



CORPORATE GOVERNANCE STATEMENT 2023





CONTENTS

Corporate Governance Statement	4
The Base Way	4
Board of Directors	4
Corporate reporting and other market communications	12
Promoting lawful, ethical and responsible behaviours	14
Risk management and internal controls	16
Exposure to and management of environment and social risks	18
Diversity	19
Availability of Key Corporate Governance Documents	21



CORPORATE GOVERNANCE STATEMENT

Base Resources Limited (**Base Resources** or the **Company**) has a clear understanding of, and commitment to, its purpose being to contribute to solving the problems of people and planet, and to do so profitably, without profiting from causing problems. It follows that Base Resources is committed to implementing high standards of corporate governance that create and deliver value for shareholders and uphold its absolute commitment to acting in a legal, honest, sustainable and ethical manner and with integrity.

To give effect to these commitments, the Board of Base Resources (**Board**) has established a corporate governance framework comprising a range of governance charters and system documents. This framework is regularly reviewed and enhanced in light of changes to the Company's business and activities, developments in corporate governance, and changes in law, international standards, stakeholder expectations and best practice guidance.

The purpose of this statement is to report on the key aspects of the Company's corporate governance framework. In addition, as the Company is an ASX listed entity and subject to the ASX Listing Rules, this statement also reports on the extent to which the Company followed the corporate governance recommendations set out in the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (each an **ASX Recommendation** and together, the **ASX Recommendations**) for the financial year ended 30 June 2023 (the **reporting period**).

The Board considers that, throughout the reporting period, the Company followed the ASX Recommendations, with the exception of ASX Recommendation 7.1. Notwithstanding that there was a brief period during which membership of the Board's Risk Committee did not align with the recommended membership composition, the Board nevertheless considers that there was substantive adherence to ASX Recommendation 7.1 throughout the reporting period.

This statement is current as at 26 August 2023 and has been approved by the Board. This statement should be read in conjunction with the Company's 2023 Annual Report, available at [baseresources.com.au/investors/reports/](https://www.baseresources.com.au/investors/reports/). Where appropriate, this statement highlights relevant events that have occurred since 30 June 2023 with respect to the governance practices of the Company.

The Base Way

The Company's corporate governance framework is underpinned by the core set of principles that together form **The Base Way** and drive the Company's approach and businesses practices. These principles are based on the Company's belief in:

- > The potential of its people.
- > The power of the team.
- > The value of resources.
- > Absolute integrity.

The Base Way is available from the Corporate Governance section of the Company's website.

Board of Directors

Role of the Board

The Board Charter sets out the Board's role, powers and duties, and establishes the functions and responsibilities reserved for the Board and those which are delegated to the Managing Director and the broader senior management team. The Board expressly reserves responsibility for specified matters, including:

- > overseeing the business and affairs of the Company, including its control and accountability systems;
- > setting the strategic direction and objectives of the Company;
- > reviewing and approving systems of risk management and internal compliance and control;
- > defining the Company's environmental, social and ethics vision and satisfying itself that the Company's strategy and systems are aligned with that vision;
- > ensuring a high standard of corporate governance practices and regulatory compliance; and
- > promoting ethical and responsible decision making.



The Board delegates responsibility for the day-to-day operations, management and administration of the Company to the Managing Director in accordance with the strategy and objectives approved by the Board. The Managing Director's responsibilities include:

- > effective leadership of the Company;
- > preparing and implementing development and operational plans, policies and procedures to achieve the strategic, operational and financial objectives of the Company as determined by the Board;
- > managing the day-to-day affairs of the Company;
- > identifying and managing business risks; and
- > managing the Company's financial and other reporting mechanisms.

These delegations are further documented in and supported by the Company's Delegation of Authority Standard, which the Board reviews and approves at least annually and sets out cascading authority limits for transactions for:

- > the Senior Leadership Group (**SLG**), comprising the Managing Director and the General Managers (with SLG authorisation requiring approval of the Managing Director, plus at least three General Managers);
- > the Managing Director; and
- > other positions within the Base Resources group (**Group**).

The SLG has the highest authority limit for transactions under the Delegation of Authority Standard, with transactions in excess of that limit requiring Board approval.

The Chair, Mr Michael Stirzaker, is responsible for leadership and effective performance of the Board and for promoting constructive and respectful relations between Directors, and between Directors and management.

The Company Secretary, Mr Chadwick Poletti, is appointed by the Board and is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary's role includes providing advice to the Board on corporate governance matters, with all Directors having access to the advice and services provided by the Company Secretary.

The Board Charter is reviewed at least annually, with the last review carried out in February 2023.



Composition of the Board

The Board Charter provides that a majority of the Board should be comprised of non-executive Directors and, where practical, a majority of independent Directors.

As at 30 June 2023, the Board consisted of five non-executive Directors and one executive Director - being the Managing Director. The Board's composition changed during the reporting period, with Ms Sheila Khama being appointed as a non-executive Director with effect from 1 March 2023.

The Board assesses each Director's independence in accordance with paragraph 11 of the Board Charter, which aligns with the commentary to ASX Recommendation 2.3, including Box 2.3 of the ASX Recommendations.

As set out in paragraph 11 of the Board Charter, unless the Board determines that the interest, position or relationship in question is not material and will not interfere with the Director's ability to be independent and act in the best interests of the Company as a whole, a Director will be deemed not to be independent where the Director:

- > is, or has been, employed in an executive capacity by the Company or any of its subsidiaries and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- > receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Company;
- > is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the Company or any of its subsidiaries, or is an officer of, or otherwise associated with, someone with such a relationship;
- > is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- > has close personal ties with any person who falls within any of the categories described above; or
- > has been a Director of the Company for such a period that their independence from management and substantial holders may have been compromised.

The Board assesses the materiality of an interest, position and relationship on a case-by-case basis, taking into account the relevant Director's specific circumstances.

The Board confirms that a majority of the Board is independent and was independent at all times during the reporting period, with the Board's assessment of the independence of each Director in accordance with paragraph 11 of the Board Charter set out below. The Chair was at all times an independent non-executive Director and was not the same person as the Managing Director.

Mr Sobey is not considered independent given his role as an Investment Director at Pacific Road¹, a major shareholder of the Company, and that he was nominated for appointment by Pacific Road.

Under the Board Charter, Directors must immediately declare to the Board any change in their interests, positions or relationships that could potentially bear upon their independence or otherwise result in any actual, potential or perceived conflict of interest.

Name	Non-Executive Director	Executive Director	Independent	Status during reporting period
Michael Stirzaker (Chair)	✓	-	✓	Director for the whole reporting period
Tim Carstens (Managing Director)	-	✓	-	Director for the whole reporting period
Sheila Khama	✓	-	✓	Appointed as a Director on 1 March 2023
Malcolm Macpherson	✓	-	✓	Director for the whole reporting period
Diane Radley	✓	-	✓	Director for the whole reporting period
Scot Sobey	✓	-	-	Director for the whole reporting period

1. References to Pacific Road in this statement are to Pacific Road Capital Management GP II Limited and Pacific Road Capital II Pty Limited.



Skills and experience

The Board is confident that, collectively, the Directors have the range of skills, knowledge, experience and competencies necessary to effectively discharge the Board's responsibilities and direct and oversee the Company. That said, through the Remuneration & Nomination Committee, the Board regularly monitors the skills, knowledge, experience and competencies of the Board, particularly as the Company's business and the issues facing it evolve, to identify opportunities for training and development and to identify gaps that may be addressed as part of Board succession.

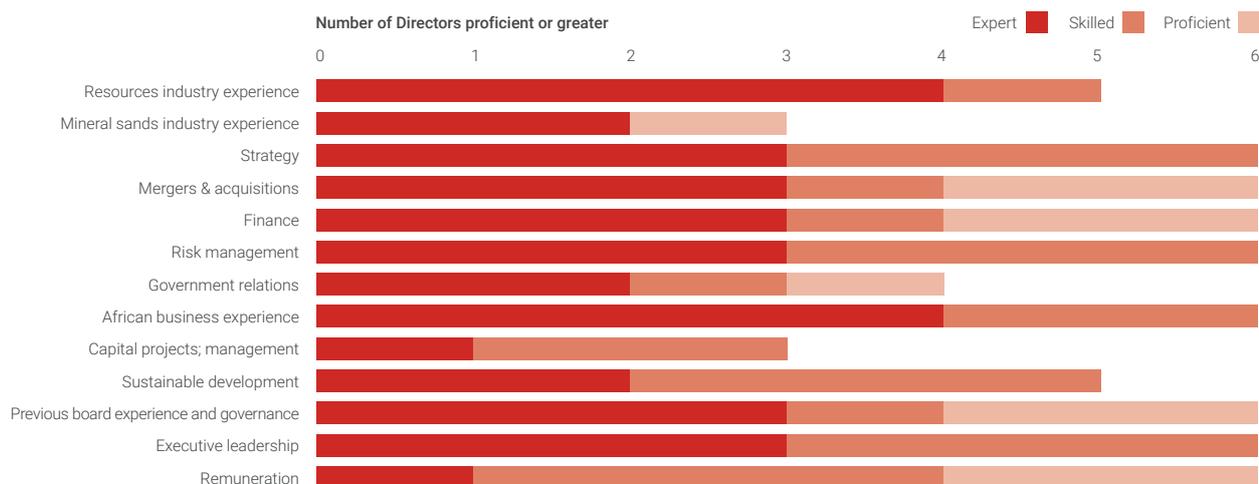
A set of core competencies and criteria for assessing the extent of a Director's proficiency in respect of those core competencies have been established to assist the Remuneration & Nomination Committee assess the skills and experience of each Director and to ensure that the combined capabilities of Directors provide suitable coverage across each competency.

These core competencies are set out in the table below. The table also indicates which Directors the Board principally relies on in relation to each competency. However, it is recognised that the skills and experience that each Director contributes to their role is far broader and diverse than is indicated below.

Area	Core Competency	Key Directors
Resources industry experience	Experience in the resources industry, including broad knowledge of exploration, operations, project development, markets, shipping and competitors.	T Carstens, S Khama, M Macpherson, M Stirzaker, S Sobey
Mineral sands industry experience	Specific experience in the mineral sands industry, including an in-depth knowledge of exploration, operations, project development, markets, shipping, competitors and relevant technology.	T Carstens, M Macpherson
Strategy	Identifying and critically assessing strategic opportunities and threats to an organisation and developing and implementing successful strategies in context to the organisation's policies and business objectives.	T Carstens, M Macpherson, D Radley, M Stirzaker
Mergers & acquisitions	Experience managing, directing or advising on mergers, acquisitions, divestments and portfolio optimisations.	M Macpherson, D Radley, M Stirzaker
Finance	Senior executive or other relevant experience in financial accounting and reporting, internal financial and risk controls, corporate finance and restructuring corporate transactions and project financing.	T Carstens, D Radley, M Stirzaker
Risk management	Experience working with and applying broad risk management frameworks in various country, regulatory or business environments, identifying key risks to an organisation, monitoring risks and compliance, and knowledge of legal and regulatory requirements.	T Carstens, M Macpherson, D Radley, S Sobey
Government relations	Senior management or equivalent experience working in diverse international political, cultural, regulatory and business environments.	T Carstens, S Khama, D Radley
African business experience	Experience in the successful development and operation of reputable businesses in Africa.	T Carstens, S Khama, D Radley, M Stirzaker, S Sobey
Capital projects; management	Experience with projects involving contractual negotiations, project management, significant capital outlays and long investment horizons.	M Macpherson, T Carstens, S Sobey
Sustainable development	Senior management or equivalent experience in workplace health and safety, environmental and social responsibility, community relations and organisational governance.	T Carstens, S Khama, D Radley
Previous board experience and governance	Serving on boards of varying size and composition, in varying industries and for a range of organisations. Implementing high standards of governance in a major organisation that is subject to rigorous governance standards and identifying key issues for an organisation and developing appropriate policy parameters within which the organisation should operate.	S Khama, M Macpherson, D Radley, M Stirzaker
Executive leadership	Experience in evaluating the performance of senior management, overseeing strategic human capital planning, industrial relations, organisational change management and sustainable success in business at a senior level.	T Carstens, M Macpherson, D Radley, M Stirzaker
Remuneration	Remuneration and/or nomination committee membership or management experience in relation to succession planning, remuneration, talent management (including incentive programs and superannuation) and the legislative and contractual framework governing remuneration.	T Carstens, M Macpherson, D Radley, M Stirzaker



The diagram below further illustrates the Board's depth of coverage across its core competencies by showing the extent of the proficiency of the Directors in respect of those competencies.



The composition of the Board is diverse, with the Board collectively bringing an in-depth knowledge of doing business in both Africa and Australia. Director ages range from 47-78 years. Average time served on the Board is 6.9 years, with the average tenure for non-executive Directors being 6.5 years.

Further details in respect of the skills, experience, expertise and period of service of each Director are set out on pages 35 to 38 of the 2023 Annual Report. Details about the Board meetings held during the reporting period and attendances of Directors at those meetings is set out on page 39 of the 2023 Annual Report.

Director appointment, induction, training and continuing education

All newly appointed non-executive Directors execute a letter of appointment containing the key terms and conditions of their appointment, including their duties, rights and responsibilities, anticipated time commitments and the Board's expectations with respect to committee work. Executive directors and all senior management enter employment agreements which govern their terms of employment.

New appointees to the Board receive a tailored induction having regard to their existing skills, knowledge and experience. The induction process typically includes a comprehensive overview of the Company's governance policies and procedures, in-depth discussions with the Managing Director and the senior management team and a site visit to the Company's key operating asset in Kwale, Kenya. A site visit to the Company's development asset, the Toliara Project, was not carried out for the two most recent director inductions due to COVID-19 travel-related restrictions and the ongoing on-ground suspension of activities. The induction materials provided to new appointees include information on the Company's governance and culture, including The Base Way. This induction process was followed for Ms Khama during the reporting period. It is expected that a site visit to the Company's Toliara Project will shortly be re-introduced as part of the induction process.

Directors are expected to maintain the skills necessary to effectively discharge their duties. The Company provides the Board with regular information on industry-related matters, proposed or potential changes to applicable regulatory requirements, and other new developments that have the potential to affect the Company and its business. Regular "deep dives" on relevant topics are also provided to the Board.

The Company also organises professional development opportunities for Directors when a need is identified, for example, from a Board performance review or through the Remuneration & Nomination Committee's Board education oversight role.

An annual site visit is arranged for Directors to the Company's Kwale Operations in Kenya to further enhance their knowledge and understanding of this operating project. The site visit to Kwale Operations for the reporting period occurred in March 2023. During the site visit, specific insight sessions were held, with direct involvement from site-based management, covering a broad range of topics. With the exception of Mr Sobey and Ms Khama, all Directors visited the Toliara Project in Madagascar in 2018, following the Company's acquisition of that project.

Board succession

The Board manages succession planning with the assistance of the Remuneration & Nomination Committee. The Remuneration & Nomination Committee reviews and makes recommendations to the Board about the appropriate size and composition of the Board.

If a vacancy exists or if it is appropriate for other Board changes to be implemented, the Remuneration & Nomination Committee identifies and recommends candidates to the Board. Before recommending any candidate, the Remuneration & Nomination Committee considers the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills, qualifications, experience, expertise and diversity across the Board in light of the Company's activities, strategy and objectives. The Board may engage an independent recruitment firm to undertake the search for suitable candidates and leverages the networks of existing Directors as a means of identifying high calibre candidates. The Company conducts appropriate checks as to character, experience, education, criminal records and bankruptcy before nominating any candidate for appointment as a Director or for election by shareholders. The Company provides shareholders all material information in its possession relevant to whether a candidate should be elected in the explanatory memorandum accompanying the relevant notice of meeting.

Board performance evaluation

The Board reviews, critically evaluates and discusses the performance of the Board, Board Committees and individual Directors at least annually. The Remuneration & Nomination Committee sets the method and scope of the annual performance evaluation, which typically includes self-assessments designed to effectively review the performance of the Board and each of its Committees against the requirements of their specific charters and the individual performance of each Director. One or more aspects of the performance evaluations and reviews may involve engagement of an independent third-party Board adviser.

The review of the Board, its Committees and individual Directors during the reporting period was conducted using an advanced evaluation assessment platform. This new platform facilitated an efficient and effective evaluation, and provided outputs that were readily usable and actionable – including benchmarking against peers. The evaluation initially involved each Director completing a series of questionnaires assessing each of the Board and its Committees, the Chair and individual Directors. As another evolution in the evaluation process, the corporate-based General Managers also provided direct input into the review of the Board and its Committees.

Further, with the last externally facilitated review undertaken for the financial year ended 30 June 2019, the Remuneration & Nomination Committee appointed an independent adviser to facilitate the evaluations, which included one-on-one review discussions with each participant. The combined outcomes of the evaluations and review discussions were analysed by the independent adviser and the Chair, and the findings presented at a subsequent Board meeting. The evaluation demonstrated that the Board, its Committees and Directors were functioning to role, however areas for growth, refinement and continual improvement were identified and a set of specific action items were developed by the Board for implementation in the coming year.

Director retirement and re-election

With the exception of the Managing Director, Directors must retire at the third Annual General Meeting (**AGM**) after their last election or re-election. At least one Director must stand for election or re-election at each AGM. Any Director appointed to fill a casual vacancy since the date of the previous AGM automatically retires at the next AGM and is eligible for election.

Board support for a Director's election or re-election is not automatic and is subject to satisfactory Director performance. The Remuneration & Nomination Committee considers and recommends candidates for election or re-election to the Board.

The Company provides shareholders with all material information in its possession relevant to whether or not any Director standing should be elected or re-elected (as the case may be) in the explanatory memorandum accompanying the relevant notice of meeting.

As Ms Khama was appointed by the Board following the 2022 AGM, Ms Khama will automatically retire at the 2023 AGM and be eligible to seek election. Mr Stirzaker and Mr Macpherson will also both automatically retire at the 2023 AGM and be eligible to seek re-election.

Senior management performance evaluation

Managers are required to conduct regular (typically quarterly) performance enhancement conversations with members of their team, with annual judgement-based assessments of performance against the accountabilities, behaviours and indicators established in the relevant individual's role description. This process applies equally to senior managers but is also coupled with an annual assessment of the relevant individual's achievement of the accountabilities described in their annual Short Term Incentive Plan statement, also drawn from the relevant individual's role description. In the case of the Managing Director, the assessment is undertaken by the Remuneration & Nomination Committee, led by the Committee Chair, and approved by the Board. In the case of General Managers, the assessment is undertaken by the Managing Director and then considered and approved by the Remuneration & Nomination Committee. The annual reviews have been completed for the year ended 30 June 2023.



Committees of the Board

The Company's Constitution provides that the Board may delegate its powers as it considers appropriate. The Board has established the following four Committees:

- > the Audit Committee;
- > the Remuneration & Nomination Committee;
- > the Risk Committee; and
- > the Environment, Social and Ethics (or **ESE**) Committee.

All Committees were in place throughout the reporting period. The Committees generally operate in a review or advisory capacity, except in circumstances where the Board's powers are specifically delegated to a Committee. Each Committee has a charter detailing its role, duties and membership requirements. These charters are reviewed regularly, and at least annually, and are updated as required. Each of the charters for the Audit Committee, Remuneration & Nomination Committee, Risk Committee and ESE Committee were last reviewed and updated in February 2023 in parallel with the review of the Board Charter referred to above.

Details of the skills, experience, and expertise of each member of the respective Committees of the Board is set out on pages 35 to 38 of the 2023 Annual Report. Details of the Committee meetings held during the year and attendances of members at those meetings is set out on page 39 of the 2023 Annual Report.

Audit Committee

The role of the Audit Committee is to assist the Board to meet its oversight responsibilities in relation to the Company's financial reporting, tax filings, compliance with associated legal and regulatory requirements and external audit function.

All members of the Audit Committee are required to be non-executive Directors, with a majority being required to be independent. Members must also be financially literate and have an understanding of the industry in which the Company operates. The Chair of the Audit Committee must not be the Chair of the Board and must be independent.

Committee membership during the reporting period.

Director	Status during reporting period
Diane Radley (Chair)	Member for the whole reporting period
Malcolm Macpherson	Member for the whole reporting period
Michael Stirzaker	Member for the whole reporting period

At all times during the reporting period, all members were independent non-executive Directors.

Remuneration & Nomination Committee

The role of the Remuneration & Nomination Committee with respect to remuneration matters is to assist the Board to fulfil its oversight responsibilities in relation to the overall remuneration strategy of the Company. The Committee considers the specific application of that remuneration strategy to the Managing Director and senior management and reviews and approves equity-based plans and other incentive schemes. This aspect of the Committee's role assists the Board to ensure that the executive remuneration policy demonstrates a clear relationship between executive performance and remuneration.

The role of the Committee with respect to nomination matters is to support the Board to fulfil its responsibilities by maintaining a Board with an appropriate mix of skills, qualifications and experience. The Committee develops the method and scope of performance evaluations of the Board, its Committees and individual Directors, ensures the Company's Diversity Policy is implemented in respect of the Board and manages the process for identifying and selecting new Directors for appointment by the Board and subsequent consideration by shareholders.

All members of the Remuneration & Nomination Committee are required to be non-executive Directors, with a majority required to be independent. The Chair of the Remuneration & Nomination Committee must be independent.

Committee membership during the reporting period.

Director	Status during reporting period
Michael Stirzaker (Chair)	Member for the whole reporting period
Malcolm Macpherson	Member for the whole reporting period
Scot Sobey	Member for the whole reporting period

At all times during the reporting period, all members were non-executive Directors, the majority of whom were independent.

Risk Committee

The role of the Risk Committee is to assist the Board to identify and manage business and operational risks faced by the Company to a standard that considers the reasonable expectations of the Company's shareholders, employees, customers, suppliers, creditors and the broader community in which the Company operates.

The Committee typically conducts a full review of the Company's material business risk register and risk management framework at each Committee meeting and at least annually.

The Risk Committee must comprise a majority of independent non-executive Directors and the Chair of the Risk Committee must be independent.

Committee membership during the reporting period.

Director	Status during reporting period
Malcolm Macpherson (Chair)	Member for the whole reporting period
Tim Carstens	Member for the whole reporting period
Diane Radley	Member for the whole reporting period
Scot Sobey	Retired on 19 August 2022

For a brief period of time until Mr Sobey's retirement, the Risk Committee did not comprise a majority of independent directors. While this is not consistent with ASX Recommendation 7.1, no meetings were held and no resolutions were passed without a meeting by way of circular during this period. Other than for this brief period, the Company followed ASX Recommendation 7.1 in full for the whole reporting period.

ESE Committee

The role of the ESE Committee is to assist the Board meet its oversight responsibility in respect of environment, social and ethics matters. It specifically seeks to create strategic advantage by looking beyond ESE reporting and focusing on risk and outcomes, as well as alignment of ESE matters with corporate strategy.

All members of the ESE Committee must have experience working in the industry and broader business in which the Company operates, as well as having specific expertise in the business aspects relevant to the ESE Committee's purpose. The ESE Committee Charter was amended in February 2023 to reduce its required number of members from four to three. In addition, the Managing Director must be a standing member of the ESE Committee and its Chair must be independent.

Committee membership during the reporting period.

Director	Status during reporting period
Sheila Khama (Chair) ⁽ⁱ⁾	Appointed from 1 June 2023
Michael Stirzaker (Former Chair) ⁽ⁱ⁾	Member for the whole reporting period
Tim Carstens	Member for the whole reporting period
Malcolm Macpherson	Member for the whole reporting period
Diane Radley	Member for the whole reporting period
Scot Sobey	Member for the whole reporting period

(i) Ms Khama replaced Mr Stirzaker as Chair of the ESE Committee on 1 June 2023.



Corporate reporting and other market communications

General

The Board recognises the importance of regular and proactive interaction with the market to ensure investors and key stakeholders remain informed about the Company's activities. This is reflected in the Company's Continuous Disclosure and Market Communications Standard, which sets out the Company's commitment to:

- > communicate effectively with shareholders via ASX and AIM, information provided to shareholders (e.g. notices of meetings and explanatory material and periodic disclosure, such as annual, half yearly and quarterly reporting of operational, development and corporate activities) and the general meetings of the Company;
- > give investors ready access to accurate, balanced and understandable information about the Company and corporate proposals; and
- > make it easy for shareholders to participate in general meetings of the Company.

The Board further recognises the rights of shareholders and encourages the effective exercise of those rights by:

- > ensuring notices of meeting and other meeting materials are drafted in concise, clear language and are distributed in accordance with the provisions of the Corporations Act;
- > encouraging shareholders to use their attendance at meetings to ask questions on relevant matters, with time specifically set aside at each meeting for shareholder questions;
- > encouraging shareholders to vote on proposed resolutions by either attending the meeting or by way of lodgement of proxies, if shareholders are unable to attend the meeting;
- > establishing a general practice to include a presentation to shareholders on the Company's recent activities at each annual general meeting; and
- > ensuring that the lead audit engagement partner is present at the annual general meeting to answer any questions regarding the conduct of the audit and preparation and content of the auditor's report.

The Company also ensures that all resolutions to be considered at shareholder meetings are voted on and decided by way of poll, and shareholders are able to appoint proxies electronically through the Company's share registry.

To encourage attendance and participation, the Company's 2022 AGM was held as a hybrid meeting, with shareholders and guests having the ability to attend in-person or online. Online attendees were able to view a live webcast of the meeting and, in the case of shareholders, ask questions (both orally and via a text-based Q&A function) and cast votes on the poll in real time. It is expected that the Company's 2023 AGM will again be held as a hybrid meeting.

Company information

The Company's website (www.baseresources.com.au) provides information about the Company generally for the benefit of its shareholders, market participants and other key stakeholders. The Company promptly updates the website with material released to ASX after confirmation of release by ASX. Information available on the website is regularly reviewed and updated to ensure that information is current, or appropriately dated and archived. The following website sections contain information of particular relevance for investors:

- > **Corporate Governance (accessible from the 'Who we are' dropdown menu):** containing the Company's Constitution, The Base Way, relevant governance policies and standards, Board and Board Committee Charters, codes of conduct for the Company's personnel and its suppliers and the Company's previously published corporate governance statements.
- > **Board and Leadership (accessible from the 'Who we are' dropdown menu):** containing the names and brief biographical information for each of the Directors and General Managers.
- > **Sustainability Reporting (accessible from the 'Sustainability' dropdown menu):** containing the Company's previously published sustainability reports and databooks and modern slavery statements.
- > **Reports (accessible from the 'Investors' dropdown menu):** containing copies of annual, half yearly and quarterly reports.
- > **Market Announcements (accessible from the 'Investors' dropdown menu):** containing ASX announcements (including notices of meeting and explanatory material and investor presentations).
- > **Securityholder Information (accessible from the 'Investors' dropdown menu):** containing contact details for the Company's share and depositary interest registries and details about shareholders' options for receiving certain documents, such as notices of meeting and Annual Reports.

Shareholders can also access further information about Kwale Operations from the website of the Company's wholly owned operating subsidiary, Base Titanium (www.basetitanium.com), and about the Toliara Project from the project's website (www.basetoliara.mg).

Investor relations

The Company has an investor relations program designed to facilitate effective two-way communication with shareholders, which includes the following:

- > The Company regularly attends broker-sponsored and industry conferences.
- > The Company hosts investor webcasts following the release of its half year and full year results, and also on an ad hoc basis following major corporate actions. The webcasts are hosted by the Managing Director and the Chief Financial Officer, accompanied by other members of senior management as required.
- > The Company provides opportunities for shareholders to receive communications from the Company and its share registry electronically.

The Company also provides telephone and email contact details for the Company and its share and depositary interest registries on its website.

Continuous disclosure and market communications

The Company is committed to ensuring that:

- > shareholders and the market are provided with full and timely information about the Company and its activities;
- > all investors have equal opportunity to receive externally available information issued by the Company; and
- > all disclosures are balanced and expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

The Company has established a Disclosure Committee, currently comprising the Managing Director, the Chief Financial Officer, General Manager - Marketing and the Company Secretary, which is primarily responsible for ensuring that the Company complies with its disclosure obligations and for overseeing and co-ordinating the disclosure of information to relevant stock exchanges and shareholders.

To assist the Disclosure Committee with discharging its role, the Company's Continuous Disclosure and Market Communications Standard requires every Director and employee to report to a member of the Disclosure Committee any potentially price sensitive information which they obtain.

To the full extent practical (having regard to the requirement for immediate disclosure in certain circumstances), the Disclosure Committee and the Board are given the opportunity to review and comment on material announcements before their release. Otherwise, copies of all material market announcements are provided to the Board promptly after they have been made.

The Company also undertakes a thorough verification process in respect of each material statement of fact or belief in its market announcements to ensure they are appropriately verified.

The Company ensures that any briefing or presentation materials that are new and substantive are released on ASX and uploaded to the Company's website in advance of the relevant briefing or presentation.

CEO and CFO assurance

The Board receives monthly reports on the Group's financial and operational results. Before the Board adopted the 31 December 2022 half-year and 30 June 2023 full-year financial statements, the Managing Director and the Chief Financial Officer declared in writing to both the Audit Committee and the Board that (in their opinion):

- > the financial records of the Company had been properly maintained;
- > the financial statements comply with the appropriate accounting standards; and
- > the financial statements give a true and fair view of the financial position and performance of the Company,

and that their opinion had been formed on the basis of a sound system of risk management and internal control which was operating effectively.



Promoting lawful, ethical and responsible behaviours

The Base Way

The Base Way sets out the unifying set of beliefs and behavioural expectations flowing from those beliefs for the Company and all its employees. One of the beliefs is “absolute integrity” and the behavioural expectations derived from this belief include always acting with absolute integrity, not making, soliciting or accepting bribes, and confronting inappropriate behaviour in others.

The Company’s Systems are designed to reflect The Base Way. Various other means are also adopted to promote The Base Way and ensure it is at the forefront of the minds of all employees, including:

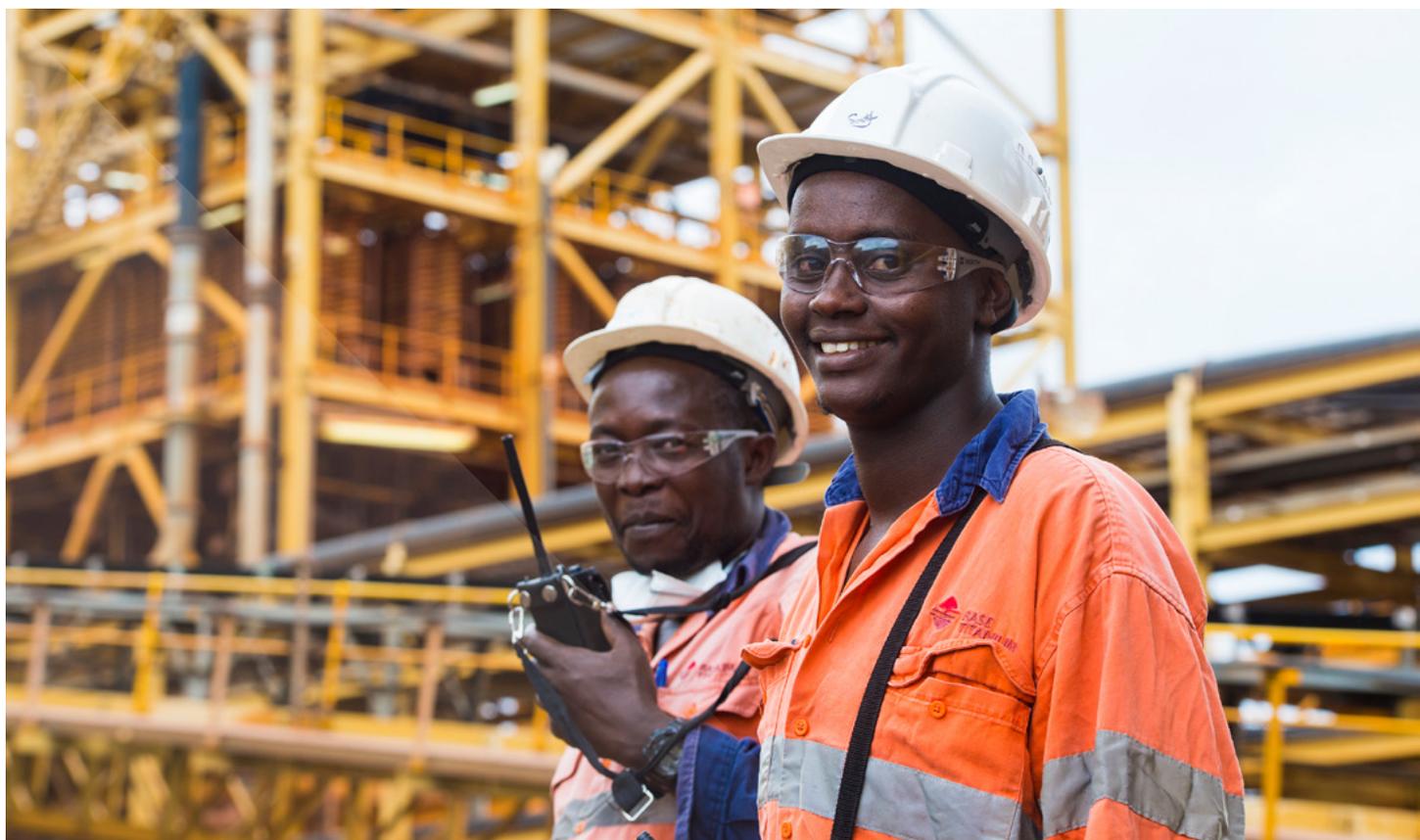
- > via regular internal communications; and
- > by way of a specific accountability of demonstrating The Base Way in every employee’s role description, which is then subject to formal assessment as part of every employee’s annual performance review.

Codes of Conduct

The Company has a Code of Conduct for its directors, employees and consultants (**Personnel Code**) and a Code of Conduct for its suppliers (**Supplier Code**), both of which are available from the Governance section of its website.

The Personnel Code was reviewed and updated during the reporting period and provides an overview of the framework for decision making and actions in relation to ethical conduct by directors, employees and officers of, and consultants acting for, the Company and its subsidiaries. The Personnel Code summarises the Group’s key business Systems (including relevant Policies and Standards) which, together with The Base Way, entrench the Company’s commitment to integrity, fair dealing and sustainability across all its activities. Breaches of the Personnel Code may lead to disciplinary action in accordance with the Company’s Unacceptable Performance and Misconduct System. All material breaches of the Personnel Code are required to be notified to the Board or the ESE Committee.

The Supplier Code sets out the Company’s core requirements and expectations for the Group’s suppliers. In line with the Company’s own commitment, the Supplier Code is directed to ensuring that the Group’s suppliers act in a legal, honest and ethical manner, and act with integrity, at all times. Like the Personnel Code, the Supplier Code also summarises aspects of the Company’s Systems that equally apply to its suppliers. It also supplements those documents with further requirements concerning, among other matters, employment practices. The Supplier Code was reviewed and updated during the reporting period, principally to include an express expectation that suppliers report any inappropriate conduct they witness, become aware of, or reasonably suspect, by their personnel, Base personnel or other suppliers, and to include contact details for *IntegrityLine*, Base Resources’ externally managed and independent whistleblower hotline.



Integrity System

The Company's Integrity Policy expands on the behavioural expectations set out in The Base Way by:

- > prohibiting bribery and corruption in all forms;
- > ensuring that gifts, entertainment, travel and per diem reimbursements are not given or received as a reward or encouragement for preferential treatment;
- > ensuring that the Company does not participate in party politics, including by not making payments to political parties or individual politicians;
- > prohibiting charitable donations or sponsorships that could be perceived as bribes or payments to gain an improper business advantage;
- > requiring employees to avoid actual, potential or perceived conflicts between their personal activities and interests and their responsibilities to the Company;
- > requiring third parties who act on the Company's behalf to comply with the Integrity Policy and the Integrity Standard; and
- > requiring employees to confront inappropriate behaviour in others.

The Integrity Standard, which is disclosed on the Company's website, gives effect to the Integrity Policy by:

- > specifying the limits of discretion of directors, officers and employees and individuals who act for or represent the Company or its subsidiaries (referred to in the Integrity Standard as "Base Personnel") in respect of specified conduct;
- > setting out the responsibilities of Base Personnel in observing and upholding the absolute prohibition on bribery, corruption and related improper conduct; and
- > providing information and guidance on how to recognise and deal with instances of potential bribery and corruption.

The Company provides comprehensive training on the Integrity System training to employees. During the reporting period, with the online integrity training having already been undertaken by employees in the Company's Perth office, the Company rolled out its online integrity training modules to Kenya and Madagascar-based employees. Completion of the training is also mandatory for all new employees as part of their induction process.

During the reporting period, to supplement the online integrity training, in-person training events on the Integrity System were held for employees at the superintendent level and above in Kenya, and employees at all levels in Perth and Madagascar.

To further embed the Integrity System, all Group personnel at supervisor level and above are also required to provide a signed Integrity Undertaking on an annual basis. This undertaking contains a series of confirmations and undertakings tied to the requirements of the Company's Integrity Policy and Integrity Standard, including to always act in a legal, honest and ethical manner when performing their role. The Integrity Standard is also subject to annual review and, under the ESE Committee Charter, the ESE Committee is required to report to the Board on the efficiency and effectiveness of the Integrity System at least annually.

A breach of the Integrity Standard by a member of the Company's personnel will be regarded as serious misconduct and will lead to disciplinary action which may include termination of employment. All material breaches of the Integrity Standard are required to be notified to the ESE Committee.

Whistleblower System

The Company's Whistleblower System further reinforces the behavioural expectations of The Base Way by providing a transparent and confidential mechanism for (among others) past and present employees and suppliers to confidentially report any instances of inappropriate conduct by employees and for such reports to be addressed in a timely and transparent manner.

The Company's Whistleblower Standard contains details about the individuals that can make reports of inappropriate conduct under that Standard, what constitutes inappropriate conduct, how reports of inappropriate conduct can be made (which includes to *IntegrityLine*, the Company's independent whistleblower hotline), how reports will be investigated and the measures that are put in place to ensure confidentiality and protect against detriment.

Environment and Social Management System

The Company has a comprehensive Environment and Social Management System, comprising, among other documents, an overarching Sustainability Policy, which was introduced during the reporting period, to link existing policies, like the Company's Environment Policy and Communities Policy.

The Sustainability Policy sets out the Company's purpose to contribute to solving the problems of people and planet and to do so profitably, without profiting from causing problems, and accompanying foundational philosophies placing sustainability at the centre of the Company's business. This purpose and the foundational philosophies are then reflected in individual policies addressing specific aspects of sustainability, providing policy intent across five themes – People, Environment, Social, Ethics and Responsible Business – and from which specific Environment and Social Management Standards are developed.



Extractive Industries Transparency Initiative

The Company is a signatory to the Extractive Industries Transparency Initiative (EITI). The EITI has established a reporting system to encourage transparency and accountability by Governments with respect to their receipt and use of revenues from extractive industries. EITI supports good governance in the use of government revenues derived from oil, gas and mining through the verification and full publication of payments by extractives companies to governments. For its operations in Kenya, the Company publishes these payments in the Governance section (accessible from the 'Who We Are' dropdown menu) of the website of its wholly-owned subsidiary, Base Titanium (www.basetitanium.com). Once payments to Government commence in Madagascar following development of the Toliara Project, the Company will publish relevant payment details on the Base Toliara website (www.basetoliara.mg).

Dealings in the Company's securities

The Company's Securities Trading Standard applies to directors and employees of the Company and its subsidiaries (referred to in the Standard as "Base Personnel"), as well as their consultants and advisers (referred to in the Standard as "Base Associates").

The purpose of the Standard is to:

- > assist Base Personnel and Base Associates to avoid insider trading/dealing, as well as the appearance of such conduct;
- > explain the type of conduct in relation to dealings in securities of the Company that is prohibited under the Corporations Act the United Kingdom's Market Abuse Regulation, which applies due to the Company's AIM listing; and
- > establish a procedure relating to dealing in the Company's securities that provides best practice protection to the Company, Base Personnel and Base Associates against the misuse of unpublished information which could materially affect the price or value of the Company's securities.

Accordingly, among other things, the Standard summarises the law on insider trading under the Corporations Act and the United Kingdom's Market Abuse Regulation and specifies the types of dealings that are prohibited and the clearance requirements for permitted dealings. Additionally:

- > Consistent with applicable requirements, the Securities Trading Standard requires the Company Secretary to be notified of any dealing in the Company's securities by Directors so that ASX can be notified, and any dealing by Directors or other persons discharging management responsibilities so that the required notifications can be made on AIM via a Regulatory Information Service and the United Kingdom's Financial Conduct Authority, in each case, within the prescribed time periods.
- > Directors and employees participating in equity-based incentive plans are also prohibited from entering any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in the Company's securities.

The Securities Trading Standard is subject to annual review.

Strict compliance with the Securities Trading Standard is mandatory for all Base Personnel and Base Associates. Any breach of the Standard is taken seriously and results in the person being subject to disciplinary action, including possible termination of their employment or appointment.

Risk management and internal controls

Approach to risk management

The Company recognises that risk is an integral and unavoidable component of its business and is characterised by both downside risk and upside opportunity. Effective management of risk enables the Company to enhance opportunities and reduce threats, and in so doing provide it with a competitive advantage. The Company is committed to managing risk in a proactive manner that is integrated throughout the business and informs all decision making as part of day-to-day management.

Risk management roles and responsibilities

Key ways the Company manages risk are through its well-established Risk Management Framework, the Board's Risk Committee, which has operated since 2015, and the Board's ESE Committee, which was formed more recently in 2021.

The Company does not have a formal internal audit function. The need for an internal audit function is subject to annual review and assessment by the Risk Committee from a risk management perspective, and by the Audit Committee from an assurance perspective. The Board considers that a formal internal audit process is not required or justifiable at this time, and the Board is comfortable with the current and future planned assurance programs with respect to the Company's material business risks.

The Company also has a comprehensive set of financial reporting controls for mitigating material financial reporting risks which were developed in consultation with EY in 2019 following EY's review of the Company's internal control environment. To assess and ensure the ongoing efficacy of its key controls, the Company carries out self-assessment testing biannually.

The Company also has a Non-Audit Services Standard, designed to ensure there is no actual or perceived adverse impact on auditor independence through the provision of non-audit services by the Company's external auditor. The Standard seeks to achieve this by setting authority limits on a position basis for approving non-audit services to be provided by the Company's external auditor.

The Risk Committee's role is to assist the Board in monitoring risk, with a full review of the Company's Material Business Risk Register and Risk Management Framework typically occurring for each Committee meeting, and at least annually. The Company's Material Business Risk Register and Risk Management Framework was reviewed at two of the three Risk Committee meetings held during the reporting period. Management is responsible for maintaining the Company's Material Business Risk Register and, during the reporting period, the Company's Senior Leadership Group carried out a ground-up review of the Group's material business risks. Management then developed a new form Material Business Risk Register incorporating the outcomes of the ground-up review.

The Risk Committee's responsibilities are to:

- > ensure that management designs and implements a risk management and internal control system to manage the Company's material business risks;
- > review, at least annually, the Company's risk management and internal risk control system and report to the Board on its efficiency and effectiveness;
- > periodically review the need for a formal internal audit function from a risk management perspective;
- > review the risk reports produced by management, the efficiency and effectiveness of that risk management and internal control system and any material incidents notified to it and the learnings from those incidents;
- > develop and maintain a risk register which identifies the material business risks to the Company and its operations and assess the likelihood of their occurrence;
- > periodically review the scope and adequacy of the Company's insurance, having regard to the Company's business and its associated insurable risks; and
- > oversee the Company's operational and risk management and occupational health and safety processes.

The ESE Committee's responsibilities include:

- > ensuring that management designs, implements and maintains an Environmental and Social Management System as well as any other systems necessary to achieve the Company's ESE strategy and positioning objectives;
- > reviewing and monitoring the efficacy and effectiveness of the ESMS;
- > monitoring the Company's responsibilities and commitments under international and domestic ESE-related frameworks;
- > ensuring that management designs and implements a whistleblower system to encourage and promote the reporting of any inappropriate conduct and overseeing procedures for whistleblower protection;
- > ensuring that management designs and implements an anti-bribery and corruption system to minimise the Company's risks with respect to bribery and corruption;
- > reviewing at least annually the Company's anti-bribery and corruption system and reporting to the Board on its efficiency and effectiveness;
- > reviewing and recommending to the Board any material ESE-related targets for public release; and
- > monitoring and reviewing emergent material ESE risks and opportunities as well as trends in the identified ESE metrics.

Management is responsible for promoting and applying the Risk Management Policy. The Risk Management Policy requires, among other things:

- > the fostering of a risk-aware culture that involves risk analysis and management in all decision making;
- > the implementation of a structured and comprehensive risk management system; and
- > the embedding of risk management in role descriptions.

Business risks and mitigations

The Company is exposed to a number of risks across its business, which it seeks to manage in a manner consistent with its Risk Management Framework. The Company identifies each risk according to the following categories:

- > Strategic – such as the Company's ability to execute its growth strategy.
- > Financial – such as funding availability.
- > Regulatory – such as political and mining and fiscal policy.
- > Operational – such as community, safety, security, human resources and production.
- > Project – such as risks to planned project development.

Applying the Risk Management Framework the SLG conducted a ground-up review of the Group's material business risks during the reporting period and developed a new form Material Business Risk Register based on that review.





Exposure to and management of environment and social risks

The Company has identified material exposures to environmental and social risks associated with its Kwale Operations and planned development of the Toliara Project. As an example, the host communities for the Company's Kwale Operations and Toliara Project play an integral role in the success of those projects and, by extension, the Company's overall success. Minimising environmental damage and increasing biodiversity are also critical to maintaining the Company's social licences to operate.

However, when it comes to sustainability, the Company also recognises that its role extends beyond simply managing its environment and social risks. This has been encapsulated in the Company's Sustainability Policy, released during the reporting period, which articulates the Company's purpose to contribute to solving the problems of people and planet and to do so profitably, without profiting from causing problems.

The Board has ultimate responsibility for overseeing the Company's approach to sustainability and ensuring that Base Resources' overall vision, strategy, systems and practices are all aligned. The ESE Committee assists the Board to fulfill its oversight responsibility in respect of sustainability matters.

The Company has a comprehensive Environment and Social Management System, developed with the full mining life cycle in mind and to ensure the management of environment and social risks through the full cycle. The Company's operations are in line with global best practice and sector-specific social and environmental performance standards are employed.

For further details about the Company's environment and social risks and its management of these risks, refer to the Company's inaugural 2022 Sustainability Report and the Company's 2023 Sustainability Report, targeted for release in October 2023 and which will cover the reporting period. Pages 18 to 21 of the 2023 Annual Report also contain further details about the Company's approach to sustainability and some of its sustainability-related practices. The Company's inaugural 2022 Sustainability Report is available at <https://baseresources.com.au/sustainability/sustainability-reporting/>.

Diversity

The Company values and encourages a diverse workforce and strives to provide a work environment in which everyone is treated fairly, with respect and can realise their full potential. The Company seeks to achieve this by:

- > employing staff based on job requirements and merit without discriminating on grounds which include age, ethnic or social origin, gender, sexual orientation, politics or religion;
- > training its people to work in safe, healthy and environmentally responsible ways, and then ensuring that they work in that manner;
- > requiring managers to be models of the highest standards of behaviour and to demonstrate visible leadership;
- > requiring employees to treat each other and those they deal with externally with dignity, fairness and respect and to guard against harassment in the workplace;
- > maintaining codes of conduct and performance standards that establish sound conditions of work and disciplinary procedures in compliance with all applicable laws and which uphold human rights principles;
- > ensuring that its remuneration and incentive systems are equitable and transparent;
- > establishing and developing integrated employment management systems that seek to elevate employee engagement within the Company to a recognised competitive advantage; and
- > including in every employee's role description a specific accountability of demonstrating The Base Way.

A key focus of the Company since before commencement of Kwale Operations in late 2013 has been establishment of an operational workforce that delivers on commitments to maximise employment opportunities for local communities, whilst achieving the highest standards of operational and safety performance. As at 30 June 2023, the Company is pleased to report that it employed 98.3% Kenyan national employees at Kwale Operations – demonstrating the effectiveness of the Company's systems designed to drive the structured transfer of skills over time.

For the Toliara Project, there has been the same structured focus on maximising employment opportunities for local communities against the backdrop of achieving the necessarily high standards of operational and safety performance. This requirement is documented in the project's Labour Recruitment and Influx Management Plan and will continue as the proposed development of the Toliara Project progresses. With there being only minimal expatriate employees at the Toliara Project due to the suspension of on-ground activities required by the Government of Madagascar, the Company is pleased to report that, as at 30 June 2023, it employed 96.6% Malagasy nationals at the Toliara Project.

While the primary focus to date has been on maximising local participation, workforce establishment and performance enhancement, the Board does set measurable objectives for achieving gender diversity, annually review those objectives and annually assess progress in achieving those objectives.

The Board determined to maintain the measurable diversity objectives it set last financial year for the reporting period.

The objectives set were:

- > increase the overall percentage of women employed by the Group;
- > maintain female representation in the intake for graduate and apprentice programs at or above one third, subject to the constraint of the operation of the Company's established system for the prioritisation of employment opportunities for local communities;
- > subject to vacancies, increase the percentage of women in executive roles (Manager level and above);
- > subject to vacancies, to consider diversity when reviewing Board succession plans with the aim to further balance gender representation and achieve greater diversity;
- > subject to vacancies, to increase the percentage of women in senior management (General Manager level and above); and
- > excluding short-term employees, maintain female turnover that is equal to or less than Group turnover.

For the reporting period, the Group maintained the overall percentage of women employed by the Group at 18%, and met its objectives to maintain female representation in the intake for graduate and apprentice programs at or above one third, increase the percentage of women in executive roles (Manager level and above) and achieve greater diversity on the Company's Board.

Unfortunately, the Group was unable to meet its objectives of:

- > increasing the percentage of women in senior management roles; and
- > maintaining female turnover that is equal to or less than Group turnover.



That said, no appointment opportunities were available during the reporting period at senior management level and, in both percentage and absolute terms, the number of women in management roles across the Group increased, representing future opportunities for female representation at the senior management level should vacancies arise. Although it remained higher than Group turnover, there was also a year-on-year decrease in female turnover.

The Company remains conscious that, given the relatively low turnover of senior employees, the Group's graduate and apprenticeship programs continue to represent the greatest opportunity to increase female representation within the Company over time. The Company's continued focus on ensuring adequate female representation in the Group's graduate and apprenticeship programs seems to be having an effect, with females making up half the internal promotions or new appointees to management level during the reporting period.

For the Toliara Project, the Company has undertaken several measures to encourage women from local communities to apply for future training and job opportunities, and dispel the commonly held perception that mining is an unsuitable career for women. Such measures included using female role models in advertising and holding "women only" registration days when targeting registrations for capacity-building training programs to broaden the pool of suitable applicants for roles during the construction and operation phases. Of the applicants registered for these programs, approximately 33% were female.

Shown below is the Company's performance in achieving its set objectives during the year ended 30 June 2023, as compared to the two prior periods. The Company's turnover percentages for 2021 were distorted by, and materially higher than the percentages for 2022 and the reporting period due to, the redundancy process that was carried out in Madagascar during that year.

Objective	2021	2022	2023	Change in % 2022 to 2023
Increase the overall percentage of women employed ⁽ⁱ⁾	177/964 18.4%	163/904 18.0%	171/952 18.0%	-
Female representation in graduate and apprentice programs at or above one third	8/24 33.3%	11/31 35.5%	15/42 35.7%	0.2%
Increase the percentage of women in management roles (Manager and above)	6/40 15.0%	7/38 18.4%	9/38 23.7%	5.3%
Increase the percentage of women in senior management (General Manager and above) ⁽ⁱⁱ⁾	0/11 0.0%	0/10 0.0%	0/8 0.0%	No change
Board gender diversity	28.6%	20%	33.3%	13.3%
Maintain female turnover that is equal to or less than Group turnover ⁽ⁱⁱⁱ⁾	Female – 12.0% Group – 8.6% Difference – 3.4%	Female – 8.0% Group – 5.7% Difference – 2.3%	Female – 5.3% Group – 2.7% Difference – 2.6%	0.3%

(i) To avoid doubt, employment figures exclude casuals, graduates, apprentices and interns.

(ii) For the purposes of ASX Recommendation 1.5, the Company has defined senior executive as senior management (General Manager and above).

(iii) Turnover for the purposes of the gender objective comprises resignations and redundancies. It does not include termination for cause, death/illness, retirement or contract expiry.

The Board has determined to maintain the above existing measurable objectives for the coming financial year, but with the objective for management being limited to Manager level, not Manager level and above, and the objective for the Board being to have a minimum of 30% female representation. The Board will report progress in achieving the set objectives in next year's Corporate Governance Statement.

Availability of Key Corporate Governance Documents

The following key corporate governance policies and procedures are available on the Company's website at <https://baseresources.com.au/who-we-are/corporate-governance/>

- > Company Values – The Base Way
- > Constitution
- > Board Governance Plan (including Board Committee Charters)
- > Sustainability Policy
- > Continuous Disclosure and Market Communications Standard
- > Risk Management Policy
- > Diversity Standard
- > Integrity Standard
- > Environment Policy
- > Communities Policy
- > Employment Policy
- > Health, Safety and Wellbeing Policy
- > Whistleblower Standard
- > Securities Trading Standard
- > Procurement and Supply Policy
- > Code of Conduct (Company Personnel)
- > Supplier Code of Conduct



**Base Resources Limited
Corporate Governance
Statement 2023**

Level 3, 46 Colin Street
West Perth WA 6005

+61 8 9413 7400

baseresources.com.au

ABN 88 125 546 910

