

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Atrum Coal Limited

ABN/ARBN

27 153 876 861

Financial year ended:

31 December 2022

Our corporate governance statement¹ for the period above can be found at:²

- ☐ These pages of our annual report:
- ☒ This URL on our website: <https://www.atrumcoal.com/about-atrum/corporate-governance/> and attached.

The Corporate Governance Statement is accurate and up to date as at 28 April 2023 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 28 April 2023

Nova Taylor

Company Secretary

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

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

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

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	☒ and we have disclosed a copy of our board charter at: https://www.atrumcoal.com/about-atrum/corporate-governance	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “insert location” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate governance/charters/”).

⁵ If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	☐ and we have disclosed a copy of our diversity policy at: [insert location] and we have disclosed the information referred to in paragraph (c) at: [insert location] and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.	☒ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☒ and we have disclosed the evaluation process referred to in paragraph (a) at: Set out in our Corporate Governance Statement. and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: Set out in our Corporate Governance Statement.	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☒ and we have disclosed the evaluation process referred to in paragraph (a) at: Set out in our Corporate Governance Statement. and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: Set out in our Corporate Governance Statement.	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at: <i>[insert location]</i>	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	☐ and we have disclosed our board skills matrix at: <i>[insert location]</i>	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	☒ and we have disclosed the names of the directors considered by the board to be independent directors at: Set out in our Corporate Governance Statement. and, where applicable, the information referred to in paragraph (b) at: Set out in our Corporate Governance Statement. and the length of service of each director at: Set out in the Annual Report <i>[insert location]</i>	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.4	A majority of the board of a listed entity should be independent directors.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	☒ and we have disclosed our values at: Set out in our Corporate Governance Statement.	☐ set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	☒ and we have disclosed our code of conduct at: https://www.atrumcoal.com/about-atrum/corporate-governance/	☐ set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	☒ and we have disclosed our whistleblower policy at: https://www.atrumcoal.com/about-atrum/corporate-governance/	☐ set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	☐ and we have disclosed our anti-bribery and corruption policy at: <i>[insert location]</i>	☒ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at: <i>[insert location]</i>	☒ set out in our Corporate Governance Statement
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	☒	☐ set out in our Corporate Governance Statement
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	☒	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	☒ and we have disclosed our continuous disclosure compliance policy at: https://www.atrumcoal.com/about-atrum/corporate-governance/	☐ set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	☒	☐ set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	☒	☐ set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	☒ and we have disclosed information about us and our governance on our website at: https://www.atrumcoal.com/about-atrum/corporate-governance/	☐ set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	☒	☐ set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	☒ and we have disclosed how we facilitate and encourage participation at meetings of security holders at: Set out in our Corporate Governance Statement.	☐ set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	☒	☐ set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	☒	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at: <i>[insert location]</i>	☒ set out in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	☒ and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: Set out in our Corporate Governance Statement.	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed how our internal audit function is structured and what role it performs at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at: <i>[insert location]</i>	☒ set out in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	☒ and we have disclosed whether we have any material exposure to environmental and social risks at: Set out in our Corporate Governance Statement.	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: <i>[insert location]</i>	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	☒ and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: Set out in our Corporate Governance Statement.	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	☒ and we have disclosed our policy on this issue or a summary of it at: Set out in our Corporate Governance Statement.	☐ set out in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	☐ and we have disclosed information about the processes in place at: [insert location]	☐ set out in our Corporate Governance Statement OR ☐ we do not have a director in this position and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	☐	☐ set out in our Corporate Governance Statement OR ☐ we are established in Australia and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	☐	☐ set out in our Corporate Governance Statement OR ☐ we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable ☐ we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	☐ and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location]	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	☐ and we have disclosed the terms governing our remuneration as manager of the entity at: <i>[insert location]</i>	☐ set out in our Corporate Governance Statement

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out the current position of Atrum Coal Limited (**Company**) with regards to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition, 2019) (**Principles and Recommendations**).

While the Principles and Recommendations are not mandatory, the Company will be required to disclose the extent to which it complies with the Principles and Recommendations.

For further information about the Company's corporate governance policies, and to obtain copies of these policies, please refer to the Company's website.

ASX BEST PRACTICE RECOMMENDATIONS

Principle # / Company Response	ASX Corporate Governance Council Recommendations	
Principle 1	Lay solid foundations for management and oversight	
1.1	A listed entity should have and disclose a board charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	
Company response	The Company has formalised and disclosed the functions reserved to the board and those delegated to management. These functions can be viewed at the Company's website: www.atrumcoal.com. Post reporting date, the Board comprises four directors, all of whom are non-executive Directors. The roles and functions of directors within the Company are designed to allow it to best function within its level of available resources. The full board currently meets regularly, and specific significant matters are endorsed by the Board or executed via circular resolution.	
1.2	A listed entity should: a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a Director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.	
Company response	The Company analyses and reviews the qualifications and experience of any potential candidate. Background checks are performed where deemed appropriate for the position, including speaking with personal and professional references. The Company provides biographical details of proposed directors, as well as information relating to other directorships and interest which may reasonably be perceived to influence their capacity to bring independent judgement to the board.	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	
Company response	Each director or senior executive has a written contract that sets out the terms of their appointment, including their responsibilities and remuneration.	
1.4	The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	
Company response	The Company Secretary is directly accountable to the Board on all matters to do with the proper functioning of the Board.	

Principle # / Company Response	ASX Corporate Governance Council Recommendations													
1.5	A listed entity should: a) have a diversity policy; b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and c) disclose in relation to each reporting period: i. the measurable objectives set for that period to achieve gender diversity; ii. the entity's progress towards achieving those objectives; and iii. either: A. the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or B. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.													
Company response	The Company is an equal opportunity employer and strives to foster diversity across the organisation. The Company has adopted a diversity policy that is disclosed on its Company website. Due to the current size, nature and scale of the Company's activities the Board has not yet developed measurable objectives regarding gender diversity. As the size and scale of the Company grows the Board will set and aim to achieve gender diversity objectives as director and senior executive positions become vacant and appropriately qualified candidates become available. As at the end of the period, the Company had the following proportion of men and women across the organisation: <table border="1"> <thead> <tr> <th></th><th>Men</th><th>Women</th></tr> </thead> <tbody> <tr> <td>Board</td><td>3</td><td>1</td></tr> <tr> <td>Senior Executives</td><td>1</td><td>-</td></tr> <tr> <td>Whole Organisation</td><td>4</td><td>2</td></tr> </tbody> </table> The Board currently comprises of 1 female and 3 males.		Men	Women	Board	3	1	Senior Executives	1	-	Whole Organisation	4	2	
	Men	Women												
Board	3	1												
Senior Executives	1	-												
Whole Organisation	4	2												
1.6	A listed entity should: a) have and disclose the process for periodically evaluating the performance of the board, its committees and individual directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.													
Company response	The Company undertakes a review of its board and of individual directors periodically. The review is a peer review, and the process is managed by the Chair of the Board. The Company has not completed a board review during the period.													
1.7	A listed entity should: a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.													

Principle # / Company Response	ASX Corporate Governance Council Recommendations	
Company response	The Company reviews the performance of senior executives every year. For those executives that have been engaged by the Company for longer than 12 continuous months under the current financial year, those contractors underwent a performance appraisal pursuant to their contracts. Executive performance reviews were conducted during the year.	
Principle 2	Structure the Board to be effective and add value	
2.1	The Board of a listed entity should: a) have a nomination committee which: i. has at least three members, a majority of whom are independent Directors; and ii. is chaired by an independent Director, b) and disclose: i. the charter of the committee; ii. the members of the committee; and iii. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or c) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	
Company response	The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed. Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board is confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the Company's website.	
2.2	A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership.	
Company response	The Board periodically assesses the competencies and experience of each Board member and the experiences and skills required at Board level to meet its operational objectives. The Board does not currently disclose a formal Board skills matrix. The Board is satisfied with the skills and experience of each director and the current Board which collectively has the expertise to guide the company's directions and operations.	
2.3	A listed entity should disclose: a) the names of the Directors considered by the Board to be independent Directors; b) if a Director has an interest, position or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (4th Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and c) the length of service of each Director	

Principle # / Company Response	ASX Corporate Governance Council Recommendations	
Company response	The Board considers two of its directors at the end of the reporting period, namely Mr Kelvin Flynn and Ms Anita Perry to be independent. Three independent directors Mr Jeffrey Gerard, Mr Bill Fleming and Mr Richard Barker resigned from the Board during the reporting period. Messrs Richard Barker and Bill Fleming have received performance rights and/or options however these securities have lapsed following their resignations as directors of the Company. The Board considers that the performance rights and options issued to the former directors did not impact the director's integrity, objectivity or ability to exercise independent judgement in relation to all Board and Company activities. Mr Konrad de Kerloy was appointed as an independent non-executive director effective 1 January 2023 after the end of reporting period. Director appointment and resignation dates are disclosed in the Company's annual report.	
2.4	A majority of the Board of a listed entity should be independent Directors.	
Company response	Three of the four directors were deemed independent at the end of the reporting period. The Board considers that there is sufficient independent presence on the Board.	
2.5	The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity	
Company response	The chair of the board during the period was Mr Glen Koropchuk who was not considered an independent director. The roles of Chair and CEO are undertaken by separate people.	
2.6	A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.	
Company response	The Company Secretary ensures that all new directors are inducted into the Company. Upon commencement, the director formalises a letter of appointment setting out the terms of their appointment and is provided with a 'Corporate Governance Pack' containing the Company's Constitution, Corporate Governance Policies and details of the Company's directors' and officers' insurance policies. The skill set of the Board is monitored regularly by the Board as a whole, taking into consideration the stage of development of the Company's assets, and the capital available to the Company.	
Principle 3	Instil a culture of acting lawfully, ethically and responsibly	
3.1	A listed entity should articulate and disclose its values.	
Company response	The Company and its subsidiary companies are committed to conducting all of its business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards. The Company's values are set out in its Code of Conduct and are available on the Company's website. All employees are given appropriate training on the Company's values and senior executives will continually reference such values.	
3.2	A listed entity should: a) have a code of conduct for its directors, senior executives and employees; and b) disclose that code or a summary of it.	
Company response	The Company has adopted a code of conduct which outlines the behaviour expected of directors, contractors and employees. The code of conduct can be viewed on the Company's website www.atrumcoal.com .	
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.	

Principle # / Company Response	ASX Corporate Governance Council Recommendations	
Company response	The Company's Whistleblower Protection Policy is available on the Company's website. Any material breaches of the Whistleblower Protection Policy are to be reported to the Board or a committee of the Board.	
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the Board or committee of the Board is informed of any material breaches of that policy.	
Company response	The Board recognises that giving bribes or other improper payments or benefits to public officials is a serious criminal offence and can damage a listed entity's reputation and standing in the community. The Company does not currently have a formal Anti-bribery and Corruption Policy in place. The Board intends to implement an Anti-bribery and Corruption Policy in 2023.	
Principle 4	Safeguard integrity in corporate reporting	
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner	
Company response	The Board does not currently have a separate audit committee, instead, the roles and responsibilities of the audit committee are undertaken by the Board as a whole. The Board and the Company is not currently of a size to justify separate Board committees. The Board will consider establishing Board committees in the future. The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.	
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	
Company response	The Company obtains a declaration from the CEO and CFO (or the persons acting in those capacities) prior to the completion of its half year and annual financial statements.	
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	
Company response	The Board and relevant Senior Management review any periodic corporate report that is released to the market that has not been audited or reviewed by an external auditor.	
Principle 5	Make timely and balanced disclosure	
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	
Company response	The Company has a Continuous Disclosure Policy that forms part of its Corporate Governance Policies, which is available on the Company's website www.atrumcoal.com	
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	

Principle # / Company Response	ASX Corporate Governance Council Recommendations	
Company response	Under the Company's Continuous Disclosure Policy, all members of the Board receive material market announcements promptly after they have been made.	
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	
Company response	All substantive investor or analyst presentations are released on the ASX Markets Announcement Platform ahead of such presentations.	
Principle 6	Respect the rights of security holders	
6.1	A listed entity should provide information about itself and its governance to investors via its website.	
Company response	The Company's website contains comprehensive details about the Company, its directors and management and its operations. All Company announcements, as well as its annual and half year financial reports can be located through the website www.atrumcoal.com	
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	
Company response	The Company has adopted a Shareholder Communication Policy as part of its Corporate Governance Policies. The Company also engages a dedicated investor relations firm to facilitate investor relations.	
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	
Company response	The Company encourages all shareholders to attend General Meetings of the Company via its notices of meeting, and in the event they cannot attend, to participate by recording their votes.	
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	
Company response	All substantive resolutions at securityholder meetings will be decided by a poll rather than a show of hands.	
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	
Company response	To the extent permissible by law, the Company sends all communication electronically in an effort to reduce its environmental footprint. As new shareholders join the Company, they are invited to communicate with the Company and the share registry electronically.	
Principle 7	Recognise and manage risk	
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	
Company response	The Company is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of a separate Risk Management Committee. Instead, the Board, as part of its usual role and through direct involvement in the management of the Company's operations ensures risks are identified, assessed and appropriately managed. Where necessary, the Board may draw on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.	

Principle # / Company Response	ASX Corporate Governance Council Recommendations	
7.2	The Board or a committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and (b) disclose in relation to each reporting period, whether such a review has taken place.	
Company response	The risk assessment and management framework were reviewed during the period.	
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	
Company response	The Company does not have an internal audit function. Internal control measures currently adopted by the Board include: • weekly reporting to the Board in respect of operations and monthly reporting in respect of the Company's financial position, with a comparison of actual results against budget; and • regular reports to the Board by members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.	
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	
Company response	The Company is a hard-coking coal exploration and development company and is inherently exposed to the economic, environmental and social sustainability risks that are associated with its industry. The Company carefully considers its operations and their impact on the environment and local communities and engages extensively with local communities and first nations groups. The Company advises its shareholders and investors on the fact that its ability to obtain the necessary environmental regulatory approvals or permits, including open cut mining and water use approvals for Elan Coal, is a key risk to its project development, and follow the industry best practices to evaluate and mitigate the impacts and prepare the applications in order to reduce such risk. The Company has no formal hedging policy for its foreign currency expenditure and is exposed to fluctuations in the exchange rates of the Australian Dollar, the United States Dollar and the Canadian Dollar. Exchange rates are monitored closely by senior management and treasury decisions are made on an opportunistic basis. Where necessary, the Company will enter into FX hedging instruments and has done so in the past.	
Principle 8	Remunerate fairly and responsibly	
8.1	The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	

Principle # / Company Response	ASX Corporate Governance Council Recommendations	
Company response	The Board has not established a separate Remuneration Committee due to the size and scale of its operations, however the Board as a whole, takes responsibility for such issues. The responsibilities include setting policies for senior officer's remuneration, setting the terms and conditions for the Managing Director, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both executive and non-executive directors and undertaking reviews of the Chairman's performance. The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.	
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.	
Company response	In accordance with best practice corporate governance, the structure of Non-Executive Directors is separate and distinct from Executive Directors and Senior Executives. In determining remuneration, the Board holds special meetings as required. No Director participated in any deliberation regarding his or her own remuneration or related issues. The Board are confident that this process for determining remuneration is stringent and full details of remuneration policies and remuneration received by directors and executives in the current period is contained in the "Remuneration Report" within the Directors' Report of the Annual Report.	
8.3	A listed entity which has an equity-based remuneration scheme should: a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b) disclose the policy or a summary of it.	
Company response	The Company has both an employee share option plan and a performance rights plan in place. Neither of the plans contain a policy as to whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme.	

This Corporate Governance Statement was approved by the Board on 28 April 2023.