



# **BOARD GOVERNANCE PLAN**

**BPOL017AUS – REV 4 – 26/03/2020**

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## SECTION 1 - BOARD CHARTER

### 1. INTRODUCTION

This Charter sets out the responsibilities of the Board of Base Resources (**Board**) and of senior management (EXCO and General Managers). The Board will regularly review the division of responsibilities as between the Board and senior management to ensure that it continues to be appropriate for the Company and its operations.

In carrying out the responsibilities and powers set out in this Charter, the Board recognises:

- (a) its overriding responsibility to act honestly, fairly, diligently and in accordance with the law and Base Resources' values in serving the interests of the Company and its shareholders; and
- (b) its duties and responsibilities to its employees, customers, creditors and the community.

### 2. SPECIFIC RESPONSIBILITIES OF THE BOARD

In addition to matters the Board is expressly required by law to approve, the Board has the following reserved functions and responsibilities:

- (a) overseeing the business and affairs of the Company, including its control and accountability systems, and monitoring the effectiveness of the Company's corporate governance practices;
- (b) approving a statement of Base Resources' values and Code of Conduct;
- (c) appointing the Chair of the Company;
- (d) appointing and removing the Managing Director / Chief Executive Officer (Managing Director) and the Executive Director – Operations and Development (ED Operations) (the Managing Director and the ED Operations together form EXCO), and determining their terms and conditions of appointment, including remuneration and termination;
- (e) appointing and removing the Company Secretary;
- (f) defining Base Resources' purpose, setting the strategic direction and objectives of the Company, ensuring appropriate resources are available to meet those objectives;
- (g) monitoring senior management's implementation of the Company's strategic objectives, instillation of the Company's values and overall performance and, where required, challenging management and holding it to account;
- (h) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance and setting the risk appetite within which the Board expects senior management to operate;
- (i) in conjunction with senior management, ensuring the health, safety and well-being of employees and developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the safety and well-being of all employees;
- (j) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (k) approving transactions requiring Board approval under the Delegation of Authority Standard and setting the authority limits under that Standard;

- (l) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (m) subject to receiving the appropriate declaration from the Managing Director and Chief Financial Officer, approving the annual, half yearly and quarterly accounts;
- (n) satisfying itself that an appropriate framework exists for relevant information to be reported by senior management to the Board;
- (o) satisfying itself that the Company's remuneration policies are aligned with its purpose, values, strategic objectives and risk appetite;
- (p) approving significant changes to the Company's organisational structure;
- (q) approving the issue of any shares, options, equity instruments or other securities in the Company;
- (r) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision-making;
- (s) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them;
- (t) appointing the external auditor, subject to confirmation by the shareholders at the Company's annual general meeting; and
- (u) meeting with the external auditor without management being present.

### **3. COMPOSITION OF THE BOARD**

- (a) The composition of the Board is to be reviewed annually to ensure the appropriate mix of skills, qualifications, experience, expertise and diversity is present to facilitate successful strategic direction as well as assisting the Company in achieving growth and delivering value to shareholders. Directors should clearly understand the corporate expectations of them.
- (b) In appointing new members to the Board, consideration is to be given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.
- (c) The majority of the Board should be comprised of non-executive Directors. Where practical, a majority of the Board will be independent. An independent Director is one who is independent of management and free from any interest, position or relationship, which might influence, or might reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party. As set out in paragraph 11 of this Board Charter, the independence of Directors will be assessed by the Board with reference to that definition.
- (d) All Directors – whether independent or not – are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest. To facilitate this, Directors may, in the circumstances set out in paragraph 7(d) of this Charter, have access to independent professional advice at the Company's expense.

- (e) Directors must declare immediately to the Board any change in their interests, positions or relationships that could potentially bear upon their independence.
- (f) Non-executive Directors must also inform the Chair before accepting any new appointment as a director of another listed entity, any other material directorship or any other position with a significant time commitment.
- (g) Prior to the Board proposing re-election of Directors, their performance will be evaluated by the Nomination Committee to ensure that they continue to contribute effectively to the Board.

#### 4. ROLE OF THE CHAIR

- (a) The roles of Chair and Managing Director must not be exercised by the same individual.
- (b) The Chair should be an independent Director. If a Chair ceases to be an independent Director then the Board will appoint another Director who is independent either as Chair or as a lead independent Director.
- (c) There is a clear division of responsibility at the head of the Company. The division of responsibilities between the Chair and EXCO should be agreed by the Board.
- (d) The Chair must be able to commit the time to discharge the role effectively.
- (e) The Chair is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings, ensuring that adequate time is available for the discussion of all agenda items, including strategic issues, and conducting shareholder meetings.
- (f) The Chair should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and between the Board and management.
- (g) In the event that the Chair is absent from a meeting of the Board then the Board shall appoint a Chair for that meeting.

#### 5. BOARD COMMITTEES

- (a) To assist the Board in fulfilling its duties, the Board has established, or proposes to establish, the following committees, each with written terms of reference (collectively referred to as the **Board Committees**):
  - (i) Audit Committee;
  - (ii) Risk Committee;
  - (iii) Remuneration Committee; and
  - (iv) Nomination Committee.

The Remuneration Committee and the Nomination Committee are currently established as a combined single Board Committee operating pursuant to the charters for each committee.
- (b) In addition to the Board Committees listed in paragraph (a) above, the Board may establish other Board Committees with such delegated authority as provided in written terms of reference.
- (c) The charters of the Board Committees are approved by the Board and are to be reviewed annually and following any applicable regulatory changes.

- (d) The Board will ensure that the Board Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.
- (e) Members of Board Committees are appointed by the Board. The Board may appoint additional Directors to Board Committees or remove and replace members of the Board Committees by resolution.
- (f) The minutes of each Board Committee meeting will be provided to the Board at the next occasion the Board meets following approval of the minutes of such Board Committee meeting.

## **6. COMPANY SECRETARY**

- (a) When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and the Board Committees and between senior management and non-executive Directors.
- (b) The Company Secretary is to support the effectiveness of the Board and the Board Committees by monitoring that Board and Board Committee policy and procedures are followed, coordinating the timely completion and despatch of Board and Board Committee agendas and briefing materials and ensuring that the business at Board and Board Committee meetings is accurately captured in the minutes.
- (c) The Company Secretary is to facilitate the induction of new Directors.
- (d) The Company Secretary is to facilitate the implementation of Board and Board Committee policies and procedures.
- (e) The Company Secretary is to provide advice to the Board on corporate governance matters.
- (f) The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- (g) All Directors have access to the advice and services provided by the Company Secretary.
- (h) The Board has the responsibility for the appointment and removal of the Company Secretary.

## **7. ACCESS TO INFORMATION AND ADVICE**

- (a) All Directors have unrestricted access to company records and information in order to discharge their responsibilities effectively, except where the Board determines that such access would be adverse to the Company's interests.
- (b) All Directors may consult management and employees as reasonably required with, as a matter of courtesy, prior notification to the Managing Director, to enable them to discharge their duties as Directors.
- (c) Senior management supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.
- (d) The Board, Board Committees or individual Directors may seek independent external professional advice at the expense of the Company as is considered necessary to discharge their responsibilities as a Board, Board Committee or Director (as applicable), subject to prior consultation with the Chair. In the case of a request for independent external professional

advice by the Chair, prior consultation must first occur with the Chair of the Risk Committee. A copy of any such advice received will be made available to all members of the Board.

## 8. BOARD'S RELATIONSHIP WITH MANAGEMENT

- (a) The Board delegates responsibility for the day-to-day operations, management and administration of the Company to EXCO in accordance with the strategy and objectives approved by the Board.
- (b) EXCO's joint responsibilities include:
  - (i) effective leadership of the Company, including by instilling and reinforcing the Company's values;
  - (ii) preparation, and implementation of, development and operational plans, policies and procedures to achieve the strategic, operational and financial objectives of the Company as determined by the Board;
  - (iii) management of the day to day affairs of the Company, including its people, processes, policies and systems;
  - (iv) ensuring the Company operates in a manner consistent with its values, code of conduct, budget and the risk appetite set by the Board;
  - (v) identifying and managing business risks and, where those risks could have a material impact on the Company's business, formulating strategies for managing those risks for consideration by the Board. These risks include both financial and non-financial risks;
  - (vi) conduct of commercial negotiations with other entities;
  - (vii) managing the Company's financial and other reporting mechanisms as well as its internal control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;
  - (viii) development and maintenance of effective relationships with the Company's employees, shareholders, joint venture partners, governments at all levels and government agencies, suppliers and customers, and local landowners;
  - (ix) ensuring that the Company complies with all applicable laws and regulations, including applicable listing rule disclosure requirements;
  - (x) reporting to the Board, or as directed by the Board, and providing prompt and full information regarding the Company's operations and the conduct and performance of the business of the Company. This includes information about the Company's financial performance, financial condition, operating results and prospects, its compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the Company's values or code of conduct;
  - (xi) ensuring all material matters that affect the Company are brought to the Board's attention, including developments in laws, regulations and accounting standards that are material to the Company; and
  - (xii) ensuring that senior management, including EXCO members, have a formal job description and employment contracts describing their term of office, duties, rights and responsibilities, and entitlements on termination.
- (c) EXCO may, in turn, delegate authorities to other employees and consultants of the Company to transact on behalf of the Company. The cascading delegated authority limits for EXCO and other employees and consultants of the Company and its subsidiaries are set out in the Delegation of Authority Standard, with the Board responsible for setting the limits under that Standard.

- (d) In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the group to facilitate the carrying out of their duties as Directors.

## **9. PERFORMANCE REVIEW**

### **9.1 Overview**

Once a year, the Board will review, critically evaluate and discuss the performance of:

- (a) the Board as a whole;
- (b) its Board Committees; and
- (c) individual Directors.

The method and scope of the performance evaluation of the Board as a whole, its Board Committees and individual Directors will be set by the Nomination Committee and may include a Board self-assessment checklist to be completed by each Director. The Nomination Committee may also decide to engage an independent adviser to undertake or facilitate all or any aspect of these performance evaluations if it is considered appropriate in the circumstances (e.g. because of the period of time since the last externally facilitated review was undertaken).

### **9.2 Board**

A process will be established to review and evaluate the Board. The annual review includes, but is not limited to, consideration of the following:

- (a) comparison of the performance of the Board against the Board Charter;
- (b) assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- (c) review of the Board's interaction with management;
- (d) identification of any particular goals and objectives of the Board for the next year;
- (e) review of the type and timing of information provided to the Directors; and
- (f) identification of any necessary or desirable improvements to Board or Board Committee Charters.

### 9.3 Board Committees

The annual Board Committee review will include considerations similar to those applied to the review of the Board and will include an assessment of the performance of each Board Committee against each Board Committee Charter in order to identify areas where improvements can be made.

### 9.4 Non-executive Directors

The Chair will have primary responsibility for conducting performance appraisals for the other non-executive Directors. In the case of the Chair, a non-executive Director determined by the Board will have primary responsibility for conducting his or her performance appraisal after having canvassed the views of the other Directors.

The relevant non-executive Director's performance appraisal will be carried out having particular regard to:

- (a) contribution to Board discussion and function;
- (b) degree of independence including relevance of any conflicts of interest;
- (c) availability for and attendance at Board meetings and other relevant events;
- (d) contribution to Company strategy;
- (e) membership of and contribution to any Board Committees; and
- (f) suitability to Board structure and composition.

Where the responsible non-executive Director, following a performance appraisal, considers that action must be taken in relation to the relevant Director's performance, the responsible non-executive Director must consult with the remainder of the Board regarding whether the relevant Director should be counselled to resign, not seek re-election, or in exceptional circumstances, whether a resolution for the removal of the relevant Director be put to shareholders.

### 9.5 EXCO

The Board will annually review the performance of the each EXCO member. At the commencement of each financial year, the Board and each EXCO member will agree a set of generally Company specific performance measures to be used in the review of the forthcoming year. These will include, but not be limited to:

- (a) financial measures of the Company's performance;
- (b) the extent to which key operational goals and strategic objectives are achieved;
- (c) development of management and staff;
- (d) compliance with legal and Company policy requirements; and
- (e) achievement of key performance indicators.

The review process above may be delegated by the Board to the Remuneration Committee.

## 10. INDUCTION

The Company Secretary in conjunction with the Nomination Committee will put in place induction procedures to allow new Directors to participate fully and actively in Board decision-making at the earliest opportunity. The induction program will be available to enable new Directors to gain an understanding of:

- (a) the Company's financial, strategic, operational and risk management position;
- (b) the culture and values of the Company;
- (c) the rights, duties and responsibilities of the Directors;
- (d) the roles and responsibilities of senior management;
- (e) the role and procedures of the Board and its Board Committees;
- (f) meeting arrangements; and
- (g) Director interaction with each other, senior management and other stakeholders.

Directors will be given access to continuing education to update and enhance their skills and knowledge.

## 11. DEFINITION OF INDEPENDENCE

An independent Director is a non-executive Director (i.e. is not a member of management) that is free from any interest, position or relationship which might influence, or might reasonably be perceived to influence, in a material respect the Director's ability to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.

Unless the Board determines that it is clear that the interest, position or relationship in question is not material and will not interfere with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party, a Director will be deemed to not be independent where that Director:

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

The applicable materiality thresholds applied by the Board will be assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances.

The Board will assess the independence of Directors annually and will reassess determinations of independence when any changes to a Director's interests, positions or relationships are notified to the Board.

## **SECTION 2 - AUDIT COMMITTEE CHARTER**

### **1. COMPOSITION**

- (a) The Audit Committee must comprise at least three members.
- (b) All members of the Audit Committee must be non-executive Directors.
- (c) A majority of the members of the Committee must be independent non-executive Directors for the purposes of paragraph 11 of the Board Charter.
- (d) The Board will appoint members of the Audit Committee. The Board may remove and replace members of the Audit Committee by resolution.
- (e) All members of the Audit Committee must be able to read and understand financial statements and have an understanding of the industry in which the Company operates.
- (f) The Chair of the Audit Committee may not be the Chair of the Board and must be independent for the purposes of paragraph 11 of the Board Charter).
- (g) The Chair of the Audit Committee shall have leadership experience and a strong finance, accounting or business background.
- (h) The external auditors, any non-member Directors, EXCO members, the Chief Financial Officer, and other management, may be invited to Audit Committee meetings at the discretion of the Audit Committee.
- (i) The Audit Committee will be given the necessary power and resources to meet this Charter. This will include rights of access to management, rights to seek explanations and additional information and access to auditors, internal and external, without management present.
- (j) The Audit Committee is authorised to obtain independent professional advice at the Company's expense, as is considered necessary to adequately discharge its relevant duties and responsibilities.

### **2. PURPOSE**

The purpose of the Audit Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance.

### **3. DUTIES AND RESPONSIBILITIES**

#### **3.1 Financial statements and reporting**

- (a) The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.
- (b) The Audit Committee will set aside sufficient time to discharge its functions to ensure the integrity of the financial statements of the Company and the independence of the external auditor.
- (c) The Audit Committee will review the audited annual and reviewed half-yearly financial statements and any reports which accompany published financial statements and recommend their approval or otherwise to the full Board.

### 3.2 Internal audit function

The Audit Committee is responsible for monitoring the need for a formal internal audit function in addressing financial reporting and compliance, and the scope of any such internal audit, the appointment and removal of any head of internal audit and assessing the independence, performance and objectivity of any internal audit procedures that are established.

### 3.3 External audit and other control system requirements

- (a) The Audit Committee will each year review the appointment of the external auditor, their independence, their performance and competence to perform the audit function of the Company, their scope, the audit fee, and any questions of resignation or dismissal.
- (b) The Audit Committee will review and each year report to the Board in writing on the following matters relevant to the Audit Committee's role and responsibility, including:
  - (i) assessment of whether external reporting is consistent with the Audit Committee members' information and knowledge and is adequate for shareholder needs;
  - (ii) assessment of the management processes supporting external reporting;
  - (iii) procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;
  - (iv) recommendations for the appointment or, if necessary, the removal of the external auditor;
  - (v) assessment of the performance and independence of the external auditors (note, where the external auditor provides non-audit services, the report should state whether the Audit Committee is satisfied that provision of those services has not compromised the auditor's independence);
  - (vi) assessment of the performance and objectivity of any internal audit function;
  - (vii) the results of the committee's review of risk management and internal control systems; and
  - (viii) recommendations for the appointment of, or if necessary, the dismissal of the head of internal audit.
- (c) Without limiting paragraph 3.3(a) above, the Audit Committee will monitor the level of non-audit services provided by the external auditor and the fees received for those services to ensure that it does not adversely impact on auditor independence. The Audit Committee may also consider, and approve, a separate policy in respect of the provision of non-audit services by the external auditor.

## 4. OVERALL RESPONSIBILITY OF THE BOARD.

Nothing in this Charter diminishes the ultimate responsibility of the Board to ensure the integrity of the Company's financial reporting.

## 5. COMMITTEE MEETING PROCEDURE

The Audit Committee must meet at such times as the Chair of the Audit Committee requires, but will meet at least twice a year.

A quorum for a meeting of the Audit Committee is three members.

The Company Secretary or his or her delegate will act as secretary to the Audit Committee, unless determined otherwise by the Audit Committee.

## SECTION 3 - RISK COMMITTEE CHARTER

### 1. COMPOSITION

- (a) The Risk Committee must comprise at least three members, a majority of whom are independent for the purposes of paragraph 11 of the Board Charter.
- (b) The Board will appoint members of the Risk Committee. The Board may remove and replace members of the Risk Committee by resolution. In the ordinary course, the Chair of the Audit Committee will be a member of the Risk Committee.
- (c) Members of the Risk Committee must have an understanding of and experience working in the industry and broader business in which the Company operates.
- (d) The Chair of the Risk Committee must be an independent Director for the purposes of paragraph 11 of the Board Charter.
- (e) Any non-member Directors, EXCO members, and other management, may be invited to Risk Committee meetings at the discretion of the Risk Committee.
- (f) The Risk Committee will be given the necessary power and resources to meet this Charter. This will include rights of access to management, rights to seek explanations and additional information and access to external consultants, and internal and external audit functions, without senior management present.
- (g) The Risk Committee is authorised to obtain independent professional advice at the Company's expense, as is considered necessary to adequately discharge its relevant duties and responsibilities.
- (h) The Board may determine that it will remain responsible for overseeing the Company's risk management framework, without establishing a Risk Committee. In such circumstances, the Board when considering the Company's risk management framework will, to the extent practicable, seek to act in a manner consistent with this Risk Committee Charter.

### 2. PURPOSE

The purpose of the Risk Committee is to assist the Board with the identification and management of business and operational risks faced by the Company to a standard that takes into account the reasonable expectations of the Company's shareholders, employees, customers, suppliers, creditors and the broader community in which the Company operates.

### 3. DUTIES AND RESPONSIBILITIES

The Risk Committee must:

- (a) ensure that management designs and implements a risk management and internal control system (which may include an internal audit function) to manage the Company's material business risks;
- (b) review at least annually the Company's risk management and internal risk control system and report to the Board on its efficiency and effectiveness in managing the Company's material business risks, whether there have been any changes to the material risks to the Company

and its operations, whether any changes should be made to that system and whether the Company is operating within the risk appetite set by the Board;

- (c) periodically review the need for a formal internal audit function from a risk management perspective;
- (d) review the risk reports produced by management, review and monitor the efficiency and effectiveness of that risk management and internal control system and review any material incidents notified to the Risk Committee, including any incidents involving a breach of the Company's Integrity Standard, Whistleblower Standard or Code of Conduct, and the lessons learned from those incidents;
- (e) develop and maintain a risk register which identifies the business risks to the Company and its operations (including economic, environmental and social sustainability risks) and assess the likelihood of their occurrence;
- (f) periodically review the scope and adequacy of the Company's insurance, having regard to the Company's business and its associated insurable risks;
- (g) oversee the Company's operational and environmental risk management and occupational health and safety processes;
- (h) ensure that management designs and implements a whistleblower system to encourage and promote the reporting of any inappropriate conduct and, together with the Whistleblower Protection Officers, oversee procedures for whistleblower protection;
- (i) oversee procedures for whistleblower protection;
- (j) ensure that management designs and implements an anti-bribery and corruption system to minimise the Company's risks with respect to bribery and corruption; and
- (k) review at least annually the Company's anti-bribery and corruption system and report to the Board on its efficiency and effectiveness.

#### **4. COMMITTEE MEETING PROCEDURE**

The Risk Committee must meet at such times as the Chair of the Risk Committee requires.

A quorum for a meeting of the Risk Committee is two members that are independent non-executive Directors.

The Company Secretary or his or her delegate will act as secretary to the Risk Committee, unless determined otherwise by the Risk Committee.

## **SECTION 4 - REMUNERATION COMMITTEE CHARTER**

### **1. COMPOSITION**

- (a) The Remuneration Committee must comprise at least three Directors, the majority being independent for the purposes of paragraph 11 of the Board Charter. The Remuneration Committee must consist only of non-executive Directors.
- (b) The Chair of the Remuneration Committee must be independent for the purposes of paragraph 11 of the Board Charter.
- (c) The Board will appoint members of the Remuneration Committee. The Board may remove and replace members of the Remuneration Committee by resolution.
- (d) Any non-member Directors, EXCO members, management and external advisers, may be invited to Remuneration Committee meetings at the discretion of the Remuneration Committee.
- (e) The Remuneration Committee will be given the necessary power and resources to meet this Charter. This will include rights of access to management and rights to seek additional information.
- (f) The Remuneration Committee is authorised to obtain independent professional advice at the Company's expense, as is considered necessary to adequately discharge its relevant duties and responsibilities.

### **2. PURPOSE**

The purpose of the Remuneration Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:

- (a) reviewing and approving the executive and non-executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- (b) ensuring that the executive remuneration policy demonstrates a clear relationship between executive performance and remuneration;
- (c) reviewing and recommending to the Board the remuneration of EXCO members;
- (d) reviewing and commenting on superannuation arrangements;
- (e) reviewing and commenting on remuneration by gender and monitoring for any gender or other inappropriate bias in remuneration;
- (f) fairly and responsibly rewarding executives having regard to the performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market;
- (g) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
- (h) evaluating the performance of EXCO members and monitoring the performance of senior management generally;
- (i) reviewing and approving the remuneration of senior management (other than EXCO); and

- (j) reviewing and approving any equity-based plans and other incentive schemes.

### **3. DUTIES AND RESPONSIBILITIES**

To fulfil its responsibilities to the Board, the Remuneration Committee will review and, where specified, provide recommendations to the Board on the following matters.

#### **3.1 Remuneration consultants**

If the Board is considering retaining a remuneration consultant to provide advice to the Board, the Remuneration Committee must:

- (a) approve the remuneration consultant before a remuneration consultancy agreement is entered into;
- (b) oversee the independence of the remuneration consultant;
- (c) set aside sufficient time to ensure the independence of the remuneration consultant;
- (d) each year review the appointment of the remuneration consultant, their independence, their competence to provide unbiased advice to the Company, their consultancy fees, and any questions of resignation or dismissal; and
- (e) review and each year report to the Board in writing on at least the following matters relevant to the Remuneration Committee's role and responsibility:
  - (i) assessment of the performance and independence of the remuneration consultant. The report should state whether the Remuneration Committee is satisfied that the remuneration consultant (and their subsequent remuneration recommendations) are free from "undue influence" from management (and other key management personnel);
  - (ii) assessment of the performance and objectivity of the remuneration assessment function; and
  - (iii) recommendations for the appointment of, or if necessary, the dismissal of the external remuneration consultant.

#### **3.2 Executive remuneration policy**

The Remuneration Committee must:

- (a) as required, review and approve the Company's recruitment, retention and termination policies and procedures for senior management to enable the Company to attract, retain and motivate managers and Directors who can create value for shareholders;
- (b) review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs; and
- (c) ensure that remuneration policies fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and prevailing remuneration expectations in the market.

### **3.3 EXCO and other senior management**

The Remuneration Committee must:

- (a) consider and make recommendations to the Board on the proposed remuneration for each new EXCO member (including base pay, incentive payments, equity awards, retirement rights and termination payments) having regard to the executive remuneration policy;
- (b) review and make recommendations to the Board on the proposed remuneration (including base pay, incentive awards and equity awards) for each EXCO member. As part of this review, the Remuneration Committee will undertake an annual performance evaluation of each EXCO member; and
- (c) review and approve the proposed remuneration (including base pay, incentive awards and equity awards) for senior management (other than EXCO). As part of this review, the Remuneration Committee will generally monitor performance of the senior management team.

### **3.4 Non-executive Directors**

The Remuneration Committee must:

- (a) consider and make recommendations to the Board on the remuneration for each non-executive Director (as distinct from the remuneration structures of executive Directors and senior management) having regard to the non-executive remuneration policy and the maximum aggregate remuneration for non-executive Directors as set by the shareholders; and
- (b) review the on-going appropriateness and relevance of the remuneration policy as it applies to non-executive Directors.

The Company's non-executive Director remuneration policy aims to reward non-executive Directors fairly and responsibly. Fees paid to non-executive Directors are recommended by the Remuneration Committee based on advice from external remuneration consultants and having regard to the time commitment and responsibilities of the role and are determined by the Board, in each case, subject to the then prevailing aggregate limit approved by shareholders at the Annual General Meeting. Non-executive Directors do not receive any variable or performance-based remuneration and do not participate in schemes designed for the remuneration of management.

### **3.5 Management incentive plan**

The Remuneration Committee must review and approve the design of any management incentive plans.

### **3.6 Equity based plans**

The Remuneration Committee must:

- (a) review and approve any equity-based plans that may be introduced (Plans) in light of legislative, regulatory or market developments;
- (b) for each Plan, determine each year whether awards will be made under that Plan;
- (c) review and make recommendations on the proposed awards under each Plan for each EXCO member;
- (d) review and approve proposed awards under each Plan on an individual basis for management (other than EXCO);
- (e) review and approve total proposed awards under each Plan;
- (f) review and exercise discretions under the rules governing each Plan; and
- (g) review, approve and keep under review performance hurdles for each Plan.

### **3.7 Remuneration Report**

The Remuneration Committee must review and recommend for approval by the Board the Company's annual Remuneration Report.

## **4. COMMITTEE MEETING PROCEDURE**

The Remuneration Committee must meet at such times as the Chair of the Remuneration Committee requires.

A quorum for a meeting of the Remuneration Committee is three members.

The Company Secretary or his or her delegate will act as secretary to the Remuneration Committee, unless determined otherwise by the Remuneration Committee.

## **SECTION 5 - NOMINATION COMMITTEE CHARTER**

### **1. COMPOSITION**

- (a) The Nomination Committee must comprise at least three Directors, the majority being independent for the purposes of paragraph 11 of the Board Charter.
- (b) The Chair of the Nomination Committee must be independent –for the purposes of paragraph 11 of the Board Charter.
- (c) The Board will appoint members of the Nomination Committee. The Board may remove and replace members of the Nomination Committee by resolution.
- (d) Any non-member Directors, EXCO members, management and external advisers, may be invited to Nomination Committee meetings at the discretion of the Nomination Committee.
- (e) The Board may determine that it will remain responsible for overseeing the Director nomination process, without establishing a Nomination Committee. In such circumstances, the Board when considering the Director nomination process will, to the extent practicable, seek to act in a manner consistent with this Nomination Committee Charter.

### **2. PURPOSE**

The purpose of the Nomination Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:

- (a) maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body;
- (b) recommending to the Board the appointment and re-election of Directors;
- (c) developing a process for evaluation of the performance of the Board, its Board Committees and individual Directors;
- (d) ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance; and
- (e) ensuring the Company's Diversity Policy is implemented in respect of the Board and the process for identifying and selecting new Directors.

### **3. DUTIES AND RESPONSIBILITIES**

To fulfil its responsibilities to the Board, the Nomination Committee will review and provide recommendations to the Board on the following matters.

### 3.1 Nomination

The Nomination Committee must:

- (a) identify and recommend to the Board candidates for the Board after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills, experience, expertise and diversity and after assessment of how the candidates can contribute to the strategic direction of the Company and having regard to the Company's Diversity Standard;
- (b) approve and review induction procedures for new appointees of the Board to ensure the induction is tailored to their existing skills, knowledge and experience and they can effectively discharge their responsibilities;
- (c) assess and consider the time required to be committed by a non-executive Director to properly fulfil his or her duty to the Company and advise the Board;
- (d) consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
- (e) review directorships in other listed companies, other material directorships and other positions with a significant time commitment held by or offered to Directors and senior management of the Company;
- (f) review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
- (g) periodically review professional development programs to be implemented for Directors;
- (h) consider and approve the method and scope of the annual performance evaluation of the Board, its Committees and individual Directors and make the necessary arrangements for the carrying out of such performance evaluations;
- (i) consider and approve the appointment of an independent adviser to undertake or facilitate any aspect of the annual performance evaluations of the Board, its Committees and individual Directors if it is considered appropriate in the circumstances;
- (j) make recommendations to the Board on the appropriate size and composition of the Board;
- (k) make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board;
- (l) review succession plans for senior management; and
- (m) ensure that, on appointment, all non-executive Directors have a formal letter of appointment and all executive Directors and senior management have a service contract.

### 3.2 Procedure for selection and appointment of new Directors

The Board's procedure when selecting and appointing new Directors varies depending upon the circumstances of the Company at the particular time. Generally, however, the procedure for the selection and appointment of a new Director will be based on the Nomination Committee doing the following:

- (a) assessing the needs of the Board to ensure that there is a range of skills, experience, expertise and diversity represented, including an understanding of:
  - (i) the industry in which the Company operates;

- (ii) the markets in which the Company operates;
  - (iii) business development and risk management; and
  - (iv) accounting, finance and legal matters;
- (b) where a need is identified or arises, engaging recruitment advisers to identify individuals with the skills and experience required by the Board;
  - (c) taking steps to ensure that a diverse range of candidates are considered having regard to the Company's Diversity Policy;
  - (d) developing a short list of potential appointees taking into account, among other things, the particular skills, qualifications and experience of each individual appointee and their ability to fit with the existing Board;
  - (e) undertaking appropriate checks as to the candidate's character, experience, education, criminal record and bankruptcy history; and
  - (f) recommending to the Board the most appropriate person from the short list of potential appointees to be invited to become a Director of the Company

### **3.3 Policy for the appointment of Directors**

The Nomination Committee policy for the appointment of Directors, as part of the broader selection and appointment procedure, looks to ensure that the potential appointee best matches the needs of the Board.

Factors considered by the Nomination Committee when recommending a person for appointment as a Director include:

- (a) competencies and qualifications;
- (b) independence;
- (c) any adverse information revealed by checks the Nomination Committee has conducted on a candidate;
- (d) the time commitment required by a Director to effectively discharge his or her duties to the Company;
- (e) the number of existing directorships and other commitments that may demand the time and attention of the appointee;
- (f) the nature of existing positions, directorships or other relationships or interests and the impact that each may have, or be perceived to have, on the appointee's ability to exercise an independent judgment and to act in the best interests of the Company as a whole; and
- (g) the extent to which the appointee is likely to work constructively with the existing Directors and contribute to the overall effectiveness of the Board.

In accordance with the Company's constitution, all new appointees to the Board must resign at the next annual general meeting after the date of their appointment and offer themselves for election.

### 3.4 Notices of meeting

Notices of meeting involving the election or re-election of a Director will include all material information in the Company's possession relevant to whether or not that Director should be elected or reelected.

To achieve this, the notice of meeting is to set out at least the following information about the person recommended for election or reelection as a Director where that information is considered material:

- (a) biographical details, including their relevant qualifications and experience and the skills they bring to the Board;
- (b) details of any other material directorships currently held by the candidate;
- (c) in the case of a candidate standing for election as a director for the first time:
  - (i) confirmation that the Company has conducted appropriate checks into the candidate's background and experience;
  - (ii) any material adverse information revealed by the checks the Company has conducted about the candidate's background and experience;
  - (iii) details of any interest, position, association or relationship that may influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party; and
  - (iv) if the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect; and
- (d) in the case of a candidate standing for re-election as a Director:
  - (i) the term of office currently served by the Director;
  - (ii) if the Board considers the Director to be an independent director, a statement to that effect; and
- (e) a statement by the Board as to whether it supports the election or re-election of the candidate and a summary of the reasons why.

## 4. COMMITTEE MEETING PROCEDURE

The Nomination Committee must meet at such times as the Chair of the Nomination Committee requires.

A quorum for a meeting of the Nomination Committee is three members.

The Company Secretary or his or her delegate will act as secretary to the Nomination Committee, unless determined otherwise by the Nomination Committee.

No members of the Nomination Committee may participate in any discussion or decision in relation to their performance or re-election.

## 5. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The Nomination Committee will be given the necessary power and resources to meet this Charter. This includes the authority to seek any information it requires from the Company or its subsidiaries and their respective employees.

The Nomination Committee is authorised to obtain independent professional advice at the Company's expense, as is considered necessary to adequately discharge its relevant duties and responsibilities.