



AZZURO RESOURCES PLC
Corporate Governance Plan

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BOARD CHARTER

Introduction

The Board of the Company (Board) has the ultimate responsibility to its shareholders for the strategy and performance of the Company in general. The Board is dedicated to fulfilling these duties in a lawful and professional manner, and with the utmost integrity and objectivity. As such, the Board actively pursues best practice governance processes.

Good governance policies and processes are critical for ensuring that the Company is governed in the best interests of the Company as a whole. With this point in mind, the Board has decided to articulate and formalise the corporate governance framework within which the Company operates.

Our Purpose

Our purpose is to create shareholder value through the successful delivery of our Vision "to be a leading provider of resources solutions in our target markets".

Our Strategy

We are aiming to develop an integrated portfolio of mineral assets capable of generating substantial value. We believe this presents opportunities to acquire quality assets at counter-cyclical prices.

Our Values

- Sustainability – The health and safety of our stakeholders must guide everything we do.
- Integrity – Doing what is right and doing what we say we will do.
- Respect – Recognising that we are guests in our target markets, embracing diversity and culture, and fostering mutually beneficial relationships built on trust.
- Performance – Never compromising standards, demanding results by stretching our capabilities, and delivering on our commitments.
- Simplicity – Focusing on the things that matter most.

The Company's Board Charter is a written policy document that defines the respective roles, responsibilities, and authorities of the Board, both individually and collectively, and of management in setting the direction, management, and the control of the organisation. It does not in any way constitute legal advice or act as a substitute for legal advice.

The Board is cognisant that it currently may not comply with all of the Corporate Governance Principles and Recommendations (4th Edition) published by the ASX Corporate Governance Council. However, the Company will state in its Annual Report its current position on these matters and a regular review will be undertaken to assess the applicability of the current procedures.

The Company's Board Charter has four major sections:

- (a) Part A – Defining Governance Roles;
- (b) Part B – Board Processes;
- (c) Part C – Key Board Functions; and
- (d) Part D – Continuing Improvement.

Nothing in this Charter must conflict with the Company's Articles of Association (Articles), the Corporations Act or the ASX Listing Rules. If such a conflict occurs, the Articles, Corporations Act and the ASX Listing Rules shall prevail.

PART A – DEFINING GOVERNANCE ROLES

1. The Role of the Board

The Board is ultimately responsible for all matters relating to the running of the Company. The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole.

The Board has the final responsibility for the successful operations of the Company. In general, it is responsible for, and has the authority to determine, all matters relating to the policies, practices, management, and operations of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- (a) providing leadership to the Company by:
 - (i) guiding the development of an appropriate culture and values for the Company through the establishment and review of Codes of Conduct, rules, and procedures to enforce ethical behaviour;
 - (ii) defining the Company's purpose; and
 - (iii) always acting in a manner consistent with the Company's culture and Code of Conduct;
- (b) overseeing the development and implementation of an appropriate strategy by:
 - (i) working with the Senior Management team to ensure that an appropriate strategic direction and array of goals are in place;
 - (ii) regularly reviewing and amending or updating the Company's strategic direction and goals;
 - (iii) ensuring that an appropriate set of internal controls are implemented and reviewed regularly;
 - (iv) ensuring an appropriate framework exists for relevant information to be reported by management to the Board;
 - (v) when required, overseeing planning activities including the development and approval of strategic plans, annual plans, annual corporate budgets and long-term budgets; and
 - (vi) reviewing the progress and performance of the Company in meeting these plans and corporate objectives, including reporting the outcome of such reviews on at least an annual basis;
- (c) overseeing the control and accountability systems that ensure the Company is progressing towards the goals set by the Board;
- (d) ensuring corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy, encouraging effective participation at general meetings;
- (e) ensuring the integrity of the Company's accounting systems including the external audit;
- (f) ensuring robust and effective risk management, compliance, continuous disclosure, and control systems are in place and operating effectively;
- (g) appointing, and where necessary removing and/or replacing, the Chair;
- (h) being responsible for the Company's senior management and personnel including:

- (i) directly managing the performance of the Chief Executive Officer (CEO) including appointing and remunerating the CEO, providing advice and counsel, and overseeing the development or removal of the CEO, where necessary;
- (ii) ratifying the appointment, the terms and conditions of the appointment and, where appropriate, removal of the Chief Financial Officer (CFO) and/or Company Secretary and other senior executives;
- (iii) ensuring appropriate checks are undertaken prior to the appointment of senior executives;
- (iv) ensuring that an appropriate succession plan for the CEO, CFO and Company Secretary is in place; and
- (v) when required, ensuring appropriate human resource systems (including OH&S systems) are in place to ensure the well-being and effective contribution of all employees;
- (j) delegating appropriate powers to the CEO, management, and committees to ensure the effective day-to-day management of the business and monitoring the exercise of these powers;
- (k) ensuring that the Company's remuneration and nomination processes are aligned with the entity's purpose, values, strategic objectives, and risk appetite;
- (l) ensuring Directors receive briefings on material developments in laws, regulations, and accounting standards relevant to the Company; and
- (m) making all decisions outside the scope of these delegated powers.

2. Board Structure

2.1 Number of Directors

The Board has determined that, consistent with the size of the Company and its activities, the Board shall be comprised of a minimum three (3) Directors, two of whom shall be non-executive.

The Board's policy is that the majority of Directors shall be independent, non-executive Directors at a time when the size of the Company and its activities warrants such a structure.

2.2 Appointment of Directors

The Company may, by ordinary resolution, increase or decrease the number of Directors and may also determine in what rotation the increased or decreased number is to go out of office. The Company will undertake appropriate checks before appointing a person and 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.

2.3 Skills Required on the Board

The Board will review capabilities, technical skills, and personal attributes of its directors. It will normally review the Board's composition against those attributes and recommend any changes in Board composition that may be required.

2.4 Written Agreement

The Company shall have a written agreement with each Director and senior executive setting out the terms of their appointment.

2.5 Duration of Appointment

In the interest of ensuring a continual supply of new talent to the Board, non-executive Directors will serve for a maximum of 10 years unless there are exceptional circumstances.

2.6 Vacation of Office

Subject to clause 2.5, it is envisaged that Directors shall remain on the Board until required to vacate the office by law or as detailed in the Articles.

3. The Role of Individual Directors

As members of the peak decision-making body in the Company, Directors share ultimate responsibility for the Company's overall success. Directors need to ensure that the Board is providing:

- (a) leadership to the Company, particularly in the areas of ethics and culture;
- (b) a clear and appropriate strategic direction;
- (c) upholding the Company's values;
- (d) accountability to key stakeholders, particularly shareholders;
- (e) oversight of policies;
- (f) oversight of all control and accountability systems including all financial operations and solvency, risk management, monitoring conduct that is inconsistent with the Company's code of conduct and compliance with material legal and regulatory requirements;
- (g) an effective senior management team and appropriate personnel policies as and when required; and
- (h) timely and effective decisions on matters reserved to it.

3.1 Directors' Code of Conduct

In accordance with legal requirements and agreed ethical standards, Directors, and key executives of the Company:

- (a) will act honestly, in good faith and in the best interests of the whole Company;
- (b) owe a fiduciary duty to the Company as a whole;
- (c) have a duty to use due care and diligence in fulfilling the functions of office;
- (d) will undertake diligent analysis of all proposals placed before the Board;
- (e) will act with a level of skill expected from directors and key executives of a publicly listed company;
- (f) will use the powers of office for a proper purpose, in the best interests of the Company as a whole;
- (g) will demonstrate commercial reasonableness in decision making;
- (h) will not make improper use of information acquired as Directors and key executives;
- (i) will not disclose non-public information except where disclosure is authorised or legally mandated;
- (j) will keep confidential, information received in the course of the exercise of their duties and such information remains the property of the Company;
- (k) will not take improper advantage of the position of Director or use the position for personal gain or to compete with the Company;
- (l) will not take advantage of Company property or use such property for personal gain or to compete with the Company;
- (m) will protect and ensure the efficient use of the Company's assets for legitimate business purposes;
- (n) will not allow personal interests, or the interest of any associated person, to conflict with the interests of the Company;
- (o) have an obligation to be independent in judgment and actions;

- (p) will make reasonable enquiries to ensure that the Company is operating efficiently, effectively, and legally, towards achieving its goals;
- (q) will not engage in conduct likely to bring discredit upon the Company;
- (r) will encourage fair dealing by all employees with the Company's customers, suppliers, competitors, and other employees;
- (s) will encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations in good faith;
- (t) will give their specific expertise generously to the Company; and
- (u) have an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Code.

3.2 Expectations of Directors in Board Process

Since the Board needs to work together as a group, Directors need to establish a set of standards for Board meetings. At the Company, it is expected that Directors shall, in good faith, behave in a manner that is consistent with generally accepted procedures for the conduct of meetings at all meetings of the Board. This will include, but not be limited to:

- (a) behaving in a manner consistent with the letter and spirit of the Company's Code of Conduct;
- (b) acting in a businesslike manner;
- (c) acting in accordance with the Articles and Board policies;
- (d) addressing issues in a confident, firm and friendly manner;
- (e) preparing thoroughly for each Board or Committee event;
- (f) using judgment, common sense and tact when discussing issues;
- (g) minimising irrelevant conversation and remarks;
- (h) ensuring that others are given a reasonable opportunity to put forward their views;
- (i) refraining from interruption or interjection when a speaker has the floor; and
- (j) being particularly sensitive in interpreting any request or direction from the Chair that aims to ensure the orderly and good-spirited conduct of the meeting.

Directors are expected to be forthright in Board meetings and have a duty to question, request information, raise any issue, and fully canvas all aspects of any issue confronting the Company, and cast their vote on any resolution according to their own judgment.

Outside the boardroom, however, Directors will support the letter and spirit of Board decisions in discussions with all stakeholders including any shareholders, special interest groups, customers, staff, suppliers, and any other parties.

3.3 Conflict of Interest and Related Party Transactions

- (a) Conflicts of interest

Directors must disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director and the interests of the Company. On appointment, Directors will have an opportunity to declare any such interests.

Directors should update this disclosure by notifying the Company Secretary in writing as soon as they become aware of any conflicts.

The Board can request a Director to take reasonable steps to remove the conflict of interest. If a Director cannot or is unwilling to remove a conflict of interest, then the Director must absent himself or herself from the room when discussion and voting occur on matters to which the conflict relates.

- (b) Related party transactions

Related party transactions include any financial transaction between a Director or officer and the Company and will be reported in half yearly and annual reports.

In general, the Corporations Act requires related party transactions to be approved by the shareholders.

3.4 Emergency Contact Procedures

As there is the occasional need for urgent decisions, Directors should leave with the Company Secretary any contact details, either for themselves or for a person who knows their location, so that all Directors can be contacted within 24 hours in cases of a written resolution or other business.

4. The Role of the Chair

The Chair's role is a key one within the Company. The Chair is considered the "lead" Director and utilises his/her experience, skills and leadership abilities to facilitate the governance processes. Where possible the Chair should be an independent Director and not be the same person as the CEO of the Company.

4.1 Inside the Boardroom

Inside the boardroom the role of the Chair is to:

- (a) establish and approve the agenda for Board meetings in consultation with the CEO;
- (b) chair Board meetings;
- (c) ensure adequate time in Board meetings for discussion of all agenda items including strategic issues;
- (d) be clear on what the Board has to achieve, both in the long and short term;
- (e) provide guidance to other Board members about what is expected of them;
- (f) facilitate effective contribution of all directors and promoting constructive and respectful relations between directors;
- (g) ensure that Board meetings are effective in that: the right matters are considered during the meeting; matters are considered carefully and thoroughly; all Directors are given the opportunity to effectively contribute; and the Board comes to clear decisions;
- (h) brief all Directors in relation to issues arising at Board meetings;
- (i) ensure that the decisions of the Board are implemented properly; and
- (j) ensure that the Board behaves in accordance with its Code of Conduct.

4.2 Outside the Boardroom

Outside the boardroom the role of the Chair is to:

- (a) in conjunction with the CEO, undertake appropriate public relations activities;
- (b) be the spokesperson for the Company at the AGM and in the reporting of performance and profit figures;
- (c) be the major point of contact between the Board and the CEO;
- (d) be kept fully informed of current events by the CEO on all matters which may be of interest to Directors;
- (e) regularly review with the CEO progress on important initiatives and significant issues facing the Company; and
- (f) provide mentoring for the CEO.

5. The Role of the Company Secretary

The Company Secretary is charged with facilitating the Company's corporate governance processes and so holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively. The Company Secretary is accountable to the Board, through the Chair, on all governance matters.

The tasks of the Company Secretary shall include:

(a) Meetings and minutes

Including notifying the directors in advance of a meeting of the Board; ensuring that the agenda and Board papers are prepared and forwarded to Directors prior to Board meetings; recording, maintaining, and distributing the minutes of all Board and Board Committee meetings; and ensuring all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

(b) Compliance

Including overseeing the Company's compliance program and ensuring the Company's compliance and reporting obligations are met; ensuring all requirements of ASIC, the ATO and any regulatory bodies are fully met; and providing counsel on corporate governance principles and Director liability.

(c) Governance administration

Including maintaining a Register of Company Policies as approved by the Board; maintaining, updating, and ensuring that all Directors have access to an up-to-date copy of the Board Charter and associated governance documentation; and maintaining the complete list of the delegations of authority.

6. The Role of the CEO

The CEO is responsible for the attainment of the Company's goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by the Board. The position reports directly to the Board.

The CEO's primary objective is to ensure the ongoing success of the Company through being responsible for all aspects of the management and development of the Company.

The CEO's specific responsibilities will include:

- (a) develop, in conjunction with the Board, the Company's vision, values, and goals;
- (b) responsibility for the achievement of corporate goals and objectives;
- (c) development of short, medium, and long-term corporate strategies and planning to achieve the Company's vision and overall business objectives;
- (d) preparation of business plans and reports with the Senior Management;
- (e) developing with the Board the definition of ongoing corporate strategy;
- (f) implementing and monitoring strategy and reporting/presenting to the Board on current and future initiatives;
- (g) advise the Board regarding the most effective organisational structure and oversee its implementation;
- (h) assessment of business opportunities of potential benefit to the Company;
- (i) responsibility for proposals for major capital expenditure to ensure their alignment with corporation strategy;
- (j) sustain competitive advantage through maximising available resources and encouraging staff commitment;
- (k) establish and maintain effective and positive relationships with Board members, shareholders, customers, suppliers and other government and business liaisons;

- (l) undertake the role of key Company spokesperson;
- (m) recommend policies to the Board in relation to a range of organisational issues including delegations of authority, consultancies, and performance incentives;
- (n) ensure statutory, legal, and regulatory compliance and comply with corporate policies and standards;
- (o) ensure appropriate risk management practices and policies are in place;
- (p) develop and motivate direct reports and their respective teams;
- (q) select and appoint key staff as and when required (direct reports); and
- (r) ensure there is an appropriate staff appraisal system in place in the Company.

PART B – BOARD PROCESSES

1. Board Meetings

Board meetings are a fundamental component of governance processes. Each Board meeting is critical, as it is the main opportunity for directors to: obtain and exchange information with the Senior Management team; obtain and exchange information with each other; and make decisions.

1.1 Meeting Frequency

Given the size of the Company and the scale of its activities the Board will meet approximately six times per year, unless otherwise agreed. Committees will generally meet on a quarterly basis.

1.2 Meeting Time and Location

The Board usually meets at the offices of the Company in Australia. The commencement time will vary depending on the agenda of each individual meeting and the availability of key participants.

1.3 Meeting Language

If a Director does not speak the language in which the Board meeting is proposed to be held in and key documents written, processes will be adopted to ensure that the Director understands and can contribute to discussions at those meetings.

1.4 Meeting Cycle

When the size of the Company and the scale of its activities warrants it, the Board will adopt an indicative monthly cycle. Board papers are circulated to Directors at least 3 days prior to each meeting, allowing members 7 days to review and seek clarification.

Under normal circumstances, the indicative monthly cycle is:

Draft agenda prepared by Company Secretary	7 days before
Board papers and agenda finalised	3 days before
All Board papers circulated to attendees	3 days before
Board meeting	Day 0
Draft minutes sent to Chair	3–5 days after
Draft minutes sent to Directors	6–10 days after

1.5 Conduct of Meeting

The Chair will determine the degree of formality required at each meeting while maintaining the decorum of such meetings. As such the Chair will: ensure that all members are heard; retain sufficient control to ensure that the authority of the Chair is recognised; take care that the decisions are properly understood and well recorded; and ensure that the decisions and debate are completed with a formal resolution recording the conclusions reached.

1.6 Quorum and Voting

In order for a decision of the Board to be valid a quorum of Directors must be present. A quorum will be 2 Directors present in person or by instantaneous communication device. Questions arising at Board meetings are to be decided by a majority vote of Directors who are present and entitled to vote.

1.7 Emergency Decision Making

A resolution in writing signed by all Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held.

2. Board Meeting Agenda

2.1 Agenda Content

An agenda will be prepared for each Board and Committee meeting.

2.2 Agenda Preparation

The Company Secretary, in consultation with the Chair and the CEO is responsible for preparing an agenda for each Board meeting. However, any Director may request items to be added to the agenda for upcoming meetings.

3. Board Papers

3.1 Preparation and Circulation

The Company Secretary together with the CEO is responsible for the preparation and circulation of Board papers. The Board papers will be circulated to Directors prior to the Board meeting. If a Board paper relates to a matter in which there is a known conflict of interest with a particular Director, then the relevant Board paper will be removed from that Director's set.

3.2 Retention

The Company Secretary maintains a complete set of Board papers at the Company's headquarters. Individual Directors may retain their own Board papers in a secure location.

4. Board Minutes

Minutes are to be a concise summary of the matters discussed at a Board Meeting. Minutes will contain a brief reference to relevant Board papers tabled plus any official resolutions adopted by Directors. All decisions will be recorded in the minutes by means of a formal resolution.

5. Board Calendar

In order to provide an even distribution of work over each financial year, the Board will adopt a twelve-month Board Calendar. Included will be all scheduled Board and Committee meetings as well as major corporate and Board activities to be carried out in particular months.

6. Committees

The Board has instituted the following committees:

- (a) Audit and Risk Management Committee; and
- (b) Remuneration and Nomination Committee.

The Board has the ability to alter the roles of each Committee as it sees fit. For further details in relation to the charters for the above committees refer to Annexure C (Audit and Risk Committee Charter) and Annexure D (Remuneration and Nomination Committee Charter).

PART C – KEY BOARD FUNCTIONS

1. The Board and Strategy

The Board will approve a formal strategic planning process that articulates the respective roles and levels of involvement of the Board, Senior Management and other employees and will review the strategic plan for the Company on a regular basis.

2. Contacts and Advisory Role

2.1 CEO Advisory Role

It is recognised that a key directorial duty is providing a sounding board for CEO ideas and challenges. Recognising that the CEO-Board relationship is critical to effective corporate governance, Directors should provide frank and honest advice to the CEO. It is expected that the Chair will play a key part of this role and will maintain regular contact with the CEO.

2.2 Protocol for Interaction with Internal and External Parties

(a) Media contact and comment

The Board has designated the CEO or the Chair (where appropriate) to speak to the press on matters associated with the Company. In speaking to the press, the CEO or the Chair will not comment on price sensitive information that has not already been disclosed to a relevant authority.

Subject to the policies of the Board, the Chair is authorised to comment on: annual and half yearly results; resolutions to be put to General Meetings; changes in Directors and Board processes; and other matters specifically related to shareholders.

The CEO is authorised to comment on: the Company's future outlook; any operational matter; media queries concerning operational issues; proposed or actual legal actions; and queries and general discussion concerning the Company's industry.

(b) External communications including analyst briefings

The Company discloses its financial and operational results to the market each year/half year/quarter. In addition, the Company does conduct briefings and discussions with analysts and institutional investors. However, price sensitive information will not be discussed unless that particular information has been previously formally disclosed to the market.

2.3 Hospitality and Gifts

While the Company recognises the need from time to time to give or accept customary business courtesies in accordance with ethical business practices, Directors and officers will not solicit such courtesies and will not accept gifts, services, benefits, or hospitality that might influence, or appear to influence, the Directors' and officers' conduct in representing the Company.

3. Monitoring

Another essential function of the Board is to monitor the performance of the organisation in implementing its strategy and overall operational performance.

4. Risk and Compliance Management

The Board is charged with overseeing, reviewing, and ensuring the integrity and effectiveness of the Company's risk and compliance systems. The Board has an external independent auditor who is responsible for verifying the Company's compliance systems and reporting to the Board on those systems.

The risk management system will be based on Standard ISO 31000:2018.

Risk management is considered a key governance and management process. Therefore, the primary objectives of the risk management system at the Company will be to ensure:

- (a) all major sources of potential opportunity for and harm to the Company are identified, analysed, and treated appropriately;
- (b) business decisions throughout the Company appropriately balance the risk and reward trade off;
- (c) regulatory compliance and integrity in reporting is achieved; and
- (d) Senior Management, the Board and investors understand the risk profile of the Company.

In line with these objectives, the risk management system will cover operations risk; financial reporting; and compliance.

The Board reviews all major strategies and purchases for their impact on the risk facing the Company. The Company reviews annually its operations to update its risk profile.

As specified by Recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition), the CEO and CFO provide a written declaration of assurance regarding the financial records and risk management systems of the Company.

5. Delegation of Authority

Directors are responsible for any delegations of their responsibilities with regard to corporate operations. As such, they decide as a Board what Company matters are delegated to either specific Directors or management.

5.1 General Delegations

In general, the Board delegates all powers and authorities required to effectively and efficiently carry out the Company's business.

5.2 Decisions Requiring Board Approval

In addition to those decisions requiring approval pursuant to the respective Committee Charters, the following decisions must be referred to the Board for approval:

- (a) Directors acquiring or selling shares of the Company;
- (b) issuing shares of the Company;
- (c) acquiring, selling, or otherwise disposing of property in excess of the amount set out in the Company's approval matrix;
- (d) founding, acquiring, or selling subsidiaries of or any company within the Company;
- (e) acquiring or selling patent rights, rights in registered trademarks, licences, or other intellectual property rights of the Company;
- (f) founding, dissolving, or relocating branch offices or other offices, plants, and facilities;
- (g) starting new business activities, terminating existing business activities, or initiating major changes to the field of the Company's business activities;

- (h) approving and/or altering the annual business plan (including financial planning) for the Company or any part of the Company;
- (i) taking or granting loans which exceed the amount set out in the Company's approval matrix;
- (j) granting securities of any type;
- (k) granting loans to Company officers or employees and taking over guarantees for the Company's officers and employees;
- (l) entering into agreements for recurring, voluntary or additional social benefits, superannuation agreements or agreements for general wage and salary increases;
- (m) determining the total amount of bonuses and gratuities for Company officers and employees;
- (n) determining the appointment, termination, prolongation of employment or amendment to conditions of employment of members of the Board of Directors; and
- (o) granting or revoking a power of attorney or limited authority to sign and/or act on behalf of the Company.

PART D – CONTINUING IMPROVEMENT

1. Director Protection

1.1 Information Seeking Protocol

Directors will adhere to the following protocol when seeking information:

- (a) approach the CEO/Company Secretary to request the required data;
- (b) if the data is not forthcoming, approach the Chair; and
- (c) if the information is still not forthcoming, write a letter to all Board members and the CEO detailing the information that is required, purpose of the information, and who the Director intends to approach in order to obtain the information.

1.2 Access to Professional Advice

A Director of the Company is expected to exercise considered and independent judgement on the matters before them. All Directors have the individual authority to commit the company to up to \$5,000 per annum in professional advice.

Prior to seeking professional advice, a director shall inform the Chair about the nature of the opinion or information sought. If the cost of professional advice is likely to exceed \$5,000, the Director shall seek authority from the Chair prior to engaging an external expert. The Chair has delegated authority to authorise expenditures up to \$10,000.

1.3 Access to Board Papers

The Directors have the right to access board papers as granted by the Corporations Act. Such access shall be provided on a timely basis.

1.4 Insurance

The Company currently holds Directors' and Officers' Insurance Policies. The Company will ensure that all new Directors and Officers are included on the Company's insurance policies. The Company will also review the D&O Insurance Policies on at least an annual basis to ensure that they are sufficient.

2. Board and Senior Executive Evaluation

2.1 Evaluation Process

The Board considers the evaluation of its own and senior executive performance as fundamental to establishing a culture of performance and accountability.

2.2 Board and Director Evaluations

The Board considers the ongoing development and improvement of its own performance as a critical input to effective governance. As a result, the Board will undertake an evaluation of Board and Director performance.

The review will be based on a number of goals for the Board and individual Directors that will be established. The Board will consider the outcome of such reviews in a dedicated meeting and develop a series of actions and goals to guide improvement.

2.3 Board Committee Evaluations

The Board will set a number of expectations for its Committees. The Board will review the performance of the Committees against expectations. Based upon the review, individuals and groups will be provided with feedback on their performance.

2.4 Senior Executive Evaluations

All senior executives at the Company will be subject to an annual performance evaluation. Each year, senior executives (including the CEO) will establish a set of performance targets. These targets are aligned to overall business goals.

An informal assessment of progress is carried out throughout the year. A full evaluation of the executive's performance against the agreed targets takes place annually. Performance pay components of executives' packages are dependent on the outcome of the evaluation.

3. Executive Director Remuneration

3.1 Composition

Remuneration packages for Executive Directors and other senior executives include an appropriate balance of fixed remuneration and performance-based remuneration.

3.2 Fixed Remuneration

Fixed remuneration is reasonable and fair, taking into account the Company's obligations at law and labour market conditions, and is relative to the scale of the Company's business. It reflects core performance requirements and expectations.

3.3 Performance-Based Remuneration

Performance-based remuneration should be linked to clearly specified performance targets. These targets should be aligned to the Company's short, medium, and long-term performance objectives and should be appropriate to its circumstances, goals, and risk appetite.

3.4 Equity-Based Remuneration

The Company strives to have a well-designed equity-based remuneration, including options or performance rights, which can be an effective form of remuneration, especially when linked to hurdles that are aligned to the Company's longer-term performance objectives.

3.5 Termination and Other Benefits

Termination payments, if any, for senior executives are agreed in advance and the agreement clearly addresses what will happen in the case of early termination. There is no payment for removal for misconduct.

4. Non-Executive Director Remuneration

4.1 Composition

Non-Executive Directors are remunerated by way of cash fees, superannuation contributions and non-cash benefits in lieu of fees.

4.2 Fixed Remuneration

Levels of fixed remuneration for Non-Executive Directors reflect the time commitment and responsibilities of the role. Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders.

4.3 Performance-Based Bonus

Non-executive Directors do not receive performance-based remuneration as it may lead to bias in their decision-making and compromise their objectivity.

4.4 Equity-Based Remuneration

It is generally acceptable for Non-Executive Directors to receive securities as part of their remuneration to align their interests with the interests of other security holders. However, Non-Executive Directors generally should not receive options with performance hurdles attached.

4.5 Superannuation Benefits

Non-Executive Directors should not be provided with retirement benefits other than superannuation. The Company's Non-Executive Directors are entitled to statutory superannuation.

4.6 Written Agreement

The Written Agreement with the Non-Executive Director should include: the requirement to disclose director's interests and any matters which could affect the director's independence; the requirement to comply with the Company's corporate governance policies and charters; the company's policy around independent professional advice; indemnity and insurance arrangements; rights of access to corporate information; and ongoing confidentiality obligations.

5. Director Development

The Company is committed to continuing development of its Directors and executives. In line with this commitment, there is an expectation that all Directors and the CEO will commit to at least 2 days of professional development each year. The Board allocates an annual budget of \$5,000 per Director to encourage Directors to participate in training and development programs.

6. Director Induction

New directors will undergo an induction process in which they will be given a full briefing on the Company. This will include meeting with key executives, tours of the premises, an induction package, and presentations. Information conveyed to the new Director will include:

- (a) details of the roles and responsibilities of a Director with an outline of the qualities required to be a successful Director;
- (b) formal policies on Director appointment as well as conduct and contribution expectations;
- (c) details of all relevant legal requirements;
- (d) access to a copy of the Board Charter and all other Corporate Governance Policies of the Company;
- (e) guidelines on how the Board processes function;
- (f) details of past, recent, and likely future developments relating to the Board including anticipated regulatory changes;
- (g) key accounting matters and outline the responsibilities of Directors in relation to the Company's financial statements;
- (h) background information on and contact information for key people in the organisation;
- (i) an analysis of the company including core competencies, industry background briefing, recent competitor analysis, details of past financial performance, current financial structure, and any other important operating information;

- (j) a synopsis of the current strategic direction of the Company including a copy of the current strategic plan and annual budget;
- (k) access to a copy of the Articles of Association of the Company; and
- (l) Directors Deed of Indemnity and Right of Access to Documents, if applicable.

Annexure A – Definition of Independence

The Board considers the relationships which may affect independence are as set out in Box 2.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) as follows:

A Director is not considered independent if they:

1. are, or have been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
2. receive performance-based remuneration (including options or performance rights) from or participate in an employee incentive scheme of the entity;
3. are, or have been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities;
4. are, represent, or have been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
5. have close personal ties with any person who falls within any of the categories described above; or
6. have been a director of the entity for such a period that their independence from management and substantial holders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the board to determine whether it might interfere with the director's capacity to bring an independent judgement to bear on issues before the board.

The Board notes that the mere fact that a director has served on a board for a substantial period does not mean that the director has become too close to management or a substantial holder to be considered independent.

Annexure B – Further Executive Director Remuneration Details

1. Composition

There is 1 Executive Director currently on the Board.

2. Fixed Remuneration Details Including Termination and Other Benefits

Executive Services Agreement – Managing Director

An Executive Services Agreement has been entered into between the Company and the Executive Director. Under the terms of the contract:

- (a) the Executive Director was appointed as Managing Director;
- (b) working in a full-time capacity, and paid a remuneration package of A\$250,000 per annum;
- (c) under the general termination of employment provision, either party may terminate the contract by the giving of the specified notice;
- (d) the Company may terminate the contract at any time without notice if serious misconduct has occurred.

Annexure C – Audit and Risk Committee Charter

1. Role

The role of the Audit and Risk Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. This Charter defines the Audit and Risk Committee's function, composition, mode of operation, authority, and responsibilities.

2. Composition

The Board will strive to adhere to the following composition requirements for the Committee where at all possible:

- (a) The Committee must comprise at least two members.
- (b) All members of the Committee must be non-executive Directors.
- (c) A majority of the members of the Committee must be independent non-executive Directors.
- (d) The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.
- (e) All members of the Committee must be able to read and understand financial statements.
- (f) The Audit Committee Chairman must not be the Chairman of the Board of Directors and must be independent.
- (g) The Audit Committee Chairman shall have leadership experience and a strong finance, accounting, or business background.
- (h) The external auditors, the other Directors, the Managing Director, Chief Financial Officer, Company Secretary, and senior executives, may be invited to Committee meetings at the discretion of the Committee.

3. Purpose

The primary purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- (a) the quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- (b) compliance with all applicable laws, regulations, and company policy;
- (c) the effectiveness and adequacy of internal control processes;
- (d) the performance of the Company's external auditors and their appointment and removal;
- (e) the independence of the external auditor and the rotation of the lead engagement partner;
- (f) the identification and management of business, economic, environmental, and social sustainability risks; and
- (g) the review of the Company's risk management framework at least annually to satisfy itself that it continues to be sound.

A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

4. Duties and Responsibilities of the Committee

4.1 Review of Financial Reports

- (a) Review the appropriateness of the accounting principles adopted in the Company's financial reports and the integrity of the Company's financial reporting.
- (b) Oversee the financial reports and the results of the external audits of those reports.
- (c) Assess whether external reporting is adequate for shareholder needs.
- (d) Assess management processes supporting external reporting.
- (e) Establish procedures for treatment of accounting complaints.
- (f) Review the impact of any proposed changes in accounting policies on the financial statements.
- (g) Review the quarterly, half yearly and annual results.
- (h) Ensure that, before the Board approves the Company's financial statements for a financial period, the Managing Director and Chief Financial Officer have declared that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards.

4.2 Relationship with External Auditors

- (a) Recommend to the Board procedures for the selection and appointment of external auditors and for the rotation of external auditor partners.
- (b) Review performance, succession plans and rotation of the lead engagement partner.
- (c) Approve the external audit plan and fees proposed for audit work to be performed.
- (f) Meet with the external auditors at least twice in each financial year and at any other time the Committee considers appropriate.
- (g) Provide pre-approval of audit and non-audit services that are to be undertaken by the external auditor.
- (i) Ensure that the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company.
- (k) Ensure that the external auditor attends the Company's Annual General Meeting and is available to answer questions from shareholders relevant to the audit.

4.3 Internal Audit Function

- (a) Monitor the need for a formal internal audit function and its scope.
- (b) Assess the performance and objectivity of any internal audit procedures that may be in place.
- (c) Review risk management and internal compliance procedures.
- (d) Monitor the quality of the accounting function.

4.4 Risk Management

- (a) Oversee the Company's risk management systems, practices, and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
- (b) Assist in identifying and managing potential or apparent business, economic, environmental, and social sustainability risks.
- (c) Review the Company's risk management framework at least annually to satisfy itself that it continues to be sound.

- (d) Review reports by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.

4.5 Other

- (a) The Committee will oversee the Company's environmental risk management and occupational health and safety processes.
- (b) The Committee will oversee procedures for whistle-blower protection.
- (d) Monitor disclosure of related party transactions.

5. Meetings

- (a) The Committee will meet at least twice in each financial year and additionally as circumstances may require.
- (b) Meetings are called by the Company Secretary as directed by the Board or at the request of the Audit Committee Chairman.
- (d) A quorum shall consist of two members of the Committee.
- (e) Decisions will be based on a majority of votes with the Audit Committee Chairman having a casting vote.

6. Secretary

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.

7. Reliance on Information

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by an employee of the Group, a professional adviser or expert, or another Director or officer of the Group in relation to matters within their authority.

8. Access to Advice

- (a) Members of the Committee have rights of access to management and to the books and records of the Company to enable them to discharge their duties as Committee members.
- (b) Members of the Committee may meet with the auditors, both internal and external, without management being present.
- (c) Members of the Committee may consult independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities.

9. Review of Charter

The Board will conduct an annual review of the Committee to ensure that the Committee has carried out its functions in an effective manner and will update the Charter as required or as a result of new laws or regulations.

10. Report to the Board

- (a) The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role and responsibilities.

- (b) The Committee must brief the Board promptly on all urgent and significant matters.

Annexure D – Remuneration and Nomination Committee Charter

Due to the size and scale of its operations, the Company currently does not have a separate Remuneration and Nomination Committee. Currently the roles and responsibilities of the Committee are undertaken by the full Board.

1. Role

The role of the Remuneration and Nomination Committee is to assist the Board in monitoring and reviewing any matters of significance affecting the remuneration of the Board and employees of the Company and the composition of the Board and the Executive Team.

2. Composition

- (a) The Committee shall comprise at least two Directors, the majority being independent non-executive Directors.
- (b) The Committee will be chaired by an independent Director who will be appointed by the Board.
- (c) The Board may appoint such additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

3. Purpose

3.1 Remuneration Matters

The primary purpose of the Committee, in relation to remuneration matters, is to support and advise the Board in fulfilling its responsibilities to shareholders by:

- (a) reviewing and approving the 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 key executive performance and remuneration;
- (c) recommending to the Board the remuneration of Directors;
- (d) fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
- (e) reviewing the Company's recruitment, retention and termination policies and procedures for senior executives;
- (f) reviewing and approving the remuneration of direct reports to the Managing Director, and as appropriate other senior executives; and
- (g) reviewing and approving any equity-based plans and other incentive schemes.

3.2 Nomination Matters

The primary purpose of the Committee, in relation to nomination matters, is to support and advise the Board in:

- (a) maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and

- (b) 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.

4. Duties and Responsibilities

4.1 Remuneration Matters

Including: reviewing and approving the Group's recruitment, retention and termination policies; reviewing the on-going appropriateness and relevance of the executive remuneration policy; ensuring that remuneration policies fairly and responsibly reward executives; considering and making recommendations to the Board on the remuneration for each executive Director; and reviewing and approving any equity-based plans.

4.2 Nomination Matters

- (a) Periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements, and terms of office of Directors.
- (b) Make recommendations to the Board on the appropriate size and composition of the Board.
- (c) Identify and recommend to the Board candidates for the Board after considering the necessary and desirable competencies of new Board members.
- (d) Undertake appropriate checks before appointing a candidate, or putting forward to shareholders a candidate for election, as a Director.
- (g) Prepare and maintain a Board skills matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve).
- (h) Approve and review induction and continuing professional development programs and procedures for Directors.
- (l) Review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board.
- (m) Arrange an annual performance evaluation of the Board, its Committee, individual Directors, and senior executives as appropriate.

5. Meetings

- (a) The Committee will meet at least once per year and additionally as circumstances may require.
- (b) Meetings are called by the Company Secretary as directed by the Board.
- (c) A quorum shall comprise any two members of the Committee.
- (e) Decisions will be based on a majority of votes with the Remuneration and Nomination Committee Chairman having the casting vote.

6. Secretary

The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required, keeping the minutes of meeting and circulating them to Committee members and to the other members of the Board.

7. Reliance on Information

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by an employee of the Group, a professional adviser or expert, or another Director or officer of the Group.

8. Access to Advice

- (a) Members of the Committee have rights of access to the books and records of the Company to enable them to discharge their duties as Committee members.
- (b) The Committee may consult independent experts to assist it in carrying out its duties and responsibilities.

9. Review of Charter

The Board will conduct an annual review of the Committee to ensure that the Committee has carried out its functions in an effective manner and will update the Charter as required or as a result of new laws or regulations.

10. Reporting

- (a) The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting.
- (b) The Committee must brief the Board promptly on all urgent and significant matters.
- (c) The Company must disclose the policies and practices regarding the nomination of non-executive directors, executive directors, and other senior executives in, or in conjunction with, the annual report.