



SUMMIT RESOURCES LIMITED

CORPORATE GOVERNANCE STATEMENT 2018

The Board of Directors of Summit and the entities it controlled (Consolidated Entity or Group) is responsible for the corporate governance of the Group.

Summit has adopted systems of control and accountability as the basis for the administration of corporate governance. This Corporate Governance Statement outlines the key principles and practices of the Company which, taken as a whole, is the system of governance.

The Company reviews and amends its corporate governance policies as appropriate to reflect the growth of the Company, current legislation and good practice. The website (www.summitresources.com.au) includes copies or summaries of key corporate governance policy documents.

COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

Recommendations	Commentary
<p>Principle 1: Lay solid foundations for management oversight: Roles and responsibilities for board and management and how their performance is monitored and evaluated.</p>	
<p>1.1 Listed Entity should disclose: (a) respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management</p>	<p>Adopted. This is contained within the Company's Board Charter, a copy of which is available on the company website at www.summitresources.com.au on the Corporate Governance Page.</p>
<p>1.2 Listed Entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>Adopted. The Company undertakes appropriate checks before any director appointments. Upon rotation of directors at each Annual General Meeting, all relevant information is provided to security holders within the Notice of Meeting including biographical details, other material directorships, term of office and independence of directors.</p>

<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>Adopted.</p> <p>All directors are appointed under an engagement letter or contract which details the terms of their appointment.</p>												
<p>1.4 The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.</p>	<p>Adopted.</p> <p>The Company Secretary is accountable directly to the board. The Company Secretary duties include the following:</p> <ul style="list-style-type: none"> - Advising the board and/or committees on Corporate Governance matters - Monitoring that the Board follows policy and procedure - Coordinating the timely completion and despatch of board and committee papers - Ensuring business at meetings are accurately captured in minutes - Helping to organise and facilitate induction and professional development of directors 												
<p>1.5 Listed Entity should:</p> <p>(a) Have a diversity Policy which includes requirements for Board/Committee to set measurable objectives for achieving gender diversity and assess them and achieving them annually</p> <p>(b) disclose that policy</p> <p>(c) disclose at end of reporting period how objectives are being achieved via:</p> <p>(i) respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how senior exec is defined); or</p> <p>(ii) if entity is a “relevant employer” under the Workplace Gender Equality Act, the entities most recent “Gender Equality Indicators” as defined in the Act.</p>	<p>Adopted.</p> <p>The Company has a diversity policy, which can be found on its website www.summitresources.com.au on the Corporate Governance Page which provides measurable objectives.</p> <table data-bbox="1120 954 2024 1101" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">2018</th> <th style="text-align: right;">2017</th> </tr> </thead> <tbody> <tr> <td>Women on the Board:</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Women in Senior Management roles</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Women employees in the Company</td> <td style="text-align: right;">1</td> <td style="text-align: right;">1</td> </tr> </tbody> </table>		2018	2017	Women on the Board:	0	0	Women in Senior Management roles	0	0	Women employees in the Company	1	1
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<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and</p>	<p>Adopted.</p> <p>Improvement in Board processes and effectiveness is a continuing objective and the primary purpose of the annual Board evaluation is to identify ways to improve performance. The Chairman is responsible for conducting an</p>												

<p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>annual review of the Board performance, committee performance and individual directors performance.</p> <p>An evaluation of the performance of the Board has not been carried out for the 2018 financial year.</p>
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Not Adopted – not applicable</p> <p>There are no senior executives in the Company other than the executive director on the Board that is evaluated as part of the board evaluation process.</p>
<p>Principle 2</p> <p>Structure the Board to add value:</p> <p>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</p>	
<p>2.1 The board of a listed entity should:</p> <p>(a) Have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by a independent director; and disclose;</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met through the period and the individual attendances of the members at those meetings; or</p> <p>(b) If it does not have a nomination committee disclose that fact and the processes it employs to address board succession issue and to ensure that the board has the appropriate balance of skills, knowledge experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>Not Adopted.</p> <p>The Company does not have a separate nomination committee, as the Board is made up of only 3 directors, and so due to the small composition of the Board, the responsibilities of the Nomination Committee are undertaken by the full board.</p>

<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>Adopted.</p>
<p>2.3 A listed entity should disclose:</p> <ul style="list-style-type: none"> (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship as described in Box 2.3 (Factors relevant to assessing independence) but the board is of the opinion that it doesn't compromise the independence of the director, nature of the interest, position, association or relationship and an explanation as to why the board is of that opinion; and (c) the length of service of each director. 	<p>Adopted.</p> <p>The Independent Directors are:</p> <ul style="list-style-type: none"> - David Berrie, appointed to the Board on 19 October 2006, serving for 12 years - Malcolm Randall, appointed to the Board on 30 May 2007, serving for 11 years
<p>2.4 A majority of the Board of a listed entity should be independent directors.</p>	<p>Adopted.</p> <p>Two thirds of the Board are independent – Malcolm Randall and David Berrie are independent directors.</p>
<p>2.5 The Chair of a Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>Adopted.</p> <p>The Chairman of the Board is Mal Randall and he is an independent director.</p>
<p>2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>Adopted.</p> <p>There is an informal induction program in place for any new directors which includes the commitment of the Company to provide and support any required professional development.</p>
<p>Principle 3 Act Ethically and Responsibly: A listed entity should act ethically and responsibly.</p>	
<p>3.1 A listed entity should:</p> <ul style="list-style-type: none"> (a) Have a code of conduct for its directors, senior executives and employees; and 	<p>Adopted.</p>

<p>(b) disclose that code of conduct or a summary of it.</p>	<p>The Company has a directors' code of conduct and a codes of business conduct and ethics, copies of which can be found on the Company website www.summitresources.com.au on the Corporate Governance Page.</p>
<p>Principle 4 Safeguard Integrity in corporate reporting: A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.</p>	
<p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board;</p> <p>And disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the member of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the member at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>Partially Adopted.</p> <p>The Company has an audit committee, however it only has two members:</p> <ul style="list-style-type: none"> - David Berrie - Malcolm Randall <p>Both these members are independent non-executive directors of the Company. The audit committee is chaired by David Berrie, who is an independent director.</p> <p>The charter of the audit committee is published on the Company's website www.summitresources.com.au and is available on the Corporate Governance page.</p> <p>The committee has met twice during the financial period with both members attending.</p>
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound</p>	<p>Adopted.</p> <p>Upon approval of all financial statements, the Board receives a copy of the CEO and CFO declaration which covers the items required in principle 4.2</p>

<p>system of risk management and internal control which is operating effectively.</p>	
<p>4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit</p>	<p>Adopted. This practice already occurs at every AGM under Corporations Law requirements.</p>
<p>Principle 5 Make Timely and Balanced Disclosure: A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</p>	
<p>5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it</p>	<p>Adopted. The Company has published its continuous disclosure policy on its website www.summitresources.com.au on the corporate governance page. This policy is regularly reviewed and updated.</p>
<p>Principle 6 Respect the Rights of Security Holders: A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.</p>	
<p>6.1 A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>Adopted. The Company currently has a Corporate Governance page on its website providing links to constitution, charters, and corporate governance policies. Details of directors can be found on the corporate directory web page. All financial reports, project details, announcements and other related documents can also be found on the Company's website.</p>
<p>6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>Adopted. The Company has a communications policy contained within its continuous disclosure policy, which includes effective two way communication with investors.</p>

<p>6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>Adopted</p> <p>The Company encourages participation at General Meetings upon the dispatch of its Notice of Meeting and advises security holders that they may submit questions they would like to be asked at the meeting to the Board and to the Company's auditors.</p>
<p>6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>Adopted.</p> <p>Welcome pack to all new shareholders provides these options to receive communications electronically. This option is also available to existing shareholders upon contacting the share registry, Computershare.</p>
<p>Principle 7 Recognise and Manage Risk: A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</p>	
<p>7.1 The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. 	<p>Adopted</p> <p>The Company does not currently have a separate risk committee, with the responsibilities for overseeing risk being undertaken by the whole Board.</p> <p>The Company has established policies on risk oversight and management and has a risk management and internal control system to manage the Company's material business risks. The Company has developed its risk management policy in line with the implementation of the risk management system and a risk management framework. A copy of the Company's Risk Management Policy is available on the Company's website.</p>
<p>7.2 The board or a committee of the board should:</p> <ul style="list-style-type: none"> (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and 	<p>Not Adopted</p> <p>The entity's risk management framework was not reviewed during the financial year period.</p>

<p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>Not Adopted.</p> <p>The Company does not have an internal audit function, however it continually reviews its risk and risk management framework looking for deficiencies and improvements.</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Not Adopted.</p> <p>Due to nature and size of the business, the development of a sustainability report has not been undertaken by the Company. However in the review of its risk management framework considers sustainability risks.</p>
<p>Principle 8</p> <p>Remunerate Fairly and Responsibly:</p> <p>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.</p>	
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director;</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition</p>	<p>Not Adopted.</p> <p>This function is undertaken by the Board due to the size of the Board and the current scale operations.</p>

<p>of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	
<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Adopted This is contained within the remuneration report of the Annual Report.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it. 	<p>Not Applicable</p>

Corporate Governance Statement date: 30 June 2018

Approved by the Board on: 20 September 2018