblower Policy governs the process through which employees, and others, either directly or anonymously, can notify Paladin's Compliance Committee of potential violations or concerns. In addition, this Whistleblower Policy establishes a mechanism for responding to, and keeping records of, complaints from employees and others regarding such potential violations or concerns.

The purpose of this Policy is to help detect and address undesirable conduct, to allow employees and contractors to work in a supportive working environment, to provide information about who/where reports of unacceptable behaviour may be made to, and to provide protections for those who make the reports. The Board is informed of any material incidents reported under the Whistleblower Policy.

### **Diversity Policy**

Paladin is committed to workplace diversity and recognises the benefits of employee and board diversity arising from the recruitment, development and retention of a talented, diverse and motivated workforce. Paladin's aim is to be an employer of choice. Diversity within the Company means all the things that make individuals different to one another, including, but not limited to, gender, ethnicity, religion, culture, language, disability, age and marital status. It involves a commitment to equality and treating one another with respect.

### **Anti-Bribery & Corruption Policy**

The Company's Anti-Bribery & Corruption Policy is in place to ensure Paladin is run with integrity and honesty. All Paladin directors and employees are bound by the Policy and any breach of this Policy will be investigated, which may result in disciplinary action. All breaches are required to be recorded. The Policy sets out the responsibilities of Paladin personnel in upholding the Company's position on bribery and corruption and promotes the use of legitimate business practices. The Board is informed of any material breach of the Anti-Bribery & Corruption Policy.

### **Trading in Company Securities Policy**

Paladin's Trading in Company Securities Policy applies to all directors, employees, contractors, consultants and advisers. The Policy provides a brief summary of the law on insider trading and other relevant laws; sets out the restrictions on dealing in securities by people who work for, or are associated with Paladin; and is intended to assist in maintaining market confidence in the integrity of dealings in the company's securities. This Policy is in line with the ASX Listing Rules on trading policies and associated guidance.

All employees must apply for written acknowledgement, to gain authority to, whether in their own capacity or as an agent for another, subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any securities (ie. shares or options) in Paladin, its subsidiaries or related companies. The Policy for Trading in Company Securities prohibits entering into transactions which limit the economic risk of participating in the scheme.

### **Continuous Disclosure Policy**

Paladin is listed on the Australian Securities Exchange (**ASX**) and the Namibian Stock Exchange (**NSX**) and is required to comply with the listing rules of these exchanges. In addition, Paladin shares trade on the OTCQX market in the United States. Paladin believes that shareholder and market confidence is paramount and is committed to ensuring it complies with continuous disclosure obligations so that its investors have timely and equal access to important company information. All announcements are released to ASX, NSX and OTCQX and placed on the Company's website.



## 5 ETHICAL AND RESPONSIBLE BEHAVIOUR

Paladin's core values are integrity, respect, courage and community. All Paladin employees are expected to behave in a manner that is consistent with these values. The Company has implemented a variety of policies to ensure these core values are upheld in every aspect of business and all Paladin employees are expected to comply with these Company policies.

Paladin is committed to the core principle of delivering value through sustainable development. Paladin's values support every decision made, and Paladin proactively upholds key operating responsibilities to ensure the Company is considered and transparent in all aspects of its business. With these strong foundations, Paladin can focus on achieving economic, social and environmental sustainability in balanced and successful ways for all stakeholders.

### OUR VALUES



Integrity



Respect



Courage



Community

### OUR MISSION

RESOURCING A GLOBAL CARBON-FREE FUTURE





## Paladin's Sustainability Commitments

### Health, Safety and Wellbeing

- We put the health, safety and wellbeing of our workforce and all stakeholders at the forefront, with a positive culture of safety that underpins all our decisions and actions.

### People and Opportunity

- We value and respect all our people as central to what we do, embracing diversity and promoting equal opportunities to thrive and be recognised.

### Community and Social Investment

- We engage positively with local communities, actively listening and contributing to their social prosperity and development with integrity.

### Environmental Stewardship

- We protect the environment and work to minimise our impacts on it, achieving continuous improvements in sustainability practices and committing to support emission reductions to achieve the goals of the Paris Agreement on climate change.





## 6 INVESTOR ENGAGEMENT

Paladin strives to produce positive outcomes for all shareholders when managing its business and endeavours to maximise financial, social and environmental value from its activities and operations. In order to achieve this, the Company has a commitment to transparency, fair dealing, responsible treatment of employees and positive links to the community. The Company believes that shareholder value and performance maximization is derived from sustainable and responsible business practices within Paladin. Through such practices, Paladin seeks to reduce operational risks and enhance efficiency within the Company, while contributing to a more sustainable society.

Paladin recognises the importance of providing its shareholders and the broader investment community with access to up-to-date high-quality information.

### 6.1 Continuous Disclosure

Paladin takes its continuous disclosure responsibilities seriously and has a detailed Continuous Disclosure Policy in place, a copy of which is available on the Company's website [www.paladinenergy.com.au](http://www.paladinenergy.com.au)

Paladin believes that shareholder and market confidence is paramount and is committed to ensuring it complies with continuous disclosure obligations so that its investors have timely and equal access to important Company information.

Paladin has established a Disclosure Committee with the responsibility for the effective implementation of this Policy. The role of this Committee is provided in 7.2 below.

### 6.2 General Meetings

Paladin encourages shareholders to attend and participate at general meetings. Paladin provides an opportunity for shareholders to submit questions or comments in advance of the general meeting and where appropriate, these questions will be answered at the general meeting. As in previous years, decisions on all substantive resolutions at a general meeting will be decided by a poll. Notice of meetings are dispatched to all shareholders by post or email and are also placed on the Company's website.

### 6.3 Investor Communications and Participation

Paladin employs a range of communication methods, such as direct communication with investors and presentations to shareholders at the Company's AGM. Paladin's website contains all relevant company information, including the Company's Annual Report. This information can be found in the investors section of Paladin's website [www.paladinenergy.com.au/investors/](http://www.paladinenergy.com.au/investors/). The website also includes a facility to allow interested parties to subscribe to receive electronically, public releases and other relevant material concerning the Company. The registry also facilitates the ability to receive statements and communications electronically.



Paladin ensures it communicates effectively with its shareholders by:

- ensuring that financial reports are prepared in accordance with applicable laws;
- ensuring the disclosure of full and timely information about Paladin's activities in accordance with the continuous disclosure principles of the ASX LRs and the Corporations Act 2001. This includes reporting on a quarterly basis the cash flows, activities and prospects of the Company;
- the Chairman and the CEO reporting to shareholders at Paladin's AGM;
- placing all market announcements (including quarterly reports, financial reports and investor presentations) on Paladin's website immediately following release to the ASX, NSX and OTCQX;
- ensuring that all new or substantive investor presentations are disclosed to the ASX ahead of the presentation;
- offering an E-News subscription service; and
- ensuring that reports, notice of meetings and other shareholder communications are prepared in a clear and concise manner.

#### **Key activities in Paladin's investor engagement program include:**

- Paladin's Annual General Meeting usually held in November
- Regular releases of financial information, including half-year and full-year financial results and quarterly reports
- Maintenance of Paladin's website which contains up-to-date information on its investor relations activities including investor presentations and media engagement  
[www.paladinenergy.com.au/investors](http://www.paladinenergy.com.au/investors)
- Investor briefings with members of the domestic and international investment community
- Responding to shareholder queries

## **7 INTEGRITY OF FINANCIAL REPORTING**

### **7.1 Role of the Audit & Risk Committee**

The Audit & Risk Committee assists the Board in discharging its responsibilities to ensure that the Company complies with appropriate and effective accounting, auditing, internal control and compliance and reporting practices in accordance with the Audit & Risk Committee Charter.

The role of the Audit & Risk Committee is detailed in the Audit & Risk Committee Charter. The Audit & Risk Committee comprises a minimum of three members, all of whom are independent non-executive directors. The relevant qualifications and experience of the members of the Audit & Risk Committee can be found in their biographical information, which is included in the 2021 Annual Report.

The Audit & Risk Committee meets four times a year and at any other time requested by a Board member, Company Secretary or external auditor. The external auditors attend the meeting twice annually and on other occasions where circumstances warrant. At the discretion of the Chairman, having regard to the nature of the agenda, relevant members of management may be invited to attend meetings. The number of meetings of the Audit & Risk Committee during the reporting period and the attendance record is set out in the Directors' Report of the Paladin Annual Report 2021.



## **7.2 Role of the Disclosure Committee**

The Disclosure Committee is responsible for:

- ensuring that adequate processes and controls are in place for the identification of material information and the release of disclosable information;
- the review of material information and determining whether it must be disclosed; and
- overseeing compliance with relevant continuous and periodic disclosure requirements.

The current members of the Disclosure Committee are the CEO, Company Secretary and CFO. The Disclosure Committee will use the external auditor and legal counsel in an advisory capacity where appropriate. The Company Secretary is the convenor of the Committee and is responsible for the administration of the Continuous Disclosure Policy.

## **7.3 Role of the External Auditor**

Paladin's Audit & Risk Committee oversees the engagement of the external auditor. The effectiveness, performance and independence is reviewed annually by the Audit & Risk Committee. The Audit & Risk Committee will formalise a procedure and policy for the selection and appointment of a new auditor. The external auditor has been in office for 5 years, with the position being tendered in FY2021. The external auditors can meet with the Audit & Risk Committee without management present at any Audit & Risk Committee meeting.

## **7.4 Internal Audit**

The Company does not have an internal audit function. The Company does continue to review and assess its policies and procedures to ensure effective internal control processes and risk management controls as part of the annual audit. The Audit & Risk Committee has the ability to engage an independent audit assurance provider to provide reports on key focus areas should it choose to.

## **7.5 Attendance of External Auditor at Annual General Meeting**

The external auditor attends the Annual General Meeting and is available to answer questions from shareholders regarding:

- the conduct of the audit;
- the preparation and content of the auditor's report; and
- the independence of the auditor in relation to the conduct.

# **8 RISK MANAGEMENT AND INTERNAL CONTROL**

## **8.1 Approach to Risk Management**

Paladin's Risk Management Policy is the overarching document that provides the foundation which supports the framework and processes for the integration of risk management into the Company's business activities.

Paladin's Risk Management Policy was reviewed, updated and approved by the Paladin Board in July 2021.



In adhering to the Risk Management Policy, the Board and executive management ensure adequate resources are allocated to risk processes and activities and commit to maintain the currency of all risk management processes and ensure updates are communicated to stakeholders.

The purpose of the Policy is to:

- communicate the risk management principles upon which the Paladin's risk management framework is designed;
- confirm Paladin's commitment to maintaining a risk aware culture and embedding risk management practices within operations;
- detail roles and responsibilities relating to the identification and management of risk throughout the Group; and
- articulate the Group's minimum requirements in relation to risk management.

## 8.2 Risk Management Framework

This Risk Management Framework is the structure which supports and guides the processes by which risk is identified, assessed, managed, communicated and reported. It ensures that the risk management approach is holistic and coordinated, and aligns with Australian Standard AS/NZS ISO 31000:2018. The aim is to ensure early identification of risk, and to have appropriate controls either in place, or identified, to ensure Company strategies and objectives remain viable. By adopting a culture of actively managing risk, Paladin has made a commitment to the development and deployment of risk management and strives to enhance its corporate governance and business management processes.

Paladin's Risk Management Framework was reviewed, updated and approved by the Paladin Board in July 2021. Paladin's Risk Management Framework is reviewed annually.

The Company's risks are classified under the following key categories:

- **Exploration Risks** (Risks associated with exploration activities);
- **LHM Restart Risks** (Engineering Design & Costing, Construction, Start-up, Resources, Production, Operations);
- **Health, Safety Risks** (Health & Safety of staff and contractors);
- **Environmental Risks** (Environmental damage / impacts);
- **Financial Risks** (Cost & Profitability, Cashflow Management, Credit & Counterparty, Sales Volume, Funding);
- **Compliance Risks** (administrative, company secretary, regulatory compliance);
- **IT / Systems Risks** (IT / Systems, business continuity, data storage / access);
- **People and Capability Risks** (Recruitment, Retention, Succession);
- **External Market** (Risks associated with factors external to Paladin including customer relations, Contracts, Commodity Price, Currency);
- **Government / Regulatory Risks** (Global sentiment, Changes in Government, Regulatory Changes, Fiscal Changes).



### **8.3 Risk Management Roles and Responsibilities**

The Board is responsible for overseeing the Risk Management Framework and assigns accountabilities and responsibilities for the management of risk to the Audit & Risk Committee, the CEO, and executive management as set out in the below table.

The Audit & Risk Committee has been mandated to provide oversight of the Risk Management Framework. The Audit & Risk Committee's role is to provide assurance to the Board that risk is being managed effectively across the Company.

A copy of the Audit & Risk Committee Charter is available on Paladin's website [www.paladinenergy.com.au](http://www.paladinenergy.com.au) in the Corporate Governance Section.



Key Risk Management Oversight	Function
<p><b>Board</b></p>	<p>Sets the risk appetite for the Paladin Group. In July 2021, the Board approved the Group’s risk appetite framework for the FY2022 financial year.</p> <p>Reviews the Group’s risk management framework at least annually to satisfy itself that it continues to operate as intended and that the Group is operating with due regard to the risk appetite set by the Board.</p> <p>Reviews, approves and monitors the Group’s risk management systems, including internal compliance and control mechanisms.</p> <p>Approves and monitors the systems and policies to ensure integrity of budgets, financial statements and other reporting.</p>
<p><b>Chief Executive Officer and Chief Financial Officer</b></p>	<p>Provides a declaration to the Board regarding the half-year and full-year financial statements.</p> <p>Assesses and provides assurance to the Board that the Group’s financial and non-financial risk management and internal control systems are operating effectively in all material respects.</p>
<p><b>Audit &amp; Risk Committee</b></p>	<p>Reviews and assesses the Group’s processes which ensure the integrity of financial statements and reporting, and associated compliance with legal and regulatory requirements, including Accounting Standards.</p> <p>Reviews the qualifications, independence, performance and remuneration of, and relationship with, the Group’s external auditors.</p> <p>Oversees the internal controls, assurance, policies and procedures which the Group uses to identify and manage non financial risks. Reports any material risk issues to the Board.</p>
<p><b>Management</b></p>	<p>Implements and maintains risk management and internal control systems and reports any material risk issues to the Risk Coordinator.</p> <p>Prepares Risk Review Compliance Reports to provide the Audit &amp; Risk Committee with clear, concise and balanced reporting with reference to the risk appetite set by the Board.</p> <p>Contributes to a Quarterly Risk Report setting out key risks and the controls and processes implemented to mitigate these risks, the status of steps to address any risk issues and early indicators, trends and emerging risks.</p> <p>Reports to the Board on the adequacy of the systems and processes in place to manage material business risks.</p>



## 9 INCLUSION AND DIVERSITY

### 9.1 Diversity Policy

The Company has a Diversity Policy, which can be found on its website [www.paladinenergy.com.au](http://www.paladinenergy.com.au) on the Corporate Governance page which documents Paladin's commitment to workplace diversity and recognises the benefits of employee and Board diversity arising from the recruitment, development and retention of a talented, diverse and motivated workforce.

Responsibility for review of all matters contained within the Diversity Policy rests with the Board as a whole and is reflected accordingly in its Charter.

In relation to the recent appointment of Ms Holzberger and Ms Palmer, the Board has achieved 40% female representation this year which is over and above the 30% recommendation for ASX 200 listed companies. The Company has committed to maintain a composition of no less than 30 per cent female representation on the Board.

#### 2020 – Proportion of women in roles in the Paladin Group

	Perth	LHM	Group
<b>Board</b>	0%	0%	0%
<b>Senior Management*</b>	33%	50%	33%
<b>Management</b>	17%	0%	10%
<b>Professional</b>	75%	0%	75%
<b>Other</b>	100%	13%	36%
<b>Total</b>	<b>42%</b>	<b>12%</b>	<b>26%</b>

#### 2021 – Proportion of women in roles in the Paladin Group

	Perth	LHM	Group
<b>Board</b>	40%	0%	22%
<b>Senior Management*</b>	33%	50%	40%
<b>Management</b>	0%	0%	0%
<b>Professional</b>	60%	0%	60%
<b>Other</b>	100%	13%	36%
<b>Total</b>	<b>50%</b>	<b>11%</b>	<b>30%</b>

*\*Senior Management means key management personnel excluding non-executive directors of the Company*

#### Measurable Objectives

- Report annual data across the Company on diversity in the workforce.
- Develop and implement flexible working arrangements to support employees' personal or family commitments whilst continuing in employment.
- For any further Board appointments, the skills matrix and diversity forms a key part of the selection criteria.



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