



Corporate Governance Charter

Theta Gold Mines Limited
(ACN 131 758 177)

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Corporate Governance Charter

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1. DEFINITIONS

ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691.
ASX Listing Rules or Listing Rules	the Official Listing Rules of the ASX as amended or replaced from time to time.
Audit & Risk Management Committee	that Committee charged with determining, implementing and assessing controls for financial management, financial reporting and risk management generally for the Company.
Board	board of directors of the Company.
Charter	the charter of any Committee set out in this Corporate Governance Charter.
Committee	each committee created by the Board in accordance with this Corporate Governance Charter including without limitation, the Audit & Risk Management Committee and the Remuneration and Nomination Committee.
Company	Theta Gold Mines Limited (ACN 131 758 177).
Corporate Ethics Policy	the policy set out at section 4 detailing directors' duties given their position with the Company, obligations with respect to trading in securities and general disclosure obligations.
Corporate Governance Principles and Recommendations	the <i>Corporate Governance Principles and Recommendations 4th Edition</i> issued by the ASX Corporate Governance Council in 2019.
Corporate Governance Charter	the policies, procedures and charters set out in this document.

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Corporations Act	the <i>Corporations Act 2001 (Cth)</i> as amended or replaced from time to time.
Constitution	the constitution of the Company.
Group	the Company and its controlled entities
Independent Director	a Director who has a sufficient level of independence to the Company, determined in accordance with Section 2.1(c) of this document.
Management	the executive directors and senior managers of the Company.
Standing Rules	the general and procedural rules of each Committee set out in Section 5 of this Corporate Governance Charter.

2. PRINCIPLES OF CORPORATE GOVERNANCE

2.1. Board of Directors

(a) General

This document sets out the main principles adopted by the Board of the Company in order to implement and maintain a culture of good corporate governance both internally and in its dealings with outsiders.

The Board of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The matters set out in this document are subject to the *Corporations Act*, the Constitution and the ASX Listing Rules.

The purposes of preparing and disclosing the matters set out in this document are to:

- (i) formalise procedures to ensure the Company and the Board act in a transparent and appropriate manner in both its internal and external dealings;
- (ii) ensure that appropriate checks, balances and procedures are in place to monitor the operations of the Company and those charged with its management; and
- (iii) provide a transparent method for shareholders to evaluate the performance

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of the Company from a corporate governance perspective.

In preparing and implementing this Corporate Governance Charter, the Company and the Board are mindful of the Corporate Governance Principles and Recommendations.

(b) Functions, Powers and Responsibilities of the Board

Generally, the powers and obligations of the Board are governed by the *Corporations Act* and the general law.

Without limiting those matters, the Board considers itself to be responsible for the following:

- (i) ensuring compliance with the *Corporations Act*, ASX Listing Rules and all other relevant laws;
- (ii) developing, implementing and monitoring operational and financial targets for the Company;
- (iii) appointment of appropriate staff, consultants and experts to assist in the Company's operations, including the selection and monitoring of a chief executive officer;
- (iv) ensuring appropriate financial and risk management controls are implemented;
- (v) approving and monitoring financial and other reporting;
- (vi) setting, monitoring and ensuring appropriate accountability for directors' and senior managers' remuneration;
- (vii) establishing and maintaining communications and relations between the Company and third parties, including its shareholders and ASX;
- (viii) implementing appropriate procedures to monitor performance of the Board in implementing its functions and powers;
- (ix) oversight of the Company including its framework of control and accountability systems to enable risk to be assessed and managed;
- (x) input into and final approval of Management's development of corporate strategy and performance objectives;
- (xi) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (xii) monitoring Management's performance and implementation of strategy and ensuring appropriate resources are available;
- (xiii) approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;

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- (xiv) approval of the annual budget; and
- (xv) liaising with the Company's external auditors.

(c) Structure of the Board

The structure of the Board is determined in accordance with the following principles:

- (i) to aim for, so far as is practicable given the size of the Company and its operational requirements for the time being, a majority of the Board being Independent Directors;
- (ii) to aim for, so far as is practicable given the size of the Company and its operational requirements for the time being, the appointment of a chairperson who is an Independent Director;
- (iii) to aim for, so far as is practicable given the size of the Company and its operational requirements for the time being, a chairperson who is not the Managing Director or chief executive officer; and
- (iv) to have at least three directors.

In assessing the independence of directors, the Company has regard to Principle 2 of the Corporate Governance Principles and Recommendations and, generally, will regard an Independent Director as a non-executive director (that is, not a member of management) who:

- (v) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (vi) within the last three years has not been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment;
- (vii) within the last three years has not been a principal of a material professional advisor or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- (viii) is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and
- (ix) has no material contractual relationship with the Company or another group member other than as a director of the Company.

In an effort to ensure that the Board comprises members with a broad range of experience, expertise and skills relevant to the Company, the Board may establish a Nomination Committee if required.

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2.2. The Chairperson

The Chairperson is responsible for leadership of the Board, for efficient organisation and conduct of the Board's meetings and the briefing of all Directors in relation to issues arising. The Chairperson is responsible for arranging Board performance evaluation and, with the Chief Executive Officer/Managing Director, is also responsible for shareholder communications.

2.3. Chief Executive Officer/Managing Director

The Chief Executive Officer or Managing Director is responsible for conducting the affairs of the Company under delegated authority from the Board and implementing the policies and strategies set by the Board. In carrying out his/her responsibilities, the Chief Executive Officer or Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial position and operating results.

The Chief Executive Officer or Managing Director (together with the Chief Financial Officer, if there is one, or other person who performs that function) are required to declare in writing to the Board each year in respect to the half year and annual financial reports that the financial records have been properly maintained and that the financial statements and notes of the Company for the financial year give a true and fair view of the financial position and performance of the consolidated entity and comply with relevant accounting standards.

The Chief Executive Officer or Managing Director (together with the Chief Financial Officer, if there is one, or other person who performs that function) is required to assure the Board in writing each year in respect to the half year and annual financial reports that the declaration provided in accordance with section 295A of the *Corporations Act* is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

2.4. Company Secretary

The Company Secretary is appointed by the Board and is accountable directly to the Board, through the chair, on all matters relating to the proper functioning of the Board.

2.5. Corporate Ethics

The Company has adopted a separate Corporate Ethics Policy which has been agreed to by each member of the Board, setting out, in addition to these principles, the obligations of integrity and honesty required of each member of the Board and their obligations with respect to trading in securities in the Company and disclosure to the ASX.

In addition to the Corporate Ethics Policy, the Company also adheres to the following statement of principles and responsibilities with respect to both its internal dealings with employees and consultants, and external dealings with shareholders and the community at large.

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2.6. Corporate Code of Conduct

(a) Introduction

This code of conduct sets out the standards which the Board, management and employees of the Company are encouraged to comply with when dealing with each other, shareholders, and the broader community.

(b) Commitment of the Board and Management to Corporate Code of Conduct

The Board and Management approve and endorse this code of conduct.

The Board and Management encourage all staff to consider the principles of the code and use them as a guide to determine how to respond when acting on behalf of the Company.

(c) Responsibilities to Shareholders and the Financial Community Generally

The Company aims:

- (i) to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders and other stakeholders;
- (ii) comply with systems of control and accountability which the Company has in place as part of its corporate governance; and
- (iii) to act with honesty, integrity and fairness.

(d) Responsibilities to Clients, Customers and Consumers

The Company is to comply with all statutory and common law requirements which affect its business.

(e) Employment Practices

The Company will employ the best available staff with skills required to carry out their roles.

The Company will ensure a safe workplace and maintain proper occupational health and safety practices commensurate with the nature of the Company's business and activities.

(f) Responsibility to the Community

The Company will recognise, consider and respect legal requirements impacting upon its operations and comply with all applicable legal requirements.

The Company will act with honesty, integrity and fairness in all dealings with the community.

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(g) Responsibility to the Individual

The Company recognises and respects the rights of individuals and to the best of its ability will comply with the applicable legal rules regarding privacy, privilege and confidential information.

The Company will maintain the confidentiality of the Company's and our shareholders', customers' and suppliers' information unless required to be disclosed by law.

(h) Obligations Relative to Fair Trading and Dealing

The Company will deal with others in a way that is fair and will not engage in misleading or deceptive practices or conduct.

(i) Conflicts of Interest

The Board, management and employees must not involve themselves in situations where there is a real or apparent conflict between their interest as individuals and the interest of the Company. Where a real or apparent conflict of interest arises the matter should be immediately brought to the attention of the Chairperson, in the case of a Board member, or the Managing Director or Chief Executive Officer (or, in his/her absence, any director), in the case of a member of Management who is not a director, or an immediate supervisor in the case of any other employee, so that it may be considered and dealt with in an appropriate manner.

(j) Compliance with the Code

Any breach or non-compliance with this code is to be reported directly to the Chairperson or, if he is unavailable, another director.

(k) Periodic Review of Code

The Board will monitor compliance with the code and will review the terms of the code at regular intervals. Suggestions for improvements or amendments to the code can be made to the Company Secretary at any time.

(l) Code of Conduct for employees (and contractors)

The Company shall ensure that the above principles are implemented and adopted by employees and contractors of the Company by importing the following principles into the terms of such engagements:

- (i) to actively promote the highest standards of ethics and integrity in carrying out their duties for the Company;
- (ii) disclose any actual or perceived conflicts of interest of a direct or indirect nature of which they become aware and which they believe could compromise in any way the reputation or performance of the Company;
- (iii) respect confidentiality of all information which is acquired in the course of

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the Company's business and which is not then in the public domain and not disclose or make improper use of such confidential information to any person unless specific authorisation is given for disclosure or disclosure is legally mandated;

- (iv) deal with the Company's customers, suppliers, competitors and each other with the highest level of honesty, fairness and integrity and to observe the rule and spirit of the legal and regulatory environment in which the Company operates;
- (v) protect the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company and that no property, information or position belonging to the Company or opportunity arising from these are used for personal gain or to compete with the Company;
- (vi) the Company is committed to the ideal of equal employment opportunity and to providing a workplace that is free of harassment and discrimination. To this end the Company will observe the rule and spirit of the legal and regulatory environment in which the Company operates; and
- (vi) report any breach of this code of conduct, and the Company will treat such reports made in good faith with respect and in confidence.

(m) Anti-Bribery and Anti-Corruption

The Company's directors, officers, executives and employees should not accept or offer to give gifts, services, discounts, gratuities or other gains from (or to) people who conduct business with the Company. The offering of bribes to anyone is prohibited outright as it has the potential to compromise all concerned to the detriment of the Company. Modest gifts and reasonable entertainment are acceptable, however, they should not be of a nature that might affect or be perceived to affect an employee's judgement or conduct in matters involving the Company.

2.7. Committees

One of the functions of the Board is to form and monitor any special purpose Committees considered necessary or desirable to better implement this Corporate Governance Charter.

As at the date of adoption of this Corporate Governance Charter, the Board has determined to establish the following charters:

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

The Charters of each of these Committees are set out in separate documents.

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3. STANDING RULES OF COMMITTEES

3.1. Application

These Standing Rules apply to, and are deemed to be incorporated into the Charter of each Committee, except where the terms of these Standing Rules conflict with those of the relevant Charter.

3.2. Composition

- (a) The composition of each Committee will be determined in accordance with the following principles:
 - (i) each Committee will aim to have membership which comprises only non-executive Directors, if so required by the Corporate Governance Principles and Recommendations, save where the Board, acknowledging the requirement to explain any departure from those Principles and Recommendations in its annual Corporate Governance Statement, considers that to do so for a particular Committee or Committees would be impracticable, unnecessary or undesirable;
 - (ii) each Committee will aim to have a majority of its members as Independent Directors, if so required by the Corporate Governance Principles and Recommendations, save where the Board, acknowledging the requirement to explain any departure from those Principles and Recommendations in its annual Corporate Governance Statement, considers that to do so for a particular Committee or Committees would be impracticable, unnecessary or undesirable;
 - (iii) each Committee will aim to have a Chairperson who is an Independent Director, if so required by the Corporate Governance Principles and Recommendations, save where the Board, acknowledging the requirement to explain any departure from those Principles and Recommendations in its annual Corporate Governance Statement, considers that to do so for a particular Committee or Committees would be impracticable, unnecessary or undesirable; and
 - (iv) the Committee shall comprise at least three members if so required by the Corporate Governance Principles and Recommendations, save where the Board, acknowledging the requirement to explain any departure from those Principles and Recommendations in its annual Corporate Governance Statement considers that to do so for a particular Committee or Committees would be impracticable, unnecessary or undesirable.
- (b) Membership of each Committee will be disclosed in the Annual Report of the Company.
- (c) Committee members are appointed by the Board.

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- (d) The effect of ceasing to be a Director of the Board is the automatic termination of appointment as a member of each Committee.
- (f) Each Director may attend meetings but will have no voting rights unless he/she is a member of the relevant Committee.

3.3. Chairperson

- (a) The Chairperson of each Committee is selected by the Board.
- (b) Should the Chairperson be absent from a meeting and no deputy Chairperson been appointed, the members of the relevant Committee present at the meeting have authority to choose one of their number to be Chairperson for that particular meeting.

3.4. Meetings

- (a) Each Committee will meet at such intervals as required to fulfil its obligations but must be at least twice annually.
- (b) In addition, the Chairperson is required to call a meeting of each Committee if requested to do so by any Committee member or the Chairperson of the Board.
- (c) The Company Secretary will act as Secretary to each Committee and shall be responsible:
 - (i) in conjunction with the Chairperson, for drawing up the agenda, supported by explanatory documentation, and circulating it to the relevant Committee members prior to each meeting; and
 - (ii) for keeping the minutes of meeting of each Committee and circulating them to Committee members and to the other members of the Board.
- (d) A quorum shall consist of two members.
- (e) The Chairperson shall report to the Board following each meeting.

3.5. Fees

Unless otherwise determined by the Board, Committee members are not entitled to receive additional remuneration for their services as members of any Committee.

3.6. Review of Charter

- (a) Each Charter is to be reviewed as and when required by each relevant Committee to ensure it remains consistent with the Committee's authority, objectives and responsibilities.
- (b) Changes to the Charter recommended by the relevant Committee will require approval by the Board.

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3.7. Duties and Responsibilities

- (a) The duties and responsibilities of a Director who is a member of a Committee are in addition to those duties set out for a Director of the Board.
- (b) The duties and responsibilities of a member of each Committee are set out in each Charter.

4. CORPORATE ETHICS POLICY

4.1. Introduction

Directors of the Company are subject to certain stringent legal requirements regulating their conduct both in terms of their internal conduct as directors of the Company and in their external dealings with third parties both on their own behalf and on behalf of the Company.

To assist directors in discharging their duties to the Company and in compliance with relevant laws to which they are subject, the Company has adopted the following Corporate Ethics Policy (**Policy**).

This Policy sets out rules binding Directors in respect of:

- (a) a Director's legal duties as an officer of the Company;
- (b) a Director's obligations to make disclosures to the ASX and the market generally; and
- (c) dealings by Directors in shares in the Company.

4.2. Directors' Powers and Duties

Each Director of the Company is required to comply strictly with the legal, statutory and equitable duties as an officer of the Company. Broadly, these duties are:

- (a) to act in good faith and in the best interests of the Company;
- (b) to act with due care and diligence;
- (c) to act for proper purposes;
- (d) to avoid conflicts of interest or duty; and
- (e) to refrain from making improper use of information gained through the office of Director, or taking improper advantage of the office of Director.

4.3. General

Directors of companies owe a variety of duties to those companies which may impact upon the appropriateness of their attendance and participation in meetings of the board of directors. These duties arise as a result of the general law and also under the Corporations Act.

Directors should be aware that if they breach their fiduciary duties to the company, they may be liable to account to the entity for any profit they derive or indemnify the entity against any loss their breach has caused.

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Breaches of the Corporations Act duties may also give rise to an action for damages, fines and penalties or disqualification.

Common Law Fiduciary Duties

A director is said to be in a fiduciary, as opposed to an arm's length, relationship with the Company. As such a director will owe various fiduciary duties to the Company which underlie matters relating to the conduct of a director, including attendance and participation at meetings. The positive duties of a director include the duty to act in good faith in the best interests of the Company, to act for proper corporate purposes and to give adequate consideration to matters for decision and to keep discretions unfettered.

Corporations Act

A director of a corporation will also be subject to duties imposed by the *Corporations Act*. They include the duty to exercise care and diligence, to exercise their powers in good faith and for a proper purpose and not to misuse their position or information obtained from their position to gain an advantage for themselves or others or cause detriment to the company.

4.4. General Duties of Directors

(a) Proper Corporate Purpose

General law duty - to act for proper corporate purposes.

The duty to act for proper corporate purposes requires directors to exercise the powers granted to them for the purpose for which they were given, not for collateral purposes.

(b) Adequate Consideration

General law duty – to give adequate consideration and duty not to fetter a director's discretion

The duty to give adequate consideration to matters for decision and to keep discretions unfettered requires directors to give adequate consideration to matters when exercising their discretions. They must take positive steps to inform themselves about matters and not simply acquiesce in the decision making process.

(c) Care and diligence

General law and Corporations Act duty – to act with a reasonable degree of care and diligence in exercising a director's powers and discharging a director's duties

Under the *Corporations Act*, a director must exercise their powers and discharge their duties with the degree of care and diligence that a reasonable person would exercise if they:

- (i) were a director of a corporation in the same circumstances as the Company;

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and

- (ii) occupied the same office and had the same responsibilities as the director.

Case law on these provisions illustrates that the scope of the obligation of care and diligence will depend upon the nature of the director's role and their position with the Company. For instance, generally executive directors will be subject to a higher standard of care and it has been held that a Chairperson of a Company who is also Chairperson of the Audit & Risk Management Committee may have a higher duty of care than a mere non-executive.

Apart from the *Corporations Act* obligation, a failure of a director to act with a reasonable degree of care and diligence is also likely to be considered negligent.

Business Judgment Rule

The *Corporations Act* provides for a mechanism for directors to avoid a breach of their duty of care and diligence where certain parameters are met. This is known as the "business judgment rule". All directors of the Company are expected to be familiar with this rule.

In summary, a director who makes a business judgment is taken to meet the duty of care and diligence (whether under statute or the general law) if they:

- (i) make the judgment in good faith and for a proper purpose;
- (ii) do not have a material personal interest in the subject matter of the judgment;
- (iii) inform themselves about the subject matter of the judgment to the extent they reasonably believe to be appropriate; and
- (iv) rationally believe that the judgment is in the best interests of the corporation.

The director's or officer's belief that the judgment is in the best interests of the corporation is a rational one unless that belief is one that no reasonable person in their position would hold.

A „business judgment“ is any decision to take or not take action in respect of a matter relevant to the business operations of the corporation.

Whilst the business judgment rule assists directors to avoid a breach of their duty of care and diligence both under the *Corporations Act* or under the general law, it does not relieve breaches of the other duties of directors, whether under the *Corporations Act* or otherwise, described above.

(d) Act in Good Faith

General law and Corporations Act duties

- (i) To act in good faith in the best interests of the Company.

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- (ii) To act for a proper purpose.
- (iii) Not to improperly use the director's position.
- (iv) Not to improperly use information obtained by virtue of the director's position.

The duty to act in good faith in the best interests of the company requires directors to use their discretions honestly and with reasonable care and diligence for the purposes for which they were conferred. Directors must not promote his or her personal interest by making or pursuing a gain in circumstances in which there is a conflict, or a real possibility of a conflict, between his or her personal interests and those of the company. Additionally, a director must not act to promote the interest of a third person where there is a conflict, or a real possibility of conflict, between duties owed by the fiduciary, on the one hand, to the company and on the other, duties owed to the third person.

4.5. Avoiding Conflicts

Attending and Participating in Board Meetings

The duties in relation to conflict are of particular importance when a director is considering whether or not they should attend and participate in Board meetings.

This rule requires a director to avoid situations in which there is a "real and sensible possibility" of conflict between the director's personal interests and the company's interests. This duty is also of particular significance where directors hold multiple directorships. Whilst merely holding multiple directorships, even in competing companies, is not a breach of the rule against conflict, the rule will be breached if the director discloses confidential information which the director has gained as a result of their directorship of the other company.

Consequently, if a director has a conflicting personal interest, whether direct or indirect, in a matter to be discussed at a board meeting, they should firstly disclose this matter to the Board and secondly consider whether participating in the matter would result in a breach of their fiduciary duties.

Material Personal Interest

A director who has a material personal interest in a matter that relates to the affairs of the Company is required to disclose this to the Company.

Directors of the Company who have a material personal interest in a matter generally must not attend a directors meeting while the matter is being considered or vote on the matter. However, a director may do these things if a resolution of the Board is passed to this effect or if ASIC consents.

Despite this, the same cautions must be exercised as discussed above if the other directors consent to a conflicting director participation in the meeting. The conflicting director should ensure that participation won't be in breach of their fiduciary duties or the duties imposed by the Corporations Act.

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Common Directorships

These duties become particularly relevant where companies have directors in common and a decision involving a potential conflict of interest is required to be taken by one of the companies. In this case it is prudent for the common directors not to participate in the relevant Board's decision making process on that matter.

Directors Providing Services to the Company

In order to capitalise on the professional/technical expertise or experience of directors of the Company from time to time (other than in their capacity as directors), the Company may engage the services of that director (or a firm associated with the director) **only** on the following terms and conditions:

- (a) the scope of the consultancy (or other services) is identified, together with a schedule of estimated costs and charge out rates to be incurred with the director or their firm;
- (b) the other directors seek additional quotations for the same services and do such other things as may be necessary to satisfy themselves that the provision of services falls within an exception to Chapter 2E of the *Corporations Act* (Related Party Transactions); and
- (c) the consultancy services are approved by the other directors after compliance with section 195 of the *Corporations Act*.

4.6. Confidentiality

Directors of the Company will have access to any information which the Directors may consider necessary to perform their responsibilities and exercise their independent judgment when making decisions. All information received by a Director in these circumstances must be considered confidential and at all times remains the property of the Company.

Any confidential information of the Company acquired by a Director during the Director's appointment must not be disclosed by the Director, or the Director must not allow it to be disclosed, to any other person unless the disclosure is authorised by the chairperson or is required by law or regulatory body (including a relevant stock exchange).

4.7. Independence

The Board is required to regularly assess the independence of Directors to ensure that Directors do not have any relationship or interest that interferes with their unfettered and independent judgment, or could reasonably give the impression that the Director's independence has been compromised.

Directors are required to co-operate fully with any assessment process and give all reasonable information requested.

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Directors are required to fully and frankly tell the Board about anything that:

- (a) may lead to an actual or potential conflict of interest or duty;
- (b) may lead to a reasonable perception of an actual or potential conflict of interest or duty;
- (c) interferes with a Director's unfettered and independent judgment; or
- (d) could reasonably give the impression that a Director's independence has been compromised.

Directors are also required to tell the Company about any interest which they may have in securities of the Company (or of a related body corporate) or interest in any contract relating to those securities. This is discussed in greater detail below.

4.8. The Company's Obligation of Disclosure

(a) The Listing Rules

As a listed entity, the Company must comply with certain continuous disclosure obligations imposed by the *Corporations Act*) and the ASX Listing Rules. Chapter 3 of the ASX Listing Rules requires the Company to provide the ASX with immediate notice of certain material information.

The general disclosure rule imposed on the Company is contained in clauses 3.1 and 3.1A of the ASX Listing Rules:

- “3.1 Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information.*
- 3.1A Listing Rule 3.1 does not apply to particular information while each of the following are satisfied:*
 - 3.1A.1 A reasonable person would not expect the information to be disclosed*
 - 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential*
 - 3.1A.3 One or more of the following applies*
 - It would be a breach of a law to disclose the information.*
 - The information concerns an incomplete proposal or negotiation.*
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
 - The information is generated for the internal management purposes of the entity.*
 - The information is a trade secret.”*

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There is also the "false market"/"rumours" disclosure rule in clause 3.1B as follows:

"3.1 *If ASX considers that there is or is likely to be a false market in an entity's securities and asks the entity to give it information to correct or prevent a false market, the entity must give ASX the information needed to correct or prevent the false market.*"

The provisions of Chapter 3 are reinforced by Chapter 6CA of the *Corporations Act*. In particular, section 674(2) provides that:

"If:

- (a) *provisions of the listing rules of a listing market in relation to an entity require an entity to notify the market operator of information about specified events or matters as they arise for the purpose of the operator making that information available to participants in the market; and*
- (b) *the entity has information that those provisions require the entity to notify to the market operator; and*
- (c) *that information:*
 - (i) *is not generally available; and*
 - (ii) *is information that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of securities of the entity;*

the entity must notify the market operator of that information in accordance with those provisions."

It is therefore essential that directors acquaint themselves not only with their personal obligations of disclosure, but also the disclosure obligations imposed on the Company.

(b) The Disclosure Obligation

Under the provisions of Listing Rule 3.1, the Company is required to immediately notify the ASX of any information concerning the Company of which it is, or becomes, aware, and which a reasonable person would expect to have a material effect on the price and value of the Company shares.

- (i) When is the Company aware of information?

The Listing Rules provide that the Company is aware of information if a Director or executive officer has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a Director or executive officer of the Company.

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An “executive officer” of the Company means a person who is concerned in, or takes part in, management of the Company. A person can be an executive officer regardless of his or her designation, and irrespective of whether or not the person is a Director.

(ii) What information has a material effect on price?

The effect of information on the price or value of the Company shares is to be judged by the expectations of a “reasonable person”. A reasonable person would expect information to have a material effect on the price or value of the Company shares if the information would, or would be likely to, influence investors who commonly invest in shares in deciding whether or not to deal in the Company shares.

The Company and each director should be aware of ASX policy with respect to the disclosure of material information relating to the:

- financing arrangements of the Company; and
- existence and terms of any finance arrangements that may be in place in relation to director’s shareholdings (for example margin loans).

(c) Finance Arrangements

Where the Company has in place or enters into new material financing arrangements or alters existing material financing arrangements which include terms that may be activated upon the occurrence of certain events (particularly those beyond the control of the Company, such as market events) disclosure may be required under Listing Rule 3.1 at the time any such term is activated or becomes likely to be activated.

The disclosure required may include the nature and terms of the arrangements, the trigger event, any other material information such as any impact that triggering of the term may have on the Company’s relationship with its bankers, or financial position or financial performance. It may also be appropriate in some circumstances for the Company to request a trading halt if the Company is unable to immediately release the information.

Unless the exceptions in the Listing Rule 3.1 apply to the terms of the Company’s material financial arrangements, the Company should disclose to the ASX, upon entering into the arrangements, the nature and terms of the arrangements, the trigger event, any other material information such as any impact that triggering of the term may have on the Company’s relationship with its bankers, or financial position or financial performance.

(d) Margin Loans

Listing Rule 3.19A and 3.19B require the Company to disclose the notifiable interests of a director within five business days of the appointment or resignation of the director or a change to the notifiable interests occurring. Information about

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shareholders and their shareholdings can be material under Listing Rule 3.1 and require immediate disclosure.

Where a director has entered into a margin loan or similar funding arrangements for a material number of securities, Listing Rule 3.1 in appropriate circumstances, may operate to require the Company to disclose the key terms of the arrangements, including the number of securities involved, the trigger points, any right of the lender to sell unilaterally and any other material details. Whether a margin loan arrangement is material is a matter which the Company must decide having regard to the nature of its operations and the particular circumstances of the Company.

Listing Rule 3.1B applies where the ASX considers that there is or is likely to be a false market, and in such circumstances the Company must disclose information necessary to correct or prevent a false market. This requirement may arise even though the Company is not aware of any information that would be required to be disclosed under Listing Rule 3.1.

A Director must disclose to the Company any financial arrangements or margin loan the Director has entered into in respect of any securities which the Director holds in the Company. Such disclosure by the Director should be on entering into the arrangements and should include key terms of the arrangements, including the number of securities involved, the trigger points, any right of the lender to sell unilaterally and any other material details.

(e) Ramifications of Failing to Comply

The ramifications of failing to comply with the continuous disclosure obligations under Listing Rule 3.1 are extremely serious, and may result in the following actions being taken:

(i) Removal from the ASX

The ASX may at any time remove an entity from the Official List of the ASX if the entity breaks a Listing Rule.

(ii) Criminal Liability

Under the *Corporations Act*, a failure to make a disclosure under Listing Rule 3.1, intentionally or recklessly, amounts to a criminal offence, and may result in a fine of \$100,000 for a corporation.

In addition, individuals who are “involved” in the contravention (who would include officers or advisers who aid, abet, counsel, procure or are knowingly concerned in the contravention) are also liable. The maximum penalty for individuals is \$20,000, or imprisonment for five years, or both.

A negligent failure to make a disclosure under Listing Rule 3.1 is a contravention of the *Corporations Act*, but will not amount to a criminal offence.

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(iii) Civil Liability

Civil liability arises if the failure to disclose is intentional, reckless or negligent. A person who suffers loss or damage as a result of such failure may recover that loss or damage from the Company, or against “any person involved in the contravention”. This could include the directors or executive officers of the Company.

(f) Exemption from Disclosure

The Listing Rules provide that the Company does not need to disclose information under Listing Rule 3.1A if each of the following is satisfied:

- (i) A reasonable person would not expect the information to be disclosed (Listing Rule 3.1A.1); and
- (ii) The information is confidential (Listing Rule 3.1A.2); and
- (iii) One or more of the following applies (Listing Rule 3.1A.3)
 - (A) It would be a breach of a law to disclose the information;
 - (B) The information concerns an incomplete proposal or negotiation;
 - (C) The information comprises matters of supposition, or is insufficiently definite to warrant disclosure;
 - (D) The information is generated for internal management purposes of the Company; or
 - (E) The information is a trade secret.

It must be noted that the above exemption from the requirement to make disclosure only operates while all three elements are satisfied. If any of the requirements cease to be satisfied, the entity must disclose the information immediately.

By way of example, if information that has not been disclosed by relying on the exemption becomes known in some way to participants in the market, then it must be given to the ASX for release to the market, as it would no longer satisfy the confidentiality requirement. It does not matter how the matter became known in the market.

Looking at each of the three elements that must be established for information to be exempt from disclosure:

- (i) A reasonable person would not expect the information to be disclosed (Listing Rule 3.1A.1)

A reasonable person would not expect information to be disclosed if the result would be to cause unreasonable prejudice to the entity. Similarly, a reasonable person would not expect disclosures of an inordinate amount of detail.

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(ii) Confidentiality (Listing Rule 3.1A.2)

Listing Rule 3.1A.2 requires that the information that is not to be disclosed be confidential. "Confidential" in this context has the sense of secret, and generally implies control by the Company of the use that can be made of the information.

The mere fact that a confidentiality agreement has been entered into will not automatically satisfy this element. Confidential means that no one in possession of the information is entitled to trade in the Company's shares. Unusual activity in the Company's shares may suggest that the information is no longer confidential.

The ASX accepts that confidentiality is not breached if information is given to the Company's advisers, a person with whom the Company is negotiating, or other regulatory authorities, if it is given on a basis which restricts its use to the stated purpose.

(iii) One of the Elements in Listing Rule 3.1A.3

One of the five elements in Listing Rule 3.1A.3 must also be established. These elements are:

- (A) It would be a breach of the law to disclose the information;
- (B) The information concerns an incomplete proposal or negotiation;
- (C) The information comprises matters of supposition, or is insufficiently definite to warrant disclosure;
- (D) The information is generated for internal management purposes of the Company; or
- (E) The information is a trade secret.

(g) Applying the Exemption in Practice

The exemption from disclosure would apply, for example, to information which is confidential, which a reasonable person would not expect to be disclosed, and which falls within any one of the following descriptions:

- (i) proposed acquisitions or disposals or other commercial arrangements in the process of negotiation;
- (ii) internal budgets and forecasts;
- (iii) management accounts;
- (iv) business plans;
- (v) internal market intelligence;
- (vi) information prepared for lenders; and
- (vii) dispute settlement negotiations.

It is possible to foresee, however, matters which are commercially sensitive, the disclosure of which would be detrimental to the Company, which may be required to be disclosed because they do not fall within the exemptions. For example:

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- (i) a serious claim against the company prior to the commencement of proceedings;
- (ii) an investigation or allegation by a regulatory body (that is not being disputed by the company);
- (iii) Information about a “complete” proposal;
- (iv) terms of settlement of a dispute which the parties wish to keep confidential, and which is not supported by a Court order of confidentiality;
- (v) material terms of a trading agreement with a major supplier.

Whether these sorts of matters will fall within any of the exceptions will depend on, and require, an assessment of particular facts.

The Listing Rules and Guidance Note issued by the ASX provide a number of examples of matters that may require disclosure.

(h) ASX Policy

The ASX has issued a Guidance Note in relation to Listing Rule 3.1A. The ASX states that the guidance note is only a guide to ASX practice, and that entities should contact the ASX to discuss their particular circumstances and the application of the Listing Rules. Set out below is a brief summary of some of the more pertinent aspects of the Guidance Note.

(i) Prime Importance

The ASX states that timely disclosure of relevant information is of prime importance to the operation of an efficient market. The fundamental principle under which the Listing Rules operate is that *“timely disclosure must be made of information in which security holders, investors and ASX have a legitimate interest”*.

(ii) Continuous Disclosure Practice

The Listing Rules make it clear that all Listing Rules (including Listing Rule 3.1A) must be complied with in the “spirit” of continuous disclosure. The ASX states that the Listing Rules are not intended to be interpreted in a legalistic or restrictive manner.

(iii) Market Speculation

The ASX notes that from time to time it may be necessary to respond to speculation in order for the market to remain properly informed.

The ASX states that it does not expect companies to respond to all comments made in the media, or to respond to all market speculation. However, when the comment or speculation becomes reasonably specific, or the market moves in a way that appears to be referable to the comment or speculation, the company should make a statement in response to ensure the market remains properly informed.

It is ASX policy that whatever the information, and however much it might

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otherwise have been reasonable not to disclose it, the information should be released to the whole market once it becomes known to any part of the market.

(iv) Disclosure of Information to Brokers and Press

Listing Rule 15.7 has the effect that the Company must not release information which is for release to the market to any person (including the media, even on an embargoed basis) until it has given the information to the ASX, and has received an acknowledgement that the ASX has released it to the market.

With respect to analysts, the ASX states that a company must only disclose public information in answering analysts' questions, or reviewing analysts' draft reports. The ASX states that it is inappropriate for a question to be answered, or a report corrected, if doing so involves providing material information that is not public. The ASX states that when analysts visit the company, care should be taken to ensure that they do not obtain material information that is not public.

(v) Internal Disclosure

Employees will have access to information that is confidential. The employees with such access should be made aware of its confidential nature. The ASX notes that companies should ensure that confidential information does not find itself into "in house" publications.

5. CONTINUOUS DISCLOSURE POLICY

5.1 Directors and Executive Officers

Each of the following personnel (the "Reporting Group") will need to participate in the "continuous disclosure" system, because information in their possession will need to be considered in order to comply with the continuous disclosure obligation:

- (A) the Chairperson
- (B) the Managing Director
- (C) the Company Secretary

5.2 Overseeing and Co-ordinating Disclosure

The Chairperson, Managing Director and Company Secretary will be responsible for:

- (A) ensuring the Company complies with its continuous disclosure obligations;
- (B) overseeing and co-ordinating disclosure of information to the ASX; and
- (C) reviewing information to be provided to analysts, brokers, the media and the public, in order to ensure any market sensitive

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material has first been released to the ASX.

5.3 Information Collecting Procedures to ensure Listing Rule 3.1A (market sensitive information) is identified

The responsibilities of each member of the Reporting Group are:

- (A) To ensure all notifiable (market sensitive) information is kept confidential within Reporting Group;
- (B) To collect and forward to the other members of the Reporting Group all information which is, or may be required to be disclosed, and consult with those other members if in doubt;
- (C) To make other senior personnel within his or her area of responsibility aware of the Company's disclosure obligations to ensure that all relevant information is provided to him or her in the first place.

5.4 Releasing Information to the ASX

The system for releasing information to the ASX is as follows:

- (A) When any member of the Reporting Group becomes aware of information which he or she believes may need to be disclosed on the basis of the principles described in this document, he or she should immediately contact and give full details to each of the other members of the Reporting Group.
- (B) The Reporting Group will take the following steps in relation to information received by them:
 - assess whether disclosure is required;
 - consult legal and other advisers (including the ASX) as necessary;
 - prepare an announcement for release to the ASX;
 - obtain Board approval; and
 - forward the release to the ASX.In the absence of Board approval and where circumstances dictate, the Chairman is authorised to approve the release of announcements to the ASX.
- (C) For each meeting of the Board, there should be an agenda item entitled "Continuous Disclosure". In the Minutes of each Board meeting, the Company Secretary should either:
 - record that there was no material known to or brought to the attention of the Reporting Group for disclosure since the previous meeting; or
 - briefly outline material which has been disclosed.

5.5 Company Spokespersons

In order to maintain control over disclosures, the following persons only will be authorised to speak on the Company's behalf to analysts, brokers and institutional investors, and to respond generally to shareholder queries:

- (A) the Chairperson;
- (B) the Managing Director;
- (C) the Company Secretary; and
- (D) any other person who has been given express prior authority by the Chairperson.

In order to safeguard against inadvertent disclosure of non-public information to brokers, investors, analysts and institutions prior to it being disclosed to the ASX, contact must be made with each member, or each other member, of the Reporting Group prior to making contact with these persons in order to clear the provision of the proposed information to them.

5.6 Authorising Disclosures in Advance

Again, in order to avoid an inadvertent breach of the continuous disclosure obligations, materials to be presented and issues to be discussed at any external presentation must be discussed with each member, or each other member, of the Reporting Group prior to presentation in order to confirm that no non-public material information is being disclosed.

5.7 Maintenance of Released Material

The Company Secretary will maintain a register of information disclosed to the ASX and also register of information disclosed on the Company website.

5.8 Company Website

It is intended to implement the inclusion of information released to the ASX on the Company website. In addition, it is intended to add to the website:

- (A) Other materials presented to analysts and institutions; and
- (B) A summary of briefings made to analysts and institutions.

5.9 Handling Rumours, Leaks and Inadvertent Disclosures

It should be noted that any unauthorised leak of information may place the Company in breach of the Listing Rules and could expose persons to allegations of insider trading.

If external contact is made seeking clarification of a rumour in the market place, the enquiry should be referred to the Chairperson or, in his absence, any other member of the Reporting Group. The recommended response to such query is that "the Company does not respond to market rumours". Consideration will then be given by the Reporting Group as to whether a public announcement is required.

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The Reporting Group should be made aware of any unauthorised disclosure of information (even if regarded as non-public sensitive). Consideration will then be given to the need to make an ASX disclosure.

5.10 Reviewing Discussions

In order to ensure no price sensitive material has been inadvertently disclosed, each member of the Reporting Group should be kept apprised of the contents of any substantive contact with analysts, brokers and institutional investors.

5.11 Draft Analyst Reports

Typically, analysts will seek to obtain Management's review of draft analyst reports. It is permissible to comment on errors in factual information and underlying assumptions, but comment on price sensitive information should be avoided.

6. DIVERSITY POLICY

6.1. General

The Board recognizes that a diverse and inclusive workforce is not only good for our employees but also good for our business. It helps the Company attract and retain talented people, create more innovative solutions, and be more flexible and responsive to our customers" and shareholders" needs. Across the Company, there is increasing momentum on diversity with a particular focus on gender and age, as well as greater work and career flexibility.

6.2. Diversity

Diversity within the Company refers to all the characteristics that make individuals different from each other. It includes characteristics or factors such as religion, race, ethnicity, language, gender, sexual orientation, disability, age or any other area of potential difference. Diversity is about the commitment to equality and treating all individuals with respect.

6.3. Gender

As the Company grows, the Directors are committed to increase the representation of females at all levels of the organisation including senior management and directors of the Board.

The Nomination and Remuneration Committee of the Board is responsible for assessing the achievement against gender diversity objectives, including the representation of women at all levels of the organisation. This increased focus on diversity at all levels of the business will reinforce the importance of equality in the workplace. This is facilitated by the Company's practice of making decisions based on merit for internal promotion, leadership development and flexible work arrangements.

6.4. Mature Age

It is important for the Company to attract and retain mature age workers as these individuals have

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accumulated knowledge, skills, wisdom and experience which will only benefit the Company.

Over the next decade, organisational growth and sustainability will be tested by the retirement of key labour and talent. The loss of certain individuals (45 + years) brings with it the loss of significant experience, leadership bench strength and valuable know-how at times of critical importance. The Company is committed to assist in the attraction and retention of mature age workers and provide mature age workers with the transition to retirement and ability to adopt various work style options such as flexible work conditions.

6.5. Providing employees with flexible work practices

The Board acknowledges that individuals have varying home life demands and by providing flexible working conditions, we are able to give our people real choices in managing the balance between work and personal life over the course of their career.

Flexible work options can assist people with balancing their personal commitments and interests, whether that is family care, study, travel or transitioning to retirement. There are a number of flexible work options available which include both formal and informal options such as the ability to work part time, job share, working from home, flexible start and finish times and leave of absence.

By being flexible in our work practices, we will not only deliver on our business objectives but it also enables us to retain our best people and attract talent from the broader market.

7. WHISTLEBLOWER POLICY

7.1. General

The Company is committed to the highest standards of conduct and ethical behaviour in all its business activities and to promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance.

Whistleblowing refers to the act of raising concerns about potential, suspected, or actual misconduct such as serious breach of Group policies, illegal activities, unethical conduct, bullying, discrimination, fraud, theft, acts of bribery, conduct that risks the health and safety of workers, conduct detrimental to the Group's reputation, cover up or attempt to cover up serious wrongdoing ("Reportable Conduct"), and is a key element to achieving transparency and accountability in the business.

7.2. Whistleblower Policy

An important aspect of accountability and transparency is a mechanism to enable staff and other members of the Company to voice concerns in a responsible and effective manner. It is a fundamental term of every contract of employment that an employee will faithfully serve his or her employer and not disclose confidential information about the employer's affairs. Nevertheless, where an individual discovers information which they believe shows serious malpractice or wrongdoing within the organisation then this information should be disclosed internally without fear of reprisal.

This Whistleblower Policy sets out the framework for reporting, investigating and addressing allegations of Reportable Conduct where that Reportable Conduct concerns the activities of the

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Group or current and former directors, officers, employees, consultants and contractors of the Group and provides reassurance to everyone who raise any concerns that they can do so without fear of retaliation, even if they turn out to be mistaken.

The aims of the Whistleblower Policy are to:

- provide Whistleblowers with a clear understanding of how allegations will be handled;
- protect Whistleblowers from victimisation and retaliation;
- ensure any reports of Reportable Conduct are dealt with appropriately;
- afford natural justice and procedural fairness to anyone who is the subject of an allegation of Reportable Conduct.

The Audit and Risk Management Committee is responsible for overseeing this Whistleblower Policy.

7.3. Reporting

Reporting of a Reportable Conduct may be made verbally or in writing to a person's immediate supervisor or to a department head. If the Reportable Conduct involves the Whistleblower's immediate supervisor or department head or is not comfortable with reporting the Reportable Conduct to them, the Whistleblower may make the report to the Chair of the Company's Audit and Risk Management Committee.

7.4. Investigation

Investigations of Reportable Conduct will be conducted in a manner that is timely, confidential, fair and objective. Confidentiality will be extended to all information received and the anonymity of the Whistleblower will be protected. Where possible and appropriate, the Whistleblower will be informed of the investigation's progress in a timely way.

Any investigations will be conducted by person or persons independent of the department in which the Whistleblower is employed and also of any person or persons to whom a complaint relates. An external investigator may be appointed if deemed necessary.

7.5. Whistleblower Protection

The Company will not tolerate retaliation or adverse action, such as dismissal, harassment or discrimination, against a Whistleblower who has made allegations in good faith and followed company procedures in reporting a Reportable Conduct. Support and protection from personal or financial disadvantage applies to anyone making a report under this policy and extends to anyone assisting the investigation.