



ARMOUR ENERGY

AJQ 2022 CORPORATE GOVERNANCE STATEMENT

1. Overview

- 1.1 **The Board of Directors** of Armour Energy Limited (the **Company**) is responsible for the corporate governance of the Company. The Board guides and monitors the business affairs of the Company on behalf of the shareholders, by whom they are elected, and to whom they are accountable.
- 1.2 The Company's Corporate Governance Statement has been adopted and structured with reference to the fourth edition of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (the **ASX Recommendations**).
- 1.3 The Company's practices are largely consistent with the ASX Recommendations, and the Board has made appropriate statements reporting on the adoption of the recommendations. Where the Company's corporate governance practices do not correlate with the practices recommended by ASX's Corporate Governance Council, the Company is working towards compliance; however it does not consider that all practices are currently appropriate for the Company due to the size and scale of its operations. The Board has offered full disclosure and reasons for the adoption of Company practices, in compliance with the "if not, why not" approach, and these are summarised in Appendix 4G and this Corporate Governance Statement.
- 1.4 The Board is of the view that, with the exception of the departures from the ASX Recommendations noted below, the Company otherwise complies with all of the ASX Recommendations. The information in this statement should be read in conjunction with the Company's 2022 Annual Report. This statement has been approved by the Board and is dated 30 September 2022.

2. Lay Solid Foundations for Management and Oversight

2.1 Board Charter

In general, the Board provides input that assists in identifying and understanding emerging trends and issues; setting the broad framework within which the strategic and business plans will be prepared each year; recommending any significant shifts in the broad strategic direction of the Company; and reviewing, developing and approving the Company's long-term strategic plan and ensuring the Company develops annual business plans to achieve its strategic objectives.

The Board has delegated to the CEO day to day responsibility for running the affairs of the Company and to implement the policies and strategy set by the Board. The Board also delegates to senior management the responsibilities for the day-to-day activities leading toward achievement of the Company's strategic direction with agreed boundaries and authority limitations.

The Company has adopted a Board Charter which sets out the functions and responsibilities of the Board and the matters expressly reserved to the Board and those delegated to management and details the manner in which the Board operates. The Board Charter can be accessed the Company's website under *Corporate Governance*.

2.2 Information Regarding Director Appointments and Re-elections

The policies and procedures for the selection and appointment of new Directors is that candidates are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements,

compatibility with other Board members, and credibility within the Company's scope of activities. Background checks, including via third parties, are undertaken ahead of Director appointment. Directors are initially appointed by the full Board subject to election by shareholders at the next Annual General Meeting.

Prior to the initial appointment of any Director to the Board, the Company undertakes reference and other checks to ensure the candidate is competent, has the relevant skills and experience, and would not be impaired or otherwise prohibited from undertaking their duties if appointed.

At each Annual General Meeting the following Directors automatically retire and are eligible for re-appointment:

- Any Director who has been elected in the office for a period in excess of three consecutive years or until the third annual general meeting following her/his appointment, whichever is longer, without submitting him/herself for re-election;
- Any Director who was appointed by the Directors during the year to fill a casual vacancy or as an addition to the existing Directors;
- One-third of the Directors or, if their number is not a multiple of three, then the greatest of one or the number nearest to but not exceeding one-third. If the Company has a Managing Director, they are exempt from this requirement.

The Company has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a Director (including whether Directors support the election or re-election) is disclosed in the notice of meeting provided to shareholders.

2.3 Written Agreements for Appointments of Directors and Senior Executives

New Directors receive a letter of appointment and a deed of indemnity, insurance and access. Non-Executive Directors are not appointed for fixed terms. Executive Directors have written service contracts which set out the material terms of employment, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements.

With the exception of Executive Chairman Mr Nicholas Mather, all written agreements setting out the terms of appointment of the Company's Directors and Senior Executives are with those Directors or Senior Executives (as the case may be) personally. Having regard to the nature and scale of the Company's operations and activities, the Board does not consider non-compliance with this Recommendation (in the case of Mr Mather's written agreement) to be detrimental to the Company or its shareholders.

Each Senior Executive enters into a service contract which sets out the material terms of employment, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements. Contract details of Senior Executives which are Key Management Personnel are summarised in the Remuneration Report within the Annual Report, which can be accessed on the Company's website at <http://www.armourenergy.com.au>

2.4 Company Secretary

The Company Secretary is accountable directly to the Board (through the Chairman) for facilitating the Company's corporate governance processes and the proper functioning of the Board. Each Director is entitled to access the advice and services of the Company Secretary.

In accordance with the Company's Constitution, the appointment and removal of the Company Secretary is a matter for the Board as a whole. A copy of the Constitution is available on the Company's website under *Corporate Governance*, and the details and experience of the Company Secretary are set out in the Directors' Report contained within the Annual Report.

2.5 Diversity

The Board has adopted a formal Diversity Policy which can be accessed on the Company's website under *Corporate Governance*. The Policy outlines the general purpose and principles, measurable objectives, targets and key performance indicators to be achieved when the Board considers the Company to be of sufficient size and scale, given the nature of its activities, for achieving gender diversity.

The recruitment and selection processes adopted by the Company ensure that staff and management are selected in a non-discriminatory manner based on merit.

The Company respects and values the competitive advantage of diversity (which includes but is not limited to gender, age, disability, ethnicity, marital or family status, religious or cultural background), and the benefit of its integration throughout the Company in order to improve corporate performance, increase shareholder value and maximise the probability of achievement of the Company's goals. However, the Board of Directors does not believe that the Company is currently of a sufficient size to justify the establishment of formal and measurable objectives, having regard to the nature and scale of its activities.

The Group currently has 46 direct employees including 8 female employees. There are currently no females at Board level, however there is one female at Executive level. In addition, under a contractual agreement with DGR Global, various services of an administrative, marketing and business development nature are provided, and whose staff also include female Executives and employees directly involved in the provision of services to Armour Energy, its subsidiaries and affiliated entities.

2.6 Board Reviews

The Board did not conduct a performance evaluation during the last 12 months and has not adopted a formal performance evaluation policy.

The Company believes that the small size of the Board and the current scale of the Company's activities make the establishment of a formal performance evaluation procedure unnecessary. In the normal course of events the Board reviews performance of the management, and the Company's Directors. Achievement of goals and business development and compliance issues are evaluated regularly as a matter of course.

The Board is provided with the information it needs to discharge its responsibilities effectively. All Directors are familiar with the corporate governance policies and material contracts entered into by the Company. The Directors also have access to the Company Secretary for all Board and governance-related issues.

2.7 Management Reviews

The Board has established a Remuneration Committee which periodically reviews and manages the performance (together with the full Board) and remuneration of the Company's CEO and executive management. No formal review process was undertaken during the year. Refer also to Recommendation 9.1.

3. Structure the Board to be effective and add value

3.1 Nomination Committee

The Board's view is that the Company is not currently of the size to justify the formation of a separate Nomination Committee. The Board currently performs the functions of a Nomination Committee and where necessary will seek the advice of external advisors in relation to this role. The Board shall, upon the Company reaching the requisite corporate and commercial maturity, approve the constitution of a Nomination Committee to assist the Board in relation to the appointment of Directors and senior management as required.

At least annually, the Board considers whether or not further skills or relevant industry experience are required to assist with the oversight of the Company, having regard to the stage of its ongoing development.

3.2 Board Skills Matrix

Maintaining a balance of experience and skills is an important factor in the composition of an ASX-listed entity's Board. The Board of the Company is currently comprised of seasoned industry professionals with combined qualifications, skills and experience as shown in the Board skills matrix below.

SKILLS	INDUSTRY
Gas exploration and production	Oil & gas
Gas sales and commercial arrangements	Mining resources
Project and corporate development	Funds management
Corporate restructuring	Corporate advisory and broking
Debt and equity financing	Utilities and infrastructure
M&A transactions	Accounting and finance
Corporate finance/accounting	Corporate and ASX-listed
Corporate strategy and development	

Details of the current Directors, their skills, experience, qualifications and record of attendance at meetings are included in the Directors' Report.

3.3 Disclose Independence and Length of Service

Recognising the importance of the appropriate balance between independent and non-independent representation on the Board, the Company has developed a formal "Assessing the Independence of Directors" Policy, which can be accessed from the Company's website under *Corporate Governance*.

The Board of the Company is comprised of Messrs Nicholas Mather (Chair), Stephen Bizzell, Roland Sleeman (until 31 March 22) and Eytan Uliel.

As at 30 June 2022 Bizzell Capital Partners held 6 million unquoted options and 54,204,432 quoted options and entities controlled by Nick Mather held 7,978,634 quoted options.

The Company does not consider Executive Chairman Mr Nicholas Mather to be an independent Director as defined in the ASX Recommendations on the basis that he is a Director of DGR Global Limited (the Company's largest shareholder), and also acts in an executive capacity for Armour Energy.

Mr Stephen Bizzell is a Non-Executive Director and a member of the Audit and Risk Management Committee. Mr Bizzell is a Director of Bizzell Capital Partners Pty Ltd, and has been a material adviser in the Company's fundraising activities over the past 3 years. As a result, the Company does not consider him to be an independent Director in accordance with the ASX Recommendations.

Mr Roland Sleeman was a Non-Executive Director and was the Chairman of the Remuneration Committee and its Health, Safety & Environment (**HSE**) Committee until his resignation on 31 March 2022. The Company considered Mr Sleeman to be an independent Director.

Mr Eytan Uliel was appointed as a Non-Executive Director on 20 November 2017 and he is a finance executive with extensive experience in mergers and acquisitions, capital raisings and general corporate advisory services with oil and gas industry-specific experience in public market takeovers and transactions, private treaty acquisitions and farm-in/farm out transactions. Mr Uliel is currently the Chair of the Company's Audit and Risk Committee. The Company considers Mr Uliel to be an independent Director.

Based on the above information, the Company is of the view that the Board currently does not consist of a majority of independent Directors. The Board will review the independence of each Director in light of interests disclosed to the Board from time to time, but at least on an annual basis.

The length of service and independence status of each Director can be found within the Directors' Report in the Annual Report.

3.4 Majority of Directors should be independent

Refer to Recommendation 3.3.

3.5 Chair should be independent

The Company's Executive Chairman, Mr Nicholas Mather, is not considered to be independent under the ASX Recommendations. Mr Mather is not the CEO of the Company but has executive responsibilities.

The Company is of the view that the size and scale of its current operations do not warrant the appointment of an independent Chairperson and that non-compliance with this recommendation will not be detrimental to the Company or its shareholders.

3.6 Director induction and personal development

The Company does not have a formal structured induction program, however, to familiarise themselves with the Company and its practices and procedures, Armour Energy has below information available to Directors upon request:

- (a) any past minutes of Directors' meetings of the Company;

- (b) any existing policies or procedures of the Company which are in place;
- (c) any minutes of meeting of shareholders of the Company;
- (d) copies of the audited financial statements of the Company since 2011; and
- (e) any other information, finance or otherwise, about the affairs of the Company that Directors request.

The Company recommends and encourages all Directors to attend relevant external seminars, conferences and educational programs for expanding their knowledge base and professional skills. Directors also have the right, in connection with the discharge of their duties and responsibilities, to seek independent professional advice at the Company's expense in accordance with the agreed procedure set by the Board. For a new Director the Company Secretary will provide the following documents:

- (a) a Letter of Appointment including appointment terms, the Director's duties and obligations, and the Director's entitlements;
- (b) a Consent to Act, which requires a formal written consent to become a Director, containing the minimum information required by the Company; and
- (c) a Deed of Indemnity, Insurance and Access.

4. Act ethically and Responsibly

4.1 Company Values

The Company's core values, and operating principles underpin the culture of the organization. They also guide the Board and the Company's employees in their day to day dealings with each other and the Company's range of stakeholders. The Company's core values include:

- (a) working as a team with a common purpose in an inclusive, supportive manner;
- (b) acting with integrity and transparency;
- (c) showing respect to stakeholders and the environment;
- (d) having an owner's mindset, by being accountable and responsible; and
- (e) a commitment to seeking innovative solutions and continual improvement.

The Company's core values are outlined on its website.

4.2 Code of Conduct

The Board has established a Code of Conduct for Directors, management and employees of the Company. The Code requires that Directors, management and employees maintain high standards of integrity by ensuring that all business activities are conducted legally and ethically in compliance with the letter and spirit of both the law and Company policies. A copy of the Code of Conduct can be accessed on the Company's website under *Corporate Governance*.

The Company encourages the reporting of unlawful or unethical conduct via its Whistleblower Policy (refer below).

Any material breaches of the Code of Conduct are immediately reported to the Board.

4.3 Whistleblower Policy

The Board has established a Whistleblower Policy that sets out the procedure for making disclosures of information that qualifies for protection under the Corporations Act or the Whistleblower Policy. It applies to Directors, management and employees of the Company (and their relatives), as well as suppliers of the Company (and their employees, contractors, suppliers, consultants and service providers). A copy of the Whistleblower Policy can be accessed on the Company's website under *Corporate Governance*.

Any reports received under the Whistleblower Policy are immediately reported to the Board.

4.4 Anti-Bribery and Corruption Policy

The Board takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, ethically and with integrity in all of its business dealings and relationships. This extends to implementing and enforcing effective systems to counter bribery and corruption, and the Board has established an Anti-Bribery and Corruption Policy. A copy of the Anti-Bribery and Corruption Policy can be accessed on the Company's website under *Corporate Governance*.

5. Safeguard Integrity in Corporate Reporting

5.1 Audit Committee

The Board has established an Audit and Risk Management Committee. The Committee currently comprises:

- (a) Mr Eytan Uliel – Independent Non-Executive Director (Committee Chair)
- (b) Mr Stephen Bizzell – Non-Executive Director
- (c) Mr Roland Sleeman – Independent Non-Executive Director (until 31 March 2022)

The committee is chaired by a Non-Executive Director (Mr Eytan Uliel) who is not the Chairman of the Board. Mr Uliel is considered by the Company to be an independent Director. All three members of the Committee are Non-Executive Directors. Currently the majority of the members are independent Directors.

The experience and qualifications of members of the Audit and Risk Management Committee are detailed in the Remuneration Report which forms part of the Directors' Report within the Annual Report. The Audit and Risk Management Committee held two meetings during the financial year ended 30 June 2022. Details of Committee members' attendance at those meetings can also be accessed in the Directors' Report within the Annual Report.

The Company has adopted an Audit and Risk Management Charter setting out the Committee as well as reporting requirements. The Charter will be reviewed annually to determine whether any changes are necessary. A copy of the Charter can be accessed from the Company's website under *Corporate Governance*.

The Audit and Risk Management Committee is responsible for:

- (a) monitoring the integrity of the financial statements of the Company, reviewing significant financial reporting judgments;
- (b) reviewing the Company's internal financial control system;
- (c) considering the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditors;
- (d) monitoring and reviewing the external auditor's independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements; and
- (e) developing and implementing policy on the engagements of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm.

The Audit and Risk Management Committee is responsible for reviewing the nomination, performance and independence of the external auditors. BDO Audit Pty Ltd (**BDO**) was appointed as the Company's external auditor by shareholders in 2011. BDO has advised the Company that their policy of audit partner rotation requires a change in the lead engagement partner and review partner after a period of five years.

5.2 CEO and CFO Certification of Financial Statements

Prior to the approval of the Company's financial statements each year, the Chief Executive Officer and the Chief Financial Officer confirm in writing to the Board that the financial reports of the Company for the financial year:

- (a) present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- (b) the statement given in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- (c) the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting risks.

The Board acknowledges that the internal control assurances from the CEO and CFO are not absolute, and can only be provided on a reasonable basis after having made due enquiries. Because much of the evidence available is persuasive rather than conclusive, the process is not designed to detect all potential weaknesses in control systems.

5.3 Verification of Periodic Corporate Reports

Being a participant in the Oil and Gold industry the Company lodged unaudited cash flow statements and activity statements on a quarterly basis with the ASX. These reports are prepared by the Company's accounting and exploration staff respectively, checked by the Company's CFO, COD and CEO and then circulated to the Board ahead of release to the market. In this way the Company believes these reports are materially accurate, balanced and provide shareholder and interested investors with an appropriate level of information.

The Company's half-yearly financial reports are audit reviewed ahead of publication, and its Annual Financial Report, including the Director's Report and Remuneration Report, are subject to audit by the Company's independent audit firm.

6. Make Timely and Balanced Disclosure

6.1 Continuous Disclosure Policy

The Board has adopted a Continuous Disclosure Policy to ensure compliance with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. The Policy sets out the rules and procedures for ASX information disclosure, the responsibility of the Board, senior executives and staff to ensure that price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely, clear and objective manner and that all information provided to the ASX is posted on the Company's website as soon as possible after its disclosure to ASX.

The Company Secretary manages the Company's compliance with its continuous disclosure obligations and is responsible for communications with, and coordinating disclosure of information, to the ASX.

A copy of the Continuous Disclosure Policy is available on the Company's website under *Corporate Governance*.

6.2 Directors Should Receive Copies of Material Market Announcements

Directors receive copies of all announcements released to the ASX and copies of announcements, including related information, such as financial statements and public presentations, and are aware of and accountable for, the Company's compliance with regard to continuous disclosure.

6.3 Release of New Presentations to Market

In order to ensure the equality of information among investors, the Company releases to the market a copy of all new and substantive investor or analyst presentations ahead of delivery. This is a requirement of the Company's Continuous Disclosure Policy, a copy of which is available on the Company's website under *Corporate Governance*.

7. Respect the Rights of Security Holders

7.1 Information on Website

Information about the Company and its operations is located at: <https://www.armourenergy.com.au/>

Information about the Company's corporate governance and related policies is available on the Company's website under *Corporate Governance*.

7.2 Two-Way Investor Relations Program

The Company is committed to informing shareholders of all major developments affecting the operations of the Company and the state of its affairs. Communications with shareholders include:

- (a) the annual report which is distributed, or otherwise made available, to all shareholders;

- (b) quarterly activities and cash flow reports;
- (c) the half-year financial report;
- (d) the Annual General Meeting and other general meetings called to obtain shareholder approval for significant corporate actions, as appropriate;
- (e) Company announcements, presentations, interviews, analyst reports, etc;
- (f) Electronic shareholder updates related to the above audits; and
- (g) all of the information available on the Company's website <https://www.armourenergy.com.au/>

The Company welcomes questions from shareholders at any time, and these are answered promptly unless the information requested is market sensitive and not in the public domain. All announcements made by the Company to the ASX are posted to its website.

7.3 Facilitate Participation at Meetings of Security Holders

The Company encourages shareholder participation at its AGMs including by making notices of meetings available on its website. Armour Energy's external auditor attends the Company's AGMs and is available to answer any questions which shareholders may have about the conduct of the external audit for the relevant financial year and the preparation and content of the audit report.

Shareholders who are unable to attend meetings of the Company are encouraged to participate in meetings by way of appointment of a proxy.

7.4 Determination of Shareholder Resolutions

The Company has conducted all shareholder meetings since the 2020 AGM on the basis that all resolutions put to Shareholders are determined by poll.

7.5 Facilitate Electronic Communications

The Company has the capability to communicate with shareholders electronically through its website and email communications. Electronic contact details are provided on the Company's website.

The Company also operates Twitter and Linked In accounts to facilitate shareholder updates on alternative platforms.

8. **Recognise and Manage Risk**

8.1 Risk Committee

The Board has not set up a stand-alone risk committee, but established a combined Audit and Risk Management Committee, which is responsible for:

- (a) ensuring the development of an appropriate risk management policy framework that will provide guidance to management in implementing appropriate risk management practices throughout the Company's operations, practices and systems;

- (b) defining and periodically review management as it applies to the Company and clearly identify all the stakeholders;
- (c) ensuring that the committee clearly communicate the Company's risk management philosophy, policies and strategies to Directors, senior executives, employees, contractors and appropriate stakeholders;
- (d) ensuring that Directors and senior executives establish a risk aware culture which reflects the Company's risk policies and philosophies;
- (e) reviewing methods of identifying broad areas of risk and set parameters or guidelines for business risk reviews; and
- (f) considering capital raising, treasury and market trading activities with particular emphasis on risk treatment strategies, products and levels of authority.

In addition, the Board has established a Health, Safety & Environment (**HSE**) Committee to review and monitor key HSE risks and/or impacts arising out of the activities and operations of the Company.

The HSE Committee is to advise the Board of specific HSE matters at the Board's request or where itself identifies additional matters which need the attention of the Board. Additionally, the HSE Committee may also be assigned to consider particular HSE risks and/or impacts by the Audit & Risk Management Committee.

The HSE Committee currently consists of:

- (a) Mr Roland Sleeman – Independent Non-Executive Director (Chairman of the Committee until 31 March 2022)
- (b) Mr Stephen Bizzell – Non-Executive Director
- (c) Mr Brad Lingo – CEO (until 4 April 2022)

The HSE committee was chaired by an independent Non-Executive Director Mr Sleeman who was not the Chairman of the Board.

8.2 Annual Risk Review

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management is required by the Board to report back on the efficiency and effectiveness of risk management, inter alia, by benchmarking the Company's performance against industry standards.

The risk profile of the Company contains both financial and non-financial factors including operational, field and geological risks, and a range of financial and corporate risks.

The Company has in place an experienced Board, regular Board meetings, an Audit and Risk Management Committee which aims to meet at least bi-annually, six monthly financial and internal audits, rigorous appraisal of new investments, advisers familiar with the Company, even more with the newly established HSE Committee which emphasizes on specific HSE risks within the Company, to mitigate the above mentioned risks.

The Company's risks have been reviewed on a regular basis throughout the reporting period by the Board.

8.3 Internal Audit or Alternative Approach

The Company does not have a formal internal audit function due to its current size. The Audit and Risk Management Committee monitors the need for an internal audit function. The Company's management periodically undertakes an internal review of financial systems and processes and where systems are considered to require improvement, these systems are developed.

The Company's external auditors are consulted for advice by the CFO and / or the Chair of the Audit and Risk Management Committee.

At this stage the Company's operational and financial functions are not complex, and all expenditure authorizations include the CEO and the CFO or Company Secretary. All suppliers are known to the Company, and any irregular and unrecognized expenses are routinely queried and discussed with one of the three personnel noted above.

The Company's Board has implemented a Delegation of Authority Policy and Matrix as part of its governance and risk management processes, under which the CEO and other Senior Executives execute on the Company's strategic objectives and business plans within agreed Board-sanctioned financial limits.

The Company's range of risk, governance safety and employment related policies and practices are periodically reviewed (and if required, updated) by the Company's CEO, CFO, COO and/or Company Secretary. Any substantial changes or additions are approved by the Board ahead of implementation.

8.4 Sustainability Risks

The Company, as an exploration company, faces inherent risks in its activities, including economic, environmental and social sustainability risks which may have a material impact on the Company's ability to create value for its shareholders.

The Board regularly monitors the operational and financial performance of the Company's activities. It monitors and receives advice on areas of operation and financial risks and considers strategies for appropriate risk management. All operational and financial strategies adopted are aimed at improving the value of the Company's share. However, the Directors recognise that hydrocarbon exploration, evaluation and development is inherently risky.

The Board has formed a HSE Committee to review and monitor health, safety and environmental risks as outlined in 8.1 above.

Material business risks are considered in the preparation of the Review of Operations in the Annual Report. In relation to environmental risks, the Company closely monitors its exposure to all such risks at the current projects located within Australia and seeks the input of specialist environmental consultants as required.

As a participant in the domestic Oil and Gas industry, the Company recognises that the world is transitioning to a low-carbon future. In addition, the Company recognises the increasing level of investor and regulatory expectation that the climate-related risks faced by the Company – together with its stance generally on addressing climate change issues – will be published by the Company. Hence, since 2019, the Company has included climate change related disclosure in its Annual Report to Shareholders.

9. Remunerate Fairly and Responsibly

9.1 Remuneration Committee

The Remuneration Committee of the Board is comprised of Messrs. Sleeman (until 31 March 2022), Bizzell and Mather, and is responsible for making decisions on Directors' and key management personnel's remuneration packages. There is no requirement that the Remuneration Committee meet a set number of times or intervals during a year. Rather, the Committee will meet at such intervals as required to fulfill its obligations. There were no meetings held in the financial year ended 30 June 2022. The Committee is chaired by an independent Non-Executive Director Mr Sleeman and majority of members are not considered to be independent.

The Board has adopted a Remuneration Committee Charter, which is available on the Company's website under *Corporate Governance*.

In terms of remuneration structures for Directors and Executives, the Board benchmarks itself against industry peers, broad remuneration trends and statistics available via third party providers, and recruitment or human resource providers as appropriate to any appointment or review process.

9.2 Disclosure of Executive and Non-Executive Director Remuneration Policy

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team.

Disclosure of the remuneration details for Directors and Executives occurs each year in the Remuneration Report segment of the Company's Annual Report. Details of the CEO's remuneration arrangements are published on the ASX at the time of establishment and at the time of any material change thereafter.

The Constitution of the Company provides that the Non-Executive Directors are entitled to remuneration as determined by the Company in general meeting to be paid as to a fixed amount for each Director. Additionally, Non-Executive Directors are entitled to be reimbursed for properly incurred expenses. Directors may have the opportunity to qualify for participation in the Company's option plan, subject to governance considerations and the approval of shareholders.

The remuneration of the Executives may from time to time be fixed by the Board, which will comprise a fixed remuneration component and also may include offering specific short and long-term incentives in the form of performance based salary increases and/or bonuses; and/or the issue of options.

Details of the Company's remuneration arrangements for Non-Executive Directors, Executive Directors and senior Executives including fee rates, are set out in the Remuneration Report in the Annual Report.

9.3 Equity Based Remuneration Scheme.

The Company's Share Trading Policy specifically prohibits Directors and senior Executives from engaging in short-term trading in the Company's securities. The Policy

is being revised to ensure that participants may not enter into transactions which limit the economic risks of participating in the Performance Rights Plan. The Share Trading Policy can be accessed on the Company's website under *Corporate Governance*.

Under the Company's Securities Trading Policy, participants are not permitted to enter into any form of transaction or hedging arrangement which would limit the economic risk associated with unvested securities or securities subject to any form of holding lock.