



NEW CENTURY
RESOURCES

Corporate
Governance
Statement
FY21

Current to 27 October 2021



Overview of Governance

The Board of New Century Resources Limited (**New Century** or the **Company**) considers that a strong corporate governance framework and culture translates to a strong company that delivers value for its shareholders.

New Century's Directors and Management are committed to conducting business in an ethical, fair and transparent manner in accordance with high standards of corporate governance.

The corporate governance structures and practices at New Century follow the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles**) and unless otherwise stated, comply with the ASX Principles.

1. Board of Directors

1.1 Role and responsibilities

The Board of Directors is responsible for guiding and monitoring New Century's business and activities on behalf of shareholders, by whom they are elected and to whom they are accountable.

The Board is responsible for, and has the authority to determine all matters relating to the strategic direction, policies, practices and objectives for the management and operation of the Company.

In carrying out its responsibilities and exercising its powers, the Board at all times recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of New Century's shareholders, employees and stakeholders.

The Board charter underpins the strategic guidance and management oversight provided by the Board and defines the division of responsibility between the Board and Management by formal delegation and a framework of Board reserved powers.

In addition to the matters expressly required by law, the specific responsibilities of the Board include:

- setting the cultural tenor of the Company;
- overseeing the management of safety, occupational health and environmental matters;
- overseeing the Company, including its control and accountability systems;
- appointment, evaluation, rewarding and removal of the Managing Director, the Company Secretary and senior executives;
- in conjunction with members of the senior management team, to develop corporate objectives, strategies and operational plans and to approve and appropriately monitor new investments, major capital and operating expenditures, use of capital, acquisitions, divestments and major funding activities;
- establishing appropriate levels of delegation to the Managing Director to enable effective management of the business;

- monitoring actual performance against planned performance and reviewing operating information at a requisite level;
- review and approval of the Group's annual budget;
- identifying areas of significant business risk and ensuring that the Company is appropriately positioned to manage those risks;
- satisfying itself that the financial statements of the Company for any relevant period fairly and accurately set out the financial position and financial performance of the Company;
- satisfying itself that there are appropriate reporting systems and controls in place to provide assurance that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;
- ensuring that appropriate internal and external audit arrangements are in place and operating effectively;
- having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the Company's Code of Conduct; and
- reporting accurately to shareholders, on a timely basis.

The Board may not delegate its overall responsibility for the matters listed above, which it has designated as matters reserved for Board. However, the responsibility for the day-to-day operation and administration of the Company is delegated by the Board to the Managing Director.

The Board also monitors compliance with the Company's policies in areas such as health and safety, environment, business ethics, internal control and risk management. These policies are designed to ensure that New Century meets or exceeds the regulatory requirements and community expectations governing its operations.

The Board charter is available at the Corporate Governance section of the Company's website (www.newcenturyresources.com/corporate-governance/).

1.2 Board composition

New Century is committed to ensuring that the composition of the Board includes Directors who, as a whole, possess the diversity of skills and experience required to fulfil the roles and responsibilities of the Board.

The Board is currently comprised of five Directors, four of whom are Non-Executive Directors.

Non-Executive Directors	Independent	Appointed	Gender
Robert McDonald – Chairman	Yes	17 July 2019	Male
Nick Cernotta	Yes	28 March 2019	Male
Kerry Gleeson	Yes	30 November 2020	Female
Peter Watson	Yes	22 January 2018	Male

Executive Director	Independent	Appointed	Gender
Patrick Walta – Managing Director	No	13 July 2017	Male

Details of the qualifications and experience of the current Directors and prior Directors are set out in the 2021 Annual Report.

Skills and experience

In considering the composition of the Board, the Directors consider the appropriate characteristics required to maximise its effectiveness and the blend of skills, knowledge and experience necessary for the present and future needs of the Company.

The Board believes that having a range of skills, backgrounds and experience enables a broad range of viewpoints, which facilitates effective governance and decision making.

The Board's Remuneration and Nomination Committee has primary responsibility for conducting assessments of the current mix of skills and experience of Directors, taking into account the business and strategic needs of the Company, as well as the broader succession planning issues for both the Board and management.

A summary of the current skills matrix for the Chairman and three Non-Executive Directors is set out below, with the number of Directors having expertise in each field noted.

The Board considers that it has the requisite competency in all of the below areas.

Board Skills Matrix	Directors
Executive leadership Evaluating senior management, overseeing strategic human capital planning, industrial relations, organisational change management programmes and sustainable success in business at a senior level.	   
Finance, commerce and accounting Financial accounting and reporting, internal financial and risk controls, corporate finance and restructuring corporate transactions.	   
Legal, regulatory and policy Management and oversight of legal and regulatory requirements and/or skills in the development, implementation and review of regulatory and public policy, including professional skills working with or interacting with government and regulators.	   
Environmental, Social and Governance (ESG) Experience in integrating ESG principles into company decision-making, identifying key issues and developing appropriate policies.	   
Strategy Identifying and critically assessing strategic opportunities and threats to the organisation and, developing and implementing successful strategies in context to an organization's policies and business objectives.	   
Health and safety Experience in implementing health and safety strategies, proactive identification and prevention of health and safety risks. Previous or current member of another company's health and safety committee (at least 3 years).	   
Environment and community Experience in implementing environmental and community strategies, proactive identification and prevention of environment and community risks. Previous or current member of another company's environmental and community committee (at least 3 years).	   

Board Skills Matrix	Directors
Human Resources and workplace relations Skills in succession planning, remuneration and talent management. Previous or current member of another company's remuneration and nomination committee (at least 3 years).	
Major projects / construction Contract negotiations, project management, projects involving large-scale outlays and projects with long-term investment horizons.	
Capital markets Expertise and commitment to sustainability initiatives, social responsibility, and investor engagement.	
Technical skills in resources Technical understanding of geology, mining engineering, processing or logistics/marketing.	
Technical skills in business Skills in deal making, negotiations or takeover responses with sound business judgement.	
Mining Experience in advising mining or resources companies or as a senior executive in the mining or resources sectors.	
Previous board experience Serving on boards of varying size and composition, in varying industries and for a range of organisations (at least 3 years).	
Risk management and compliance Applying broad based risk management frameworks, identifying key risks related to key areas of operations, monitoring risk and compliance.	

The Board also considers that the personal attributes required of all Directors include integrity and ethics, effective listening and communication skills, to be a contributor and a team player, demonstration of commitment and critical and innovative thinking.

1.3 Independence

Directors are expected to bring independent views and judgement to bear on the Board's deliberations. The Board recognises the special responsibility of Non-Executive Directors for monitoring management and providing independent views.

Based on the guidelines in the ASX Principles, to be independent a director should be a non-executive and:

- not have been, within the last three years, employed in an executive capacity by the Company or any of its subsidiaries (the **Group**);
- not receive performance-based remuneration (including options or performance rights) from, or participate in an employee incentive scheme of, the Company;
- not have been, within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with any member of the Group, or an officer of, or otherwise associated with, someone with such a relationship;
- not be, or represent, a substantial holder of the Company or not have been, within the last three years, an officer or employee of, or professional adviser to, a substantial holder of the Company;

- not have close personal ties with any person who falls within any of the categories described above; or
- not be a director of the Company for such a period that their independence from Management and substantial holders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the Board to determine whether it might interfere, or reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole, rather than in the interests of an individual security holder or other party.

It is noted that options issued to Nick Cernotta in the 2019 financial year and to Robert McDonald in the 2020 financial year are subject to a price hurdle and, as such, could be viewed as a performance-based remuneration. The purpose of issuing these options at the time was to:

- attract high calibre individuals to ensure that the Company has a skilled and experienced Board;
- ensure that the Non-Executive Director is committed to the Company's long-term aspirations by virtue of accepting such options; and
- preserve cash holdings in the most effective way possible.

The Board has assessed the materiality of the options issued by reference to Nick Cernotta's and Rob McDonald's personal circumstances (rather than by applying general materiality thresholds) and does not consider these interests to be material, nor that they interfere with either Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole.

The Board has determined that, in respect of the 2021 financial year, Nick Cernotta, Kerry Gleeson, Rob McDonald and Peter Watson were free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party. The majority of the Board is therefore considered independent.

The Board assesses the independence of all Directors upon appointment and otherwise on an annual basis. Each Director is required to immediately inform the Company of any fact or circumstance which may affect, or be perceived to affect, the Director's independence.

1.4 Director appointment and induction

All new Non-Executive Directors are required to sign a letter of appointment that sets out the key terms and conditions of their appointment including, duties, rights and responsibilities, the time commitment envisaged and the Board's expectations regarding involvement with Committee work. New Directors must also participate in a formal induction program which includes site visits, one-on-one meetings with senior executives and the provision of relevant induction materials. The induction materials and discussions include information on the Company's strategy, culture

and values, key corporate and Board policies, the Company's financial, operational and risk management position, the rights and responsibilities of Directors, the role of the Board and its committees and meeting arrangements.

All Directors are expected to maintain the skills required to discharge their obligations to the Company, including undertaking continuing education and relevant training. The Company periodically reviews existing Directors' need to undertake personal development to maintain the skills and knowledge required to perform their roles effectively.

The Company undertakes appropriate background checks before appointing a Director or senior executive and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

1.5 Company Secretary

The Company Secretary is accountable directly to the Board through the Chairman on all matters to do with the proper functioning of the Board. The Company Secretary is appointed and removed by the Board.

The Company Secretary is also responsible for ensuring compliance with Board procedures and advising the Board on governance matters.

All Directors have access to the Company Secretary for advice and support services as required. In addition to these responsibilities, the Company Secretary is responsible for oversight of the share registry services provided by Automic Registry Services.

The Company Secretary's experience and qualifications are set out in the 2021 Annual Report.

1.6 Diversity

The Company is committed to actively managing diversity as a means of enhancing the Company's performance by recognising and utilising the contribution of diverse skills and talent from its Directors, officers and employees.

Diversity involves recognising and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives, including persons with co-existing domestic responsibilities. Diversity may result from a range of factors including age, gender, ethnicity, cultural background or other personal factors. The Company values the differences among its people and the contribution these differences make to the Company.

It is the responsibility of the Board to foster an environment where:

- individual differences are respected;
- the ability to contribute and access employment opportunities is based on performance, skill, experience and merit; and
- inappropriate attitudes, behaviours and stereotypes are confronted and eliminated.

The Company seeks to achieve diversity in employment, and in the composition of its Board, as a means of ensuring the Company has an appropriate mix of skills, experience and talent to conduct its business and achieve the Company's goals.

Specifically, the Company provides equal opportunities in respect to employment and employment conditions, including:

- **Hiring:** the Company uses selection criteria based on diverse skills, experience and perspectives are used when hiring new staff, including Board members. Job specifications, advertisements, application forms and contracts must not contain any direct or inferred discrimination.
- **Training:** internal and external training opportunities are available to employees based on merit and with regard to Company and individual needs. The Company supports employee training and mentoring programs to develop the skills and experience of employees to prepare them for promotion and senior management positions.
- **Career Advancement:** all decisions associated with career advancement, including promotions, transfers, and other assignments, must meet the Company's needs and be determined on skill, experience and merit.

The Company has set a goal of improving gender diversity amongst its employees and Board of Directors on a year-on-year basis.

The proportion of women employed by the Company as at 30 June 2020 and 30 June 2021 is set out below.

	30 June 2020	30 June 2021
Board of Directors	0%	20%
Senior executives (being manager level and above)	10%	11.1%
Company	8%	10.3%

The Company's Diversity Policy can be accessed at the Corporate Governance section of the Company's website (www.newcenturyresources.com/corporate-governance/).

1.7 Evaluating Board and senior executive performance

The Board has a process for periodically evaluating its performance, as well as the performance of its Committees and individual Directors. The evaluation and self-assessment generally take the form of an internal process facilitated by the Chairman. In 2021, this involved a questionnaire completed by each of the Directors and the Executive team. After consulting each Director and the Company Secretary, the Chairman reports a summary of the findings to all Directors for discussion at the next Board meeting where relevant actions are agreed.

The Chairman facilitated an evaluation of the Board in 2021 obtaining feedback from the Directors on the performance and processes of the Board and its Committees.

The Board has a formal policy with regard to the evaluation of performance which is available through the Corporate Governance section of the Company's website (www.newcenturyresources.com/corporate-governance/).

The Board reviews the performance of the Managing Director annually. At the commencement of each financial year, the Board and the Managing Director agree a set of Company specific performance measures for the forthcoming year. These generally include:

- financial measures of the Company's performance;
- key operational goals and strategic objectives;
- development of management and staff; and
- compliance with legal and governance requirements.

The Managing Director is responsible for evaluating the performance of the senior executives within the Company. This is performed through an annual process involving the setting of key performance objectives with each senior executive and assessment at the end of each financial year.

An annual performance evaluation of the Managing Director and senior executives was undertaken in 2021. Details of how the performance evaluation process is undertaken by the Board in respect of the Managing Director and Executive Key Management Personnel are set out in the Company's Remuneration Report.

There is also a separate written agreement between the Company and each of its senior executives relating to their respective responsibilities and duties to the Company.

2. Board Committees

New Century has a structured governance framework that delegates consideration of specific matters to nominated Committees of the Board. The Committees are responsible for providing robust oversight and challenge, and for supporting management in the execution of the business strategy.

2.1 Audit and Risk Committee

The Audit and Risk Committee is appointed by the Board and comprised of three Non-Executive Directors, all of whom are independent. The Committee is chaired by Peter Watson. The Company's Chief Financial Officer, Managing Director and General Counsel & Company Secretary, the external auditor and the internal auditor are invited to attend all meetings.

The Audit and Risk Committee is governed by a charter which sets out the role and terms of reference of the Committee and is reviewed regularly, including in 2021. The charter is available at the Corporate Governance section of the Company's website (www.newcenturyresources.com/corporate-governance/).

The Committee provides a formal structure for reviewing New Century's financial statements, accounting policies, control systems, risk management practices and taxation issues and for liaison with the external and internal auditors. The Committee also reviews the adequacy of internal and external audit arrangements.

Details of the qualifications and experience of the members of the Audit and Risk Committee, the number of times the Committee met throughout the year and the

individual attendances of the members at those meetings are set out in the 2021 Annual Report.

2.2. Remuneration and Nomination Committee

The Remuneration and Nomination Committee is appointed by the Board and comprised of three Non-Executive Directors, all of whom are independent. The Committee is chaired by Nick Cernotta.

The Remuneration and Nomination Committee is governed by a charter which sets out the role and terms of reference of the Committee and is reviewed regularly. A summary of the objectives of the Remuneration and Nomination Committee and the policies and practices of the Company regarding the remuneration of Non-Executive Directors, the Managing Director and senior executives is set out in the Remuneration Report.

The charter is available at the Corporate Governance section of the Company's website (www.newcenturyresources.com/corporate-governance/).

Details of the qualifications and experience of the members of the Remuneration and Nomination Committee, the number of times the Committee met throughout the year and the individual attendances of the members at those meetings are set out in the 2021 Annual Report.

2.3 Environmental, Social and Governance Committee

The Environmental, Social and Governance (ESG) Committee is appointed by the Board and comprised of three Non-Executive Directors, all of whom are independent. The Committee is chaired by Kerry Gleeson.

The ESG Committee is governed by a charter which sets out the role and terms of reference of the Committee and is reviewed regularly. The Committee provides a formal structure to further support the Company's ESG performance and initiatives for improvement.

The charter is available at the Corporate Governance section of the Company's website (www.newcenturyresources.com/corporate-governance/).

Details of the qualifications and experience of the members of the ESG Committee, the number of times the Committee met throughout the year and the individual attendances of the members at those meetings are set out in the 2021 Annual Report.

3. Business ethics and integrity

New Century's commitment to doing business with integrity and honesty is built on its values, the professionalism of its employees and a collective determination to act with integrity, accountability and transparency at all times.

The Board has adopted a Code of Conduct, Securities Trading Policy, Social Media Policy, Whistleblower Policy, Anti-Bribery and Corruption Policy, Continuous Disclosure Policy and Shareholder Communication Policy (**Code and Policies**),

which detail frameworks for acceptable corporate behaviour. There were no material breaches of the Code and Policies during the financial year.

The Code and Policies are subject to periodic review and can be accessed on the Company's website (www.newcenturyresources.com/corporate-governance/).

3.1 Code of Conduct

The Code of Conduct aims to encourage the appropriate standards of conduct and behaviour by the Directors, senior executives and employees (collectively called the **Employees**) of the Company.

Employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

The general principles of the Code are:

- Employees of the Company must act honestly, in good faith and in the best interests of the Company as a whole.
- Employees have a duty to use due care and diligence in fulfilling the functions of their position and exercising the powers attached to their employment.
- Employees must recognise that their primary responsibility is to the Company's shareholders as a whole.
- Employees must protect the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company.
- Employees must not take advantage of their position for personal gain, or the gain of their associates.
- Directors have an obligation to be independent in their judgements.
- Confidential information received by Employees in the course of their duties remains the property of the Company. Confidential information can only be released or used with specific permission from the Company.
- Employees have an obligation, to comply with the spirit as well as the letter, of the law and with the principles of this code.

The following additional comments apply to Directors of the Company to ensure Directors have a clear understanding of the Company's expectations of their conduct:

- **Fiduciary duties**
All Directors have a fiduciary relationship with the shareholders of the Company. A Director occupies a unique position of trust with shareholders, which makes it unlawful for Directors to improperly use their position to gain advantage for themselves.
- **Duties of Directors**
Each Director must endeavour to ensure that the Company is properly managed to protect and enhance the interests of all shareholders. To this end, Directors must devote sufficient time and effort to understand the Company's operations.

Directors should ensure that shareholders and the ASX are informed of all material matters which require disclosure and avoid or fully disclose conflicts of interest.

- **Conflict of interest**

At all times, a Director must be able to act in the interests of the Company. Where the interests of associates, the personal interest of a Director, or a Director's family may conflict with those of the Company, then the Director must immediately disclose such conflict and either:

- (i) eliminate the conflict, or
- (ii) abstain from participation in any discussion or decision-making process in relation to the subject matter of the conflict.

Executive Directors must always be alert to the potential for a conflict of interest between their roles as executive managers and their fiduciary duty as Directors.

- **Insider trading**

Information concerning the activities or proposed activities of the Company, which is not public, and which could materially affect the Company's share price, must not be used for any purpose other than valid Company requirements.

3.2 Securities Trading Policy

The shares of New Century Resources Limited are listed on the ASX.

The Board has implemented a policy for the Company that outlines:

- when Employees of the Company may deal in the Company's securities;
- when Employees of the Company may deal in securities of another publicly traded entity (because they may obtain inside information about another entity's securities while performing their duties for the Company); and
- procedures to reduce the risk of insider trading.

Any grant of securities under the Company's employee share plans is subject to, and conditional upon, compliance with the terms of the Securities Trading Policy and an express prohibition on hedging or limiting of exposure to economic risk in relation to such securities.

3.3 Whistleblower Policy

New Century strives to create an environment that reflects its values and protects its people, its business and its stakeholders. A Whistleblower Protection Policy has been adopted by the Board to ensure concerns regarding unacceptable conduct including breaches of the Company's Code of Conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment.

The purpose of this Policy is to:

- promote responsible whistleblowing about issues where the interests of others, including the public, or of the organisation itself, are at risk;
- identify when and how a person can become eligible for whistleblower protections under Australian whistleblower laws;
- set out the requirements for the management and investigation of any reports of improper conduct.

Employees are encouraged to report any conduct (whether actual or potential) which:

- represents a danger to the public;
- breaches a material part of a policy or code of the Group;
- constitutes dishonest, fraudulent, illegal or corrupt activity, including bribery or tax-related offences;
- constitutes theft, drug distribution, sale or use, violence, assault, intimidation or criminal damage to property;
- constitutes harassment, discrimination, victimisation or bullying;
- is potentially damaging to the Group, its Employees or a third party such as unsafe work practices, environmental damage, health risks or abuse of the Company's property or resources;
- may cause the Company financial loss, damage its reputation or be otherwise detrimental to the Company's interests;
- concerns retaliation or threatened retaliation against an Employee or another person because the that person has made, may make or is suspected of making a report under this Policy; or
- indicates any other misconduct or an improper state of affairs or circumstances in relation to the Company.

The Board is informed of any material incidents reported under this Policy. In addition, management is required to provide reports containing a general summary of the number and type of incidents identified, or complaints received, under this Policy to the Audit and Risk Committee and the Board.

3.4 Anti-Bribery and Corruption Policy

New Century is committed to operating its business free from bribery and corruption, in accordance with high standards of ethical behaviour and in compliance with the laws and regulations of the jurisdictions in which it operates.

The purpose of the Anti-Bribery and Corruption Policy is to articulate the processes and behaviours by which Employees must operate to mitigate the risk of any potential or perceived bribery and corruption in connection with the execution of the Group's activities.

Any breach of this Policy is to be reported directly to the General Counsel & Company Secretary, Managing Director or Chairman, as appropriate. Material breaches of this Policy must be reported to the Board.

3.5 Social Media Policy

New Century has implemented a Social Media Policy to regulate the use of social media by people associated with New Century and its subsidiaries. The Policy covers the use of electronic media for engagement within and between the Company and the market by Employees of the Group.

To preserve the reputation and integrity of New Century and its subsidiaries, the Social Media Policy applies to the wide range of technology platforms which fundamentally are no different to other forms of communication but do represent a risk (as well as an opportunity) because they can connect large numbers of people with relative ease. The rationale for the Social Media Policy is to manage the risks associated with the use of technology platforms of this nature.

The Policy outlines requirements for compliance with confidentiality, governance, legal, privacy and regulatory parameters when using social media to conduct Company business.

3.6 Continuous Disclosure Policy

The Company's Continuous Disclosure Policy is designed to ensure that procedures are in place so the ASX is properly informed of matters which may have a material impact on the price at which the Company's securities are traded.

The Company is committed to:

- complying with the general and continuous disclosure principles contained in the Corporations Act and the ASX Listing Rules;
- preventing the selective or inadvertent disclosure of material price sensitive information;
- ensuring shareholders and the market are provided with full and timely information about the Company's activities;
- ensuring that all market participants have equal opportunity to receive externally available information issued by the Company.

The Policy requires that any written materials containing new price-sensitive information to be used in briefing media, institutional investors or analysts are lodged with ASX prior to the briefing commencing. Upon confirmation of receipt by ASX, the briefing material will be posted to the Company's website. The Board receives copies of all material market announcements promptly after they have been made.

3.7 Shareholder Communication Policy

The Company recognises the value of providing current and relevant information to its shareholders and the general investment community.

The Managing Director and Company Secretary have the primary responsibility for communicating with shareholders.

Information is communicated to shareholders through:

- continuous disclosure to the ASX of all material information;
- periodic disclosure through the annual report, half-year financial report and quarterly reporting of exploration, production and corporate activities;
- notices of meetings and explanatory materials;
- the Annual General Meeting; and
- the Company's website at www.newcenturyresources.com.

The Company is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market. The Company encourages shareholders to communicate with both the Company and the share registry electronically.

Apart from its compliance with its mandatory continuous disclosure obligations, the Company takes steps to ensure that its shareholders and other stakeholders are kept informed. Full advantage is taken of the Annual General Meeting to inform shareholders of current developments and to give them the opportunity to ask questions. The Company's external auditor attends the Annual General Meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. Shareholders who are unable to attend meetings are encouraged to appoint a proxy to vote either as they direct or at their discretion.

The Company conducts voting on all resolutions at shareholder meetings by poll, rather than by a show of hands.

4. Risk management practices

Effective assurance and risk management practices help New Century to achieve its strategic objectives, enable compliance with its legal obligations and protect the best interests of the Company and its shareholders.

4.1 Integrity of Reporting

The Board and management have established controls that are designed to safeguard the Company's interests and the integrity of its periodic corporate reporting. These include accounting, financial reporting, safety, and other internal control policies and procedures which are directed at monitoring whether the Company complies with regulatory requirements and community standards.

In accordance with the Company's system of internal sign-offs prior to approval of its financial statement for a relevant period, both the Managing Director and the Chief Financial Officer provide declarations to the Board that, having made appropriate enquiries, in their opinion:

- the financial records of the Group have been properly maintained;
- the financial statements of the Group comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group; and
- the opinion has been formed on the basis of a sound system of risk management and internal control that is operating effectively.

These declarations were received by the Managing Director and the Chief Financial Officer in respect of the Company's half year ended 30 December 2020 and full year ended 30 June 2021.

In addition, comprehensive practices have been adopted to require that:

- capital expenditure, transaction and other commitments above a certain quantum obtain Managing Director and Board approval (as required under the Company's formal delegation of authority); and
- business transactions are properly authorised and executed.

The Company's full year financial statements are subject to an external audit by an independent auditor who also reviews the Company's half year financial statements.

New Century currently engages Deloitte as its independent external auditor. In accordance with statutory requirements, the lead partner on the Company's audit is required to rotate at the completion of a five-year term. The lead partner also attends the Company's Annual General Meeting and is available to answer questions from shareholders relevant to their audit of the Company. The Audit and Risk Committee is responsible for overseeing the audit process on behalf of the Board.

4.2 Risk identification and management

The Board has established policies for the oversight and management of material business risks and internal controls.

The Audit and Risk Committee oversees the policies, internal controls and procedures that the Company uses to identify business risks, manage those risks and enable compliance with relevant regulatory requirements. The design and implementation of the risk management and internal control systems to manage the Company's material business risks is the responsibility of Management.

The Board has adopted the following key elements for the oversight and management of material business risks:

- The Audit and Risk Committee reviews the Company's risk management policy and framework on an annual basis to seek to ensure that it remains sound. The Committee undertook such a review in the 2021 financial year.
- The Company's risk register, containing material financial and non-financial risks, is systematically and formally reviewed by the Board and/or the Audit and Risk Committee, the Company's management team and each of the key business and functional units within the Company on (at least) an annual basis.
- Each of the key identified risks is then systematically reviewed by the Company's management team during the year to seek to ensure controls remain sound and improvement actions are progressed. The results of these risk reviews are then reported to the Audit and Risk Committee which is tasked with oversight of the relevant risks.
- Formal risk reporting is provided to the Board on an ongoing basis.

More information on the Company's business risks, including any material exposure to economic, environmental and social sustainability risks, is set out in the Operating and Financial Review section of the Annual Report.

In the 2021 financial year the Company established an internal audit function. The annual internal audit program has been determined by the Audit and Risk Committee and is executed by a third-party expert which reports back to the Committee on its assessment of the Company's control environment.

4.3 Corporate Sustainability

The nature of the Company's activities means that it has a material exposure to environmental and social risks. The Company takes its environmental and social responsibilities very seriously and has rigorous management systems in place to mitigate risks associated with health, safety, environment and community, including standards for asset reliability and integrity, as well as technical and operational competency and requirements.

The Board and management are committed to ensuring that the Company's operations reflect sustainable business practices. The Board acknowledges that proper management of the Company's financial, environmental and social impacts is fundamental to the success and well-being of the business and its stakeholders.

The Board has a process whereby the Directors receive a report on current safety, environmental and sustainability issues and performance at each Board meeting. This is supported by the Company's remuneration framework that links part of senior executives' incentive award opportunities to the achievement of appropriate safety, environmental and sustainability targets.