

# **Strategic Elements Ltd**

ABN 47 122 437 503

## **Corporate Governance Statement**

**4<sup>th</sup> Edition**

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## **1 Principle 1 – Lay solid foundations for management and oversight**

### **Responsibilities of the Board**

1.1 The Board is responsible for the following matters:

- 1.1.1 defining the purpose of the Company;
- 1.1.2 development of corporate strategy, implementation of business plans and performance objectives;
- 1.1.3 ensuring the Company's conduct and activities are ethical and carried out for the benefit of all its stakeholders;
- 1.1.4 approving, reviewing, ratifying and monitoring systems of risk management, codes of conduct, internal control systems and legal and regulatory compliance;
- 1.1.5 ensuring the Company's risk management framework is appropriate and covers both financial and non-financial risks;
- 1.1.6 approving and instilling the Company's values to underline the desired culture of the Company;
- 1.1.7 allocating resources and ensuring appropriate resources are available to management;
- 1.1.8 ensuring that an appropriate framework is in place to enable management to report relevant information to the board;
- 1.1.9 challenging management and holding it to account, when required;
- 1.1.10 approving the appointment and replacement of the Company's Managing Director, Chief Executive Officer (or equivalent), Chief Financial Officer, Company Secretary and other senior executives;
- 1.1.11 monitoring senior executives' performance and implementation of strategy;
- 1.1.12 determining appropriate remuneration policies that are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- 1.1.13 approving and monitoring the annual budget, progress of major capital expenditure, capital management, and acquisitions and divestitures; and
- 1.1.14 approving and monitoring financial and other reporting.

### **Chairperson**

- 1.2 The Chairperson is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's business. The Chairperson should facilitate the effective contribution of all directors and promote constructive and respectful relations between directors and between the Board and management of the Company. The Chairperson is responsible for briefing directors on issues arising at Board meetings and ultimately is responsible for communications with shareholders and arranging Board performance evaluation. The person performing the role of Chairperson should be separate from the person performing the role of Managing Director or Chief Executive Officer. The Chairperson is responsible for measuring and evaluation performance of the Board against the responsibilities of the Board described in 1.1.

### **Managing Director/Chief Executive Officer**

- 1.3 The Managing Director or Chief Executive Officer is responsible for running the affairs of the Company under delegated authority from the Board. In carrying out his or her responsibilities the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

### **Company Secretary**

- 1.4 The Company Secretary is responsible for monitoring the extent that Board policy and procedures are followed, and coordinating the timely completion and despatch of Board agendas and briefing material. All directors are to have access to the Company Secretary. The Company Secretary should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

### **Performance Evaluation**

- 1.5 The Chairperson and/or the Managing Director is responsible for reviewing the performance of each director/executive at least once every calendar year with reference to the terms of their employment contract. The Company will report on any material adverse outcome from a performance evaluation.

### **Appointment of additional Directors**

- 1.6 The Company will conduct appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and will 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.

### **Written Agreements with Directors**

- 1.7 The Company will enter into a Written Agreement with each director and senior executive. Agreements will cover areas such as: Term of appointment, remuneration, mutual obligations, requirement to comply with Company policies, confidentiality and termination. Individual Agreements will vary but will materially be similar to comparative Agreements found in the industry.

## **Reporting**

- 1.8 The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 1.

## **2 Principle 2 - Structure the Board to add value**

### **Composition of the Board**

- 2.1 The Company will ensure that the Board will be of a size and composition that is conducive to making appropriate decisions and be large enough to incorporate a variety of perspectives and skills, and to represent the best interests of the Company as a whole rather than of individual shareholders or interest groups. It will not, however, be so large that effective decision-making is hindered.

### **Independent Directors**

- 2.2 The Company will regularly review whether each non-executive director is independent and each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independence status changes this should be disclosed and explained to the market in a timely fashion.
- 2.3 The Company currently does not have an independent director on the Board. The Company will strive to ensure the Board has independent directors serving on the Board over coming years, subject to the operations of the Company and the right of shareholders in general meeting to elect and remove directors.

### **Chairperson**

- 2.4 The Company currently does not have an independent Chairperson. During times when there is not a dedicated Chairperson, the Managing Director will act as Chairperson. The Chairperson's other positions should not be such that they are likely to hinder the effective performance of their role of Chairperson of the Company.

### **Independent decision-making**

- 2.5 All directors – whether independent or not - should bring an independent judgement to bear on Board decisions. Non-executive directors are encouraged to confer regularly without management present. Their discussions are to be facilitated by the Chairperson, if he or she is independent or the deputy Chairperson. Non-executive directors should inform the Chairperson before accepting any new appointments as directors.

### **Independent advice**

- 2.6 To facilitate independent decision making, the Board and any committees it convenes from time to time may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chairperson, individual directors may seek independent professional advice, at the expense of the Company, on any matter connected with the discharge of their responsibilities.

### **Procedure for selection of new directors**

- 2.7 The Company believes it is not of a size to justify having a Nomination Committee. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board believes corporate performance is enhanced when the Board has an appropriate mix of skills and experience.
- 2.8 In support of their candidature for directorship or re-election, non-executive directors should provide the Board with details of other commitments and an indication of time available for the Company. Prior to appointment or being submitted for re-election non-executive directors should specifically acknowledge to the Company that they will have sufficient time to meet what is expected of them. Re-appointment of directors is not automatic.

### **Induction and education**

- 2.9 The Board will implement an induction program to enable new directors to gain an understanding of:
- 2.9.1 the Company's financial, strategic, operational and risk management position;
  - 2.9.2 the rights, duties and responsibilities of the directors;
  - 2.9.3 the roles and responsibilities of senior executives; and
  - 2.9.4 the role of any Board committees in operation.
- 2.10 Directors will have reasonable access to continuing education to update and enhance their skills and knowledge, including education concerning key developments in the Company and in the industries in which the Company's business is involved. The professional development needs of the directors will be reviewed periodically.

### **Access to information**

- 2.11 The Board has the right to obtain all information from within the Company which it needs to effectively discharge its responsibilities.
- 2.12 Senior executives are required on request from the Board to supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.

### **Nomination Committee**

- 2.13 The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board

believes corporate performance is enhanced when the Board has an appropriate mix of skills and experience.

### **Reporting**

- 2.14 The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 2.

## **3 Principle 3: Promote ethical and responsible decision-making**

### **Code of conduct**

- 3.1 The Board has adopted the Code of Conduct set out at Appendix A to promote ethical and responsible decision making by directors, management and employees. The Code embraces the values of the company.
- 3.2 The Board is responsible for ensuring that training on the Code of Conduct is provided to staff and officers of the Company.
- 3.3 The Board is responsible for making advisers, consultants and contractors aware of the Company's expectations set out in the Code of Conduct.
- 3.4 Any material breach of compliance with the Code of Conduct is to be reported directly to the Board.

### **Policy for trading in Company securities**

- 3.5 The Board has adopted a policy on trading in the Company's securities by directors, senior executives and employees set out in Appendix B.
- 3.6 The Board is responsible for ensuring that the policy is brought to the attention of all affected persons and for monitoring compliance with the policy.

### **Diversity**

- 3.7 Due to the current size of the Board and expected workforce, the Company does not currently have a separate policy specifically addressing achieving diversity.
- 3.8 The Company has adopted a code of conduct, which provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.

### **Values**

- 3.9 The values of the Company are honesty, integrity, enterprise, excellence, accountability, justice, independence and quality of stakeholder opportunity.

### **Whistleblowing**

- 3.10 The Company values integrity and aims to encourage a culture where its directors and employees have the opportunity to raise any potential misconduct concerns without any fear of reprisal.



- 3.11 The Board has adopted a whistleblower policy set out in Appendix D. Any material incidents under the whistleblower policy are to be reported directly to the Board.

#### **Anti-bribery and Corruption**

- 3.12 The Company is committed to conducting its business operations in a lawful and ethical manner and corrupt practices are unacceptable. It is prohibited for the Company or its directors and employees to directly or indirectly offer, pay, solicit or accept bribes or any other corrupt arrangements.
- 3.13 The Board has adopted an anti-bribery and corruption policy set out in Appendix E. Any material breach under the anti-bribery and corruption policy is to be reported directly to the Board.

#### **Reporting**

- 3.14 The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 3.

### **4 Principle 4: Safeguard integrity in financial reporting**

#### **Audit and Risk Management**

- 4.1 The Company believes it is not of a size to justify having a separate Audit and Risk Management Committee. Ultimate responsibility for the integrity of the Company's financial reporting rests with the full Board. Given the small size of the Board, the directors believe an Audit Committee structure to be inefficient. All directors share responsibility for ensuring the integrity of the Company's financial reporting and appropriate Board processes must be implemented to perform the following audit and risk management functions:
- 4.1.1 external audit function:
- (a) review the overall conduct of the external audit process including the independence of all parties to the process;
  - (b) review the performance of the external auditors;
  - (c) consider the reappointment and proposed fees of the external auditor; and
  - (d) where appropriate seek tenders for the audit and where a change of external auditor is recommended arrange submission to shareholders for shareholder approval;
- 4.1.2 reviewing the quality and accuracy of published financial reports;
- 4.1.3 reviewing the accounting function and ongoing application of appropriate accounting and business policies and procedures;

- 4.1.4 reviewing and imposing variations to the risk management and internal control policies designed and implemented by Company management; and
- 4.1.5 any other matters relevant to audit and risk management processes.

### **Reporting**

- 4.2 The Company will ensure an external auditor is present at its AGM.
- 4.3 For periodic corporate reports which are released to the market and are not required to be audited or reviewed by the external auditor, the Company has an internal process to support the integrity of the information being disclosed. This process involves:
  - 4.3.1 The person producing the document will ensure that the information stated is to the best of their knowledge accurate and not misleading; and
  - 4.3.2 The document will be reviewed and approved by the appropriate director who has expert knowledge in the subject matter.
- 4.4 The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 4.

## **5 Principle 5: Make timely and balanced disclosure**

### **Disclosure Policy**

- 5.1 The Board has adopted a Disclosure Policy for ensuring timely and accurate disclosure of price-sensitive information to shareholders through the ASX set out in Appendix C.
- 5.2 The Disclosure Policy ensures that:
  - 5.2.1 all investors have equal and timely access to material information concerning the Company including its financial position, performance, ownership and governance; and
  - 5.2.2 Company announcements are subjected to a vetting and authorisation process designed to ensure they:
    - (a) are released in a timely manner;
    - (b) are factual;
    - (c) do not omit material information; and
    - (d) are expressed in a clear and objective manner that allows

investors to assess the impact of the information when making investment decisions.

#### **Reporting**

- 5.3 The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 5.

## **6 Principle 6: Respect the rights of shareholders**

#### **Communication with Shareholders**

- 6.1 The Board is committed to open and accessible communication with holders of the Company's shares and other securities. Disclosure of information and other communication will be made as appropriate by mail or email.
- 6.2 The Company's website will also be used to provide additional relevant information to security holders. The Board considers the following to be appropriate features for the Company's website:
- 6.2.1 placing the full text of notices of meeting and explanatory material on the website;
  - 6.2.2 providing information about the last 2 years' press releases or announcements plus at least 2 years of financial data on the website or
  - 6.2.3 providing information updates to security holders on request by email; and
  - 6.2.4 providing information on corporate governance.

#### **General Meetings**

- 6.3 The Company is committed to improving shareholder participation in general meetings. In order to achieve that objective, the Company has adopted guidelines of the ASX Corporate Governance Council for improving shareholder participation through the design and content of notices and through the conduct of the meeting itself.
- 6.4 At meetings of security holders all substantive resolutions will be decided by a poll, rather than by a show of hands.

#### **Reporting**

- 6.5 The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 6.

## **7 Principle 7: Recognise and manage risk**

### **Creation and implementation of Company risk management policies**

- 7.1 It is the responsibility of the Chief Executive Officer (or equivalent) to create, maintain and implement governance, risk management and internal control policies for the Company, subject to review by the Board.
- 7.2 The Chief Executive Officer (or equivalent) must report to the Board on a half yearly basis regarding the design, implementation and progress of the risk management policies and internal control systems.

### **Audit and Risk Management**

- 7.3 As referenced with respect to Principle 4, the Board has not established an Audit and Risk Management Committee for the reasons given above.
- 7.4 The principal areas of risk for the Company are in:
- 7.4.1 occupational health and safety and work related safety risks;
  - 7.4.2 environmental risks;
  - 7.4.3 security of tenure over tenements;
  - 7.4.4 financial risk in the areas of maintaining sufficient funding for the continuation of operations and risks related to fraud, misappropriation and errors; and
  - 7.4.5 cyber-security

### **Review by the Board**

- 7.5 The Board will review the effectiveness of implementation of its governance, risk management system and internal control system at least annually, and will confirm that the Company is operating with due regard to the risk appetite set by the Board.
- 7.6 When reviewing governance, risk management policies and internal control system the Board should take into account the Company's legal obligations and should also consider the reasonable expectations of the Company's stakeholders, including security holders, employees, customers, suppliers, creditors, consumers and the community.

### **Chief Executive Officer**

- 7.7 The Chief Executive Officer (or equivalent) is required annually to state in writing to the Board that the Company has a sound system of risk management, that internal compliance and control systems are in place to ensure the implementation of Board policies, and that those systems are operating efficiently and effectively in all material respects.

### **Verification of financial reports**

- 7.8 The Chief Executive Officer (or equivalent) and Chief Financial Officer (or equivalent) are required by the Company to state the following in writing prior to the Board making a solvency declaration pursuant to section 295(4) of the Corporations Act:
- 7.8.1 that the Company's financial reports contain a true and fair view, in all material respects, of the financial condition and operating performance of the Company and comply with relevant accounting standards; and
  - 7.8.2 that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.

### **Reporting**

- 7.9 The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 7.

## **8 Principle 8: Remunerate fairly and responsibly**

### **Director and senior executive remuneration policies**

- 8.1 The Company's remuneration policy is structured for the purpose of:
- 8.1.1 motivating senior executives to pursue the long-term growth and success of the Company; and
  - 8.1.2 demonstrating a clear relationship between senior executives' performance and remuneration.
- 8.2 The Board's responsibility is to set the level and structure of remuneration for officers (including but not limited to directors and secretaries) and executives, for the purpose of balancing the Company's competing interests of:
- 8.2.1 attracting and retaining senior executives and directors; and
  - 8.2.2 not paying excessive remuneration.
- 8.3 Executive directors' remuneration should be structured to reflect short and long-term performance objectives appropriate to the Company's circumstances and goals.
- 8.4 Executive directors' and senior executives' remuneration packages should involve a balance between fixed and incentive-based pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.

8.5 Non-executive directors' remuneration should be formulated with regard to the following guidelines:

8.5.1 non-executive directors should normally be remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or equity, usually without participating in schemes designed for the remuneration of executives;

8.5.2 non-executive directors should not be provided with retirement benefits other than superannuation.

8.6 No director may be involved in setting their own remuneration or terms and conditions and in such a case relevant directors are required to be absent from the full Board discussion.

#### **Remuneration Committee**

8.7 The Company believes it is not of a size to justify having a Remuneration Committee and that it has Board processes in place which raise the issues which would otherwise be considered by a committee.

#### **Reporting**

8.8 The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 8.

## **10      Appendix A – Code of Conduct**

### **Introduction**

1.      This Code of Conduct sets out the standards which the Board, management and employees of the Company are encouraged to comply with when dealing with each other, the Company's shareholders and the broader community.

### **Responsibilities to shareholders**

2.      The Company aims:
  - 2.1          to increase shareholder value within an appropriate framework which safeguards the rights and interests of shareholders; and
  - 2.2          to comply with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity.

### **Responsibilities to clients, employees, suppliers, creditors, customers and consumers**

3.      The Company will comply with all legislative and common law requirements which affect its business.

### **Employment practices**

4.      The Company will employ the best available staff with skills required to carry out the role for which they are employed. The Company will ensure a safe workplace and maintain proper occupational health and safety practices. The Company will not discriminate against gender, religion or race when employing staff.

### **Responsibility to the community**

5.      The Company will recognise, consider and respect environmental, native title and cultural heritage issues which arise in relation to the Company's activities and comply with all applicable legal requirements.

### **Responsibility to the individual**

6.      The Company recognises and respects the rights of individuals and will comply with the applicable laws regarding privacy and confidential information.

### **Obligations relative to fair trading and dealing**

7.      The Company will deal with others in a way that is fair and will not engage in deceptive practices.

### **Business courtesies, bribes, facilitation payments, inducements and commissions**

8.      Corrupt practices are unacceptable to the Company. It is prohibited for the Company or its directors, managers or employees to directly or indirectly offer, pay, solicit or accept bribes or any other corrupt arrangements.

### **Conflicts of interest**

9.      The Board, management and employees must report any situations where there is a real or apparent conflict of interest between them as individuals and the interest of

the Company. Where a real or apparent conflict of interest arises, the matter must be brought to the attention of the Chairperson in the case of a Board member, the Managing Director or Chief Executive Officer (or equivalent) in the case of a member of management and a supervisor in the case of an employee, so that it may be considered and dealt with in an appropriate manner.

**Compliance with the Code of Conduct**

10. Any material breach of compliance with this Code of Conduct is to be reported directly to the Board.

**Periodic review of Code**

11. The Company will monitor compliance with this Code of Conduct periodically by liaising with the Board, management and staff. Suggestions for improvements or amendments to this Code of Conduct can be made at any time to the Chairperson.



## **12. Appendix B – Policy for trading in Company securities**

The Company has a separate Policy for trading in the Company securities. This policy can be found on the Company's website with the Corporate Governance Statement.

## **13. Appendix C – Disclosure Policy**

### **Disclosure Requirements**

1. The Company recognises its duties pursuant to the continuous disclosure rules of the ASX Listing Rules and Corporations Act to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities.
2. Subject to certain exceptions (in ASX Listing Rule 3.1A), the Company is required to immediately release to the market information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

### **Responsibilities of directors officers and employees**

3. The Board as a whole is primarily responsible for ensuring that the Company complies with its disclosure obligations and for deciding what information will be disclosed. Subject to delegation, the Board is also responsible for authorising all ASX announcements and responses of the Company to ASX queries.
4. Every director, officer and employee of the Company is to be informed of the requirements of this policy and must advise the Managing Director, Chief Executive Officer (or equivalent), Chairperson or Company Secretary as soon as possible (and prior to disclosure to anyone else) of matters which they believe may be required to be disclosed.

### **Authorised Disclosure Officer**

5. The Board has delegated its primary responsibilities to communicate with ASX to the following Authorised Disclosure Officer:
  - 5.1 the Company Secretary or
  - 5.2 in the absence of the Company Secretary, the Managing Director, Chief Executive Officer or a designated Executive Director who is authorised to act in that capacity by the Board.

### **Responsibilities of Authorised Disclosure Officer**

6. Subject to Board intervention on a particular matter, the Authorised Disclosure Officer is responsible for the following:
  - 6.1 monitoring information required to be disclosed to ASX and coordinating the Company's compliance with its disclosure obligations;
  - 6.2 ASX communication on behalf of the Company, authorising Company announcements and lodging documents with ASX;
  - 6.3 requesting a trading halt in order to prevent or correct a false market;
  - 6.4 providing education on these disclosure policies to the Company's directors, officers and employees; and

- 6.5 ensuring there are vetting and authorisation processes designed to ensure that Company announcements:
  - 6.5.1 are made in a timely manner;
  - 6.5.2 are factual;
  - 6.5.3 do not omit material information;
  - 6.5.4 are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.
- 7. An Authorised Disclosure Officer must be available to communicate with the ASX at all reasonable times, and are responsible for providing contact details and other information to ASX to ensure such availability.

#### **Measures to avoid a false market**

- 8. In the event that ASX requests information from the Company in order to correct or prevent a false market in the Company's securities, the Company will comply with that request. The extent of information to be provided by the Company will depend on the circumstances of the ASX request.
- 9. If the Company is unable to give sufficient information to the ASX to correct or prevent a false market, the Company will request a trading halt.
- 10. If the full Board is available to consider the decision of whether to call a trading halt, only they may authorise it, but otherwise, the Authorised Disclosure Officer may do so.

#### **ASX Announcements**

- 11. Company announcements of price sensitive information are subjected to the following vetting and authorisation process to ensure their clarity, timely release, factual accuracy and inclusion of all material information:
  - 11.1 The Authorised Disclosure Officer must prepare ASX announcements when required to fulfil the Company's disclosure obligations.
  - 11.2 Proposed announcements must be approved by the Chairperson or in his or her absence, urgent announcements may be approved by the Managing Director or Chief Executive Officer (or equivalent) or other person expressly authorised by the Board.
  - 11.3 Announcements must first be released to the ASX Announcements Platform before being disclosed to any other private or public party (such as the media). After release of the announcement, it must be displayed on the Company's website, following which the Company can then release such information to media and other information outlets.

- 11.4 Before a new and substantive investor or analyst presentation is given, a copy of the presentation materials will be released to the market before the presentation.
- 11.5 Wherever practical, all announcements must be provided to the directors, Chief Executive Officer (or equivalent) and Company Secretary prior to release to the market for approval and comment.
- 11.6 The board will receive copies of all material market announcements promptly after they have been made.

#### **Confidentiality and unauthorised disclosure**

- 12. The Company must safeguard the confidentiality of information which a reasonable person would expect to have a material effect on the price or value of the Company's securities. If such information is inadvertently disclosed, the Authorised Disclosure Officer must be informed of the same and must refer it to the Chairperson and Managing Director or Chief Executive Officer (or equivalent) as soon as possible.

#### **External communications and Media Relations**

- 13. The Chairperson and Managing Director or Chief Executive Officer (or equivalent) are authorised to communicate on behalf of the Company with the media, government and regulatory authorities, stock brokers, analysts and other interested parties or the public at large. No other person may do so unless specifically authorised by the Chairperson, Managing Director or Chief Executive Officer (or equivalent).
- 14. All requests for information from the Company must be referred to the Authorised Disclosure Officer for provision to the Chairperson and Managing Director or Chief Executive Officer (or equivalent).

#### **Breach of Disclosure Policy**

- 15. Serious breaches of this disclosure policy may be treated with disciplinary action, including dismissal, at the discretion of the Board.
- 16. Where the breach is alleged against a member of the Board, that director will be excluded from the Board's consideration of the breach and any disciplinary action for the Company to take.

## **17. Appendix D – Whistleblower Policy**

### **Overview**

1. The Company is committed to maintaining a high standard of integrity, investor and stakeholder confidence, as well as good corporate governance. The Company supports a culture that encourages directors and employees to report improper activities in the workplace and will protect employees from retaliation for making any such report in good faith.

### **Employee Rights**

2. Directors and employees have the right to raise any matters of concern, without suffering retaliation, if any director or employee reasonably believes that any activity conducted by the Company, or any of its employees, violates any laws or non-compliance of state or federal rules or regulations.
3. Directors and employees are entitled to refuse to participate in an activity that would result in a violation of state or federal statutes, or a violation or non-compliance with a state or federal rules or regulations.
4. The whistleblower protection laws do not entitle employees to violate a confidential privilege of the Company or improperly disclose trade-secret information.

### **Where to Report**

5. Directors and employees have the duty to comply with all applicable laws and to assist the Company in ensuring legal compliance. A director or employee who suspects a problem with legal compliance is required to report the situation to the Executive Director or Chair of the Board of Directors if the complaint involves the Executive Director.
6. Employees may also report information regarding possible unlawful activity to an appropriate government or law enforcement agency.

### **Breach of Whistleblower Policy**

7. Any material incidents under the whistleblower policy are to be reported directly to the Board.

### **Protection from Retaliation**

8. It is the intent of this policy to encourage directors or employees to report fraudulent or illegal activities and there shall be no retaliation for any reports made pursuant to this policy. Any director or employee who believes they have been retaliated against for whistle blowing may file a complaint with either the Executive Director or the Chair of the Board of Directors. Any complaint of retaliation will be promptly investigated and remedial action taken when warranted.

## **18. Appendix E – Anti-Bribery and Corruption Policy**

### **Overview**

1. The Company is committed to conducting its business operations in a lawful and ethical manner in accordance with the laws and regulations of the countries in which it operates. Engaging in bribery and corrupt conduct is unacceptable and exposes the Company to significant reputational damage.
2. This Anti-Bribery and Corruption Policy applies to all of the Company's directors and employees who must:
  - 2.1 ensure that they understand the policy;
  - 2.2 not engage in any bribery or corrupt conduct;
  - 2.3 comply with the laws and regulations that apply to the Company's operations;
  - 2.4 comply with the terms of the policy; and
  - 2.5 immediately report any concerns, suspected or potential breaches of the policy to the Chief Executive Officer (or equivalent).

### **Consequences for breaching the Anti-bribery and Corruption Policy**

3. Any suspected or material breaches of this policy are to be reported directly to the Board and will be properly recorded and thoroughly investigated. Where a breach of the policy is determined, appropriate disciplinary and remedial actions will be taken. The Company reserves the right to inform the appropriate authorities where it is considered that there has been criminal activity or any breach of the law.

### **Activities that are prohibited under this policy**

4. The following activities are strictly prohibited:
  - 4.1 offering to pay, making a payment, or promising anything of value to both foreign and domestic personnel involved with international and domestic business transactions;
  - 4.2 receiving a payment or anything of value from both foreign and domestic personnel involved with international and domestic business transactions;
  - 4.3 offering, paying or receiving a 'kick-back' or secret commission as an incentive or reward for doing or not doing an activity, or showing or not showing favour or disfavour to any personnel in relation to a business matter;
  - 4.4 offering, giving or accepting any gifts, hospitality or personal favour which goes beyond standard business courtesies;

- 4.5 offering or accepting anything that could reasonable be construed as a bribe or improper inducement associated with the ordinary course of business; or
- 4.6 Intentionally altering, concealing or destroying any documents associated with giving or receiving a bribe.

## **19. Appendix F – Board Charter**

### **Role of the Board**

1. The role of the Board is to guide the Company's strategic direction, drive its performance and oversee the operation of the Company.

### **Responsibilities of the Board**

2. The Board is responsible for the following matters:
  - 2.1 defining the purpose of the Company;
  - 2.2 development of corporate strategy, implementation of business plans and performance objectives;
  - 2.3 ensuring the Company's conduct and activities are ethical and carried out for the benefit of all its stakeholders;
  - 2.4 approving, reviewing, ratifying and monitoring systems of risk management, codes of conduct, internal control systems and legal and regulatory compliance;
  - 2.5 ensuring the Company's risk management framework is appropriate and covers both financial and non-financial risks;
  - 2.6 approving and instilling the Company's values to underline the desired culture of the Company;
  - 2.7 allocating resources and ensuring appropriate resources are available to management;
  - 2.8 ensuring that an appropriate framework is in place to enable management to report relevant information to the board;
  - 2.9 challenging management and holding it to account, when required;
  - 2.10 approving the appointment and replacement of the Company's Managing Director, Chief Executive Officer (or equivalent), Chief Financial Officer, Company Secretary and other senior executives;
  - 2.11 monitoring senior executives' performance and implementation of strategy;
  - 2.12 determining appropriate remuneration policies that are aligned with the Company's purpose, values, strategic objectives and risk appetite;
  - 2.13 approving and monitoring the annual budget, progress of major capital expenditure, capital management, and acquisitions and divestitures; and



## 2.14 approving and monitoring financial and other reporting.

### **Role and responsibilities of Management**

3. The Board delegates certain matters to management as set out below.

### **Chairperson**

4. The Chairperson is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's business. The Chairperson should facilitate the effective contribution of all directors and promote constructive and respectful relations between directors and between the Board and management of the Company. The Chairperson is responsible for briefing directors on issues arising at Board meetings and ultimately is responsible for communications with shareholders and arranging Board performance evaluation. The person performing the role of Chairperson should be separate from the person performing the role of Managing Director or Chief Executive Officer. The Chairperson is responsible for measuring and evaluation performance of the Board against the responsibilities of the Board described above.

### **Managing Director/Chief Executive Officer**

5. The Managing Director or Chief Executive Officer is responsible for running the affairs of the Company under delegated authority from the Board. In carrying out his or her responsibilities the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

### **Company Secretary**

6. The Company Secretary is responsible for monitoring the extent that Board policy and procedures are followed, and coordinating the timely completion and despatch of Board agendas and briefing material. All directors are to have access to the Company Secretary. The Company Secretary should be accountable directly to the Board, through the chair; on all matters to do with the proper functioning of the Board.

### **Performance Evaluation**

7. The Chairperson and/or the Managing Director are responsible for reviewing the performance of each executive at least once every calendar year with reference to the terms of their employment contract. The Company will report on any material adverse outcome from a performance evaluation.

### **Appointment of additional Director**

8. The Company will conduct appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and will 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.

### **Written Agreements with Directors**

9. The Company enter into a written Agreement with each director and senior executive. Agreements will cover areas such as: Term of appointment, remuneration, mutual obligations, requirement to comply with Company policies, confidentiality and termination.

Individual Agreements will vary but will materially be similar to comparative Agreements found in the industry.

**Board charter review**

10. The Board charter and any amendments to it must be approved by each director of the Company. Each director is responsible for review of the effectiveness of this charter and the operations of the Board and to make recommendations for any amendments.