

## Corporate Governance Statement

**OVERVIEW – 30 June 2020 (approved 21 August 2020)**

### ASX Principles of Corporate Governance

The Company, as a listed entity, must comply with the Corporations Act 2001 (*Cth*), the Australian Securities Exchange Limited (“ASX”) Listing Rules (“ASX Listing Rules”), and other laws applicable in Australia and in countries where the Company operates.

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the Corporate Governance Principles and Recommendations (“ASX Principles”) 4th Edition released by the ASX Corporate Governance Council. The ASX Principles require the Board to consider carefully the development and adoption of appropriate corporate governance policies and practices founded on the ASX Principles.

### Compliance with ASX Principles of Corporate Governance

The Company’s corporate governance practices comply in all material respects with the ASX Principles unless otherwise stated.

As the Company’s activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

Details of the Company’s compliance with the ASX Principles are set out below.

Copies of corporate governance policies are accessible on the Company’s website at [www.acaciacoal.com](http://www.acaciacoal.com)

### PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.

**RECOMMENDATION 1.1:** A listed entity should disclose:

- a. the respective roles and responsibilities of its board and management; and
- b. those matters expressly reserved to the board and those delegated to management.

#### The Company’s practice:

The Board considers that the essential responsibility of directors is to oversee the Company’s activities for the benefit of its shareholders, employees and other stakeholders and to protect and enhance shareholder value. Responsibility for management of the Company’s business is delegated to the Executive Chairman, who is accountable to the Board.

Further, the Board takes specific responsibility for:-

- Contributing to the development of and approving corporate strategy;
- Appointing, assessing the performance of and, if necessary removing the Executive Chairman;
- Reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- Overseeing and monitoring:
  - Organizational performance and the achievement of strategic goals and objectives
  - Compliance with the Company’s code of conduct
  - Progress of major capital expenditures and other corporate projects including acquisitions, mergers and divestments;
- Monitoring financial performance including approval of the annual, half yearly and quarterly reports and liaison with the auditor;
- Ensuring there are effective management processes in place, including reviewing and ratifying systems of risk identification and management, ensuring appropriate and adequate internal control processes, and that monitoring and reporting procedures for these systems are effective;
- Enhancing and protecting the Company’s reputation;
- Approving major capital expenditure, capital management, acquisitions and divestments;
- Reporting to shareholders;
- Appointment of directors; and

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- Any other matter considered desirable and in the interest of the Company.

### **RECOMMENDATION 1.2:** A 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.

#### **The Company's Practice**

Going forward, the Company will ensure that appropriate checks as to character, experience, education, are undertaken before it appoints a person, or puts forward to security holders a new candidate for election, as a director. In addition, the Company will provide the following information to security holders in relation to all candidates standing for election or re-election as a director: biographical details, including qualifications, experience and skills, details of any other material directorships held by the candidate, any material adverse information revealed by the relevant checks, and details of any factors that may influence the candidate's capacity to bring an independent judgement to bear on issues before the Board.

In addition, security holders are provided with the following information in the case of all candidates standing for re-election: the term of office currently served by the director, a statement as to whether the Board considers the candidate to be an independent director, and whether the Board supports the re-election of the candidate.

**RECOMMENDATION 1.3:** A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

#### **The Company's Practice**

The Company ensures that contracts are in place for all directors setting out the terms of their appointment.

**RECOMMENDATION 1.4:** The company secretary of a listed company should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

#### **The Company's Practice**

The company secretary of the Company is accountable to the Board, through the chair, and is responsible for advising the Board on governance matters, monitoring that Board policy and procedures are followed, coordinating the timely completion and despatch of Board papers, ensuring that the business at Board meetings is accurately captured in the minutes, and helping to organise and facilitate the induction and professional development of directors.

### **RECOMMENDATION 1.5:** A listed entity should:

- a. have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
- b. disclose that policy or a summary of it; and
- c. disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either:
  - (1) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
  - (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

#### **The Company's Practice**

The Company has adopted a Diversity Policy, available on the Company's website, which includes a requirement that the Board set measurable objectives for achieving gender diversity that are appropriate for the Company. The Board is yet to set measurable objectives for the Company's Diversity Policy.

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As at the balance date the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation are as follows:

	Board	Senior Executives	Whole Organisation
Men	3	1	4
Women	-	-	-

The Company is not a “relevant employer” under the Workplace Gender Equality Act, as it is not a non-public sector employer with 100 or more employees in Australia.

**RECOMMENDATION 1.6:** A listed entity should:

- have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and
- disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

### The Company’s Practice

The Company has adopted a Nomination Policy which sets out the process of annual evaluation of the Board. Evaluation of the Board is carried out on a continuing and informal basis.

An informal performance evaluation of the Board is carried out annually.

**RECOMMENDATION 1.7:** A listed entity should:

- have and disclose a process for periodically evaluating the performance of its senior executives; and
- disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

### The Company’s Practice

The Company has adopted a Nomination Policy which sets out the process of annual evaluation of the Company’s senior executives.

An informal assessment of progress is undertaken during each reporting period, and all senior executives are subject to an annual performance evaluation.

## PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

**RECOMMENDATION 2.1:** The board of a listed entity should:

- have a nomination committee which:
  - has at least three members, a majority of whom are independent directors; and
  - is chaired by an independent director;
 and disclose:
  - the charter of the committee;
  - the members of the committee; and
  - 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
- if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

### The Company's Practice:

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Given the Company's current size and stage of development, it is not considered necessary to have a separate Nomination Committee. The Board as a whole will identify candidates and assess their skills in deciding whether an individual has the potential to add value to the Company. The Board may also seek independent advice to assist with the identification process.

Mr Robertson and Mr Lawrence are deemed to be independent and Mr Santa Maria is an executive director and therefore not deemed to be independent.

The Nomination Committee Policy has been adopted by the Board which provides for the proper assessment of prospective directors and includes, but is not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within the Company's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities.

At present the 3 directors perform the duty.

**RECOMMENDATION 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.

### The Company's Practice:

The Board considers that the composition of the existing Board is appropriate given the scope and size of the Company's operations and the skills matrix of the existing Board members, however, the Board does not consider it necessary to maintain a Board "skills matrix" at this stage of the Company's development.

The skills, experience and expertise of each of the Company's Directors are set out in the Directors' Report of the Annual Report.

**RECOMMENDATION 2.3:** A listed entity should disclose:

- a. the names of the directors considered by the board to be independent directors;
- b. if a director has an interest, position, association or relationship of the type described in the ASX Principles but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- c. the length of service of each director.

### The Company's Practice:

The Board considers Mr Logan Robertson and Mr Brett Lawrence to be independent Directors of the Company. Mr Santa Maria is not considered to be independent as he performs the role of Executive Chairman.

The length of service of each director is as follows:

Director	Title	Appointment Date
Adam Santa Maria	Executive Chairman	16 December 2015
Logan Robertson	Non-executive Director	18 December 2015
Brett Lawrence	Non-executive Director	2 August 2016

**RECOMMENDATION 2.4:** A majority of the board of a listed entity should be independent directors.

### The Company's Practice:

The Board consists of a majority of independent Directors, complying with this recommendation. Given the scope and size of the Company's current operations and the skills matrix of the existing Board members, the Board considers that the composition of the existing Board is appropriate.

**RECOMMENDATION 2.5:** The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

### The Company's Practice:

The Chairman, Mr Adam Santa Maria, performs an executive chairman role and is not considered an independent Director and not the CEO of the Company.

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**RECOMMENDATION 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.

**The Company's Practice:**

The Board regularly and informally reviews whether the Directors as a group have the skills, knowledge and familiarity with the Company and its operating environment requirement to fulfil their role on the Board effectively. If any gaps are identified, the Board will consider what training or development could be undertaken to fill those gaps.

Where necessary, the Company will provide resources to help develop and maintain the Directors' skills and knowledge.

### **PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY**

A listed entity should act ethically and responsibly

**RECOMMENDATION 3.1:** A listed entity should articulate and disclose its values

**The Company's Practice:**

The Company expects Directors, Officers and Employees to practice honesty, integrity and observe high standards of business and personal ethics and comply with all applicable laws and regulations in fulfilling their duties and responsibilities.

The Company's values are disclosed in the Code of Conduct policy.

**RECOMMENDATION 3.2:** A listed entity should:

- (a) have a code of conduct for its directors, senior executives and employees; and
- (b) ensure that the board or a committee of the board is informed of any material breaches of that code.

**The Company's Practice:**

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

**RECOMMENDATION 3.3:** A listed entity should:

- (a) have and disclose a whistleblower policy; and
- (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

**The Company's Practice:**

The Company has adopted a Whistleblower Policy which aims to encourage reporting of violations (or suspected violations) of the Company's Code of Conduct, or material legal or regulatory obligations, and to provide effective protection from victimisation and retaliation or dismissal to those reporting by implementing systems for confidentiality, anonymity and report handling.

Everyone working for the Company receives training on the Whistleblower Policy and are expected to understand and comply with it. Complaints made under the Whistleblower Policy which are regarded as serious and warrant investigation by the Responsible Officer are investigated as set out in the Policy. The Board is informed of material breaches or incidents reported under the Whistleblower Policy and the Board periodically reviews and makes changes to the Policy.

**RECOMMENDATION 3.4:**

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A listed entity should:

- (a) have and disclose an anti-bribery and corruption policy; and
- (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

### The Company's Practice:

The Company has an Anti-Bribery & Anti-Corruption Policy that applies to its employees, Directors, contractors, consultants, third parties and other persons associated with the Company's business operations.

All Company policies are aimed at conducting business that is fair, honestly, transparently, with integrity and in compliance with the law in all jurisdictions in which it operates. Acknowledging the potential for reputational damage if the Company is, or is alleged to be, involved in bribery or corruption, the Policy addresses:

- what may be deemed as forms of bribery and corruption;
- encourages a robust culture of integrity, transparency and compliance, which is critical to long term success and value preservation in the business;
- aims to safeguard and make transparent relationships with external parties in the context of receiving and giving hospitality, gifts and other financial benefits for legitimate purposes consistent with normal business practice; and
- prohibits bribes and improper payments, and places appropriate controls on gifts and donations.

Employees are trained in the policy and are responsible for reporting actual or suspected breaches of the Policy. All safeguards in terms of confidentiality, anonymity, ongoing support and protection in that Policy will apply in these circumstances. Any material breaches of the Anti-Bribery & Anti-Corruption Policy are reported to the Board. The Board periodically reviews and makes changes to the Policy

## 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.

### RECOMMENDATION 4.1: The board of a listed entity should:

- a. have an audit committee which:
  - (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - (2) is chaired by an independent director, who is not the chair of the board, and disclose:
    - (1) the charter of the committee;
    - (2) the relevant qualifications and experience of the members of the committee; and
    - (3) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b. if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

### The Company's Practice:

The Board considers that due to the current size and scope of operations of the Company, it does not merit the establishment of a separate audit committee. Until the situation changes the Board carries out any necessary audit committee functions.

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The Board meets on a regular basis and discusses matters normally captured under the terms of reference of an audit committee, being company risk, controls and general and specific financial matters.

Other than Mr Santa Maria, the other 2 directors are deemed to be independent directors of the Company.

The appointment and removal of the Company's external auditor is subject to approval of the Board and the security holders, and the Company's current external auditors rotate the relevant audit engagement partner every five (5) years.

**RECOMMENDATION 4.2:** The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

### The Company's Practice:

The Company ensures that a declaration is issued by the CEO and the Financial Controller in accordance with the abovementioned requirement.

**RECOMMENDATION 4.3:** A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

### The Company's Practice:

The Board as the Audit and Risk Committee reviews and makes recommendations to the Board for the approval of all financial reports.

Where a report does not require an audit or review by an external auditor, the report is prepared by the finance department and then reviewed by the Executive Chairman. Once the Executive Chairman has reviewed and is happy with the report content, it is circulated internally to any appropriate member before being circulated to the full board for comment and approval prior to lodging with the ASX.

## 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.

**RECOMMENDATION 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.

### The Company's Practice:

The Company has a formal Continuous Disclosure Policy as required by Recommendation 5.1. This policy was introduced to ensure the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules and ensuring The Company and individual officers do not contravene the Corporations Act or ASX Listing Rules. A full copy of this policy can be found on the Company's website.

The Company is required to immediately tell the ASX once it becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

Therefore to meet this obligation the Company undertakes to:

- (a) Notify the ASX immediately it becomes aware of any information that a reasonable person would expect to have a material effect on the price and value of the companies securities, unless that information is not required to be disclosed under the listing rules;
- (b) Disclose notifications to the ASX on the Company website following confirmation of the publishing of the information by the ASX; and

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- (c) Not respond to market speculation or rumor unless the ASX considers it necessary due to there being, or likely to be, a false market in the Company's securities.

The Executive Chairman and the Company Secretary are responsible for co-ordinating the disclosure requirements. To ensure appropriate procedure all directors, officers and employees of the Company coordinate disclosures through the Executive Chairman and the Company Secretary, including:

- (a) Media releases;
- (b) Analyst briefings and presentations; and
- (c) The release of reports and operational results.

**RECOMMENDATION 5.2:** A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

### The Company's Practice:

Any announcement is first prepared by the appropriate department of the Company and forwarded to the Chief Executive Officer/ Chairman for review. If needed, the Company Secretary will also review the announcement before it is then sent to the full board for comment and approval prior to lodging with the ASX

**RECOMMENDATION 5.3:** A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

### The Company's Practice:

The Company lodges all presentations prior to any meeting with analysts. From time to time the Company will provide a Company Update which is lodged on the ASX platform ahead of the commencement of trading hours where possible.

## PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

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.

**RECOMMENDATION 6.1:** A listed entity should provide information about itself and its governance to investors via its website.

### The Company's Practice:

Information about the Company's corporate governance (including links to the Company's corporate governance policies and charters) is located on the Company's website.

**RECOMMENDATION 6.2:** A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

### The Company's Practice:

The Company has adopted a Shareholder Communication Policy, which sets out the Company's communications strategy with its stakeholders including the effective use of an electronic distribution list.

**RECOMMENDATION 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.

### The Company's Practice:

The Board encourages the attendance of shareholders at the General or Annual General Meetings and sets the time and place of each General or Annual General Meeting to allow maximum attendance by shareholders.

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Notices of Meeting are released to ASX and mailed out or emailed to all security holders in advance of all General or Annual General Meetings.

**RECOMMENDATION 6.4:** A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

**The Company's Practice:**

Decisions on all substantive resolutions at general meetings of the Company will be decided by a poll to ensure the true will of Shareholders is ascertained (rather than by a show of hands, which is inconsistent with the “one security one vote” principle in the ASX Listing Rules).

**RECOMMENDATION 6.5:** A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

**The Company's Practice:**

The Company has an email where shareholders can request to receive all information electronically and offers the same service through its share registry

## PRINCIPLE 7: RECOGNISE AND MANAGE RISK

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

**RECOMMENDATION 7.1:** The board of a listed entity should:

- a. have a committee or committees to oversee risk, each of which:
  - (1) as at least three members, a majority of whom are independent directors; and
  - (2) is chaired by an independent director,And disclose:
  - (1) the charter of the committee;
  - (2) the members of the committee; and
  - (3) 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.

**The Company's Practice:**

The Board considers that due to the current size and scope of operations of the Company, it does not merit the establishment of a separate risk management committee. Until such time as determined by the Board, the Board of Directors is responsible for overseeing and approving policies for the management and oversight of material business risks, internal compliance and internal controls.

The Board meets on a regular basis and discusses matters normally captured under the terms of reference of a risk management committee, including recognition and management of company risk, implementation and review of risk management practices, and management of risk that may impact the Company, its security holders and other stakeholders such as employees, suppliers, creditors and the broader community in which the Company operates.

The objectives of the Company's risk management program are contained in the Risk Management Policy which is available on the Company's website.

**RECOMMENDATION 7.2:** The board or a committee of the board should:

- a. review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- b. disclose, in relation to each reporting period, whether such a review has taken place.

**The Company's Practice:**

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The Board manages the implementation of the risk management and internal control system to manage the Company's material business risks, and report to it on whether those risks are being managed effectively. The Board reviews, on at least an annual basis, the Company's risk management framework and as to the effectiveness of the Company's management of its material business risks.

**RECOMMENDATION 7.3:** A listed entity should disclose:

- a. if it has an internal audit function, how the function is structured and what role it performs; or
- b. if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

### The Company's Practice:

The Company does not have an internal audit function, however it has in place a system of risk management that identifies and categorises and manages material business risks faced by the Company.

The Board has delegated responsibility for establishing and maintaining effective management strategies for material business risk to the Executive Chairman, to whom the Company's Financial Controller reports. The Board requires that the Executive Chairman reports regularly as to the effectiveness of the Group's risk management systems.

The Board recognises that no cost effective internal control system will preclude all errors and irregularities. The Board of Directors reviews the business and financial risk management systems and internal control systems implemented by management to obtain reasonable assurance that the entity's assets are safeguarded and that the reliability and integrity of its financial information is maintained.

**RECOMMENDATION 7.4:** A listing 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.

### The Company's Practice:

Any exposure to economic, environmental, social sustainability and any other risks are disclosed periodically, and as otherwise required, by the Company in its Quarterly, Half-Yearly and Annual Reports to ASX and regular ASX announcements regarding the Company's project.

## PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

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.

**RECOMMENDATION 8.1:** The board of a listed entity should:

- a. have a remuneration committee which:
  - (1) has at least three members, a majority of whom are independent directors; and
  - (2) is chaired by an independent director,and disclose:
  - (3) the charter of the committee;
  - (4) the members of the committee; and
  - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b. if it does not have a remuneration committee, disclose that fact and the processes it employs for overseeing for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

### The Company's Practice:

The Board considers that due to the current size of the Company and its operations, it does not merit the establishment of a separate remuneration committee. Until the situation changes the Board of Acacia Coal will carry out any necessary remuneration committee functions. The Board undertakes this role with the assistance of any external advice which may be required from time to time.

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**RECOMMENDATION 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.

**The Company's Practice:**

The Company has a Remuneration Policy relating to the remuneration of Non-Executive Directors as opposed to Executive Directors and Senior Executives. These policies provide a basis for distinguishing the type of remuneration which is suitable for the two classes.

The level of remuneration packages and policies applicable to directors are detailed in the Remuneration Report which forms part of the Directors' Report in the Company's Annual Report.

**RECOMMENDATION 8.3:** A listed entity which has an equity-based remuneration scheme should:

- a. have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- b. disclose that policy or a summary of it.

**The Company's Practice:**

The Company does not currently have an equity-based remuneration scheme, however certain non-executive directors and senior executives have been issued with equity-based remuneration for incentive purposes, as outlined in the Company's Remuneration Report.