

## 2019 Corporate Governance Statement

The Board of Directors of Panoramic Resources Limited (“the Board”) is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Panoramic Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. The Company’s 2019 Corporate Governance Statement (“Statement”) outlines the main corporate governance practices in place throughout the financial year, which comply with the Australian Securities Exchange (“ASX”) Corporate Governance Council’s (“CGC”) Third Edition (March 2014) of the “Corporate Governance Principles and Recommendations (“the Recommendations”), unless otherwise stated.

As required under ASX Listing Rule 4.10.3, the Company makes the following Board approved disclosures in relation to each of the Recommendations.

### Principle 1: Lay Foundations for Management and Oversight

#### Primary Role of the Board

The Board’s primary role is the protection and enhancement of long-term shareholder value.

#### Board Operation

To ensure the Board is well equipped to discharge its responsibilities, the Board has adopted a formal Board Charter. The Board Charter details the Board’s role, authority, responsibilities, membership and operation and sets out the matters specifically reserved for the Board and the powers delegated to any of its Committees and to management. In addition, Article 11 of the Company’s Constitution (November 2008) (“Constitution”) details the specific powers and duties of directors as empowered on them by the Company’s shareholders

The Board Charter can be viewed on the Company’s website at [www.panoramicresources.com](http://www.panoramicresources.com) under the Corporate Governance section.

#### Board Processes

The Board is responsible for the overall Corporate Governance of the Company including the strategic direction, establishing goals for executive management and monitoring the achievement of these goals. The Board has established a framework for the management of the Company and its controlled entities, a framework which divides the functions of running the Company between the Board, the Managing Director and the senior executives. The Board has put in place a system of internal control, a pro-active business risk management process, and has the task of monitoring financial performance and the establishment of appropriate ethical standards. The agenda for meetings of the Board is prepared by the Managing Director. Standard items include the project reports, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance. Senior executives are regularly involved in Board discussions.

The Company Secretary of the Company is directly accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary is to facilitate and monitor the implementation of Board policies and procedures and is to provide advice to the Board on the application of the Board Charter, the Company’s Constitution, corporate governance matters, ASX Listing Rules and other applicable laws.

#### Roles of Management and the Evaluation of Management Performance

The Managing Director and the senior executives are ultimately responsible and accountable for the day to day running of the Company and for implementing the strategic objectives and operating within the risk appetite set by the Board. The Board regularly reviews the division of functions between the Board and the senior executives. The Board has recently updated the process of updating the performance appraisal and remuneration system for the Managing Director and senior executives to enhance performance and Management performance is reviewed on an annual basis at the end of financial year and as appropriate. The criterion for the evaluation of the Managing Director and of each executive is their performance against Company and individual key performance indicators, behavior and effectiveness in role. In addition, the Board monitors and evaluates the performance of the Managing Director and senior executives as appropriate.

## 2019 Corporate Governance Statement

### Principle 1: Lay Foundations for Management and Oversight (continued)

#### Appointment of Directors and Management

The Company has in place an appropriate organisational and management structure to ensure the day to day running of the Company is undertaken in an effective and efficient manner and to ensure the Company has the right mix of skills and resources to implement and achieve the Board's corporate and strategic objectives. The Board and the Managing Director regularly reviews this structure to determine that it is appropriate and "fit for purpose" and if necessary make changes in the number of roles and personnel.

The directors and senior executives have a clear understanding of their duties, roles and responsibilities and of the expectations of them, as contained within a written agreement agreed and signed by the Company and each director and senior executive.

The Board reviews its composition as required to ensure that the Board has the appropriate mix of commercial, financial and mining skills, technical expertise, industry experience, and diversity (including, but not limited to gender and age) for which the Board is looking to achieve in its membership. When a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new director with particular skills, candidates with the appropriate experience, expertise and diversity are considered. Under the direction and supervision of the Chair, appropriate background checks are undertaken of each candidate as to the person's character, experience, education, criminal record and bankruptcy history. Each incumbent director is encouraged, and given the opportunity to meet with each candidate on a one to one basis. The full Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders. For the meeting, shareholders are given sufficient information of the new director, including but not limited to biographical details, other listed directorships currently held and in the case of a director standing for election for the first time, advice that appropriate background checks have been undertaken.

#### Diversity Policy

The Company has in place a Diversity Policy which provides the written framework and objectives for achieving a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences, and perspectives, irrespective of gender, age, ethnicity and cultural background. The Board is responsible for developing, where possible, measurable objectives and strategies to support the framework and objectives of the Diversity Policy. The Remuneration Committee is responsible for monitoring the progress of the measurable objectives through various monitoring, evaluation and reporting mechanisms.

Apart from participation rates established for indigenous employment at the Savannah nickel project prescribed under the 2007 Savannah Co-Existence Agreement (and as reported below), the Board has not determined measurable objectives on gender diversity across the workplace and at the Board level. In the coming financial year, the Board is to continue to oversee the development of new programs to achieve a broader pool of skilled and experienced senior management and Board candidates, and if deemed appropriate, identify future and targeted measurable objectives and strategies on gender diversity.

Pursuant to *Recommendation 1.5* of the Recommendations, the Company discloses the following information as at the date of this report:

- Percentage of women and men employed within the Group - women: 13%; men: 87%;
- Percentage of women and men employed as a senior executive - women: 20%; men: 80%;
- Percentage of women and men employed at the Board level - women: 20%; men: 80%; and
- Percentage of indigenous employees at the Savannah Nickel Project – 6%.

The Company has defined an employee who is a senior executive as a person who is a "senior manager" as defined in *Section 9 (Definitions)* of the *Corporations Act 2001*, namely a person who is at the highest management level of the Company who "makes, or participates in making decisions that affect the whole, or a substantial part, of the business of the corporation; or has the capacity to affect significantly the corporation's financial standing". The performance appraisal of a senior executive is performed by the Managing Director and the Remuneration Committee.

## 2019 Corporate Governance Statement

The Diversity Policy can be accessed on the Company's website at [www.panoramicresources.com](http://www.panoramicresources.com) under the Corporate Governance section.

### Performance Assessment of the Board, its Committees and Individual Directors

Currently, there is no formal annual performance appraisal system in place for Board performance on a director by director basis. In the coming year, each Director performance will be discussed informally, whereby the performance of individual members and the performance of the Board as a whole, will be assessed. The Board has agreed to conduct these informal performance assessments until such time as a suitable formal performance appraisal system has been put in place. Membership of the Audit Committee by non-executive directors is initially for a three-year period, with an annual renewal review thereafter with performance being one criteria in order to retain office.

### Principle 2: Structure the Board to Add Value

#### Board Composition

The composition of the Board is determined using the following principles:

- The Board currently comprises five directors. Under Article 10 of the Company's Constitution, this number may be increased to a maximum of ten directors where it is required due to a commercial alliance, or felt that additional expertise is required in specific areas, or when an outstanding candidate is identified;
- The Board should comprise directors with a broad range of expertise with an emphasis on commercial, exploration, mining and project development related experience; and
- Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter directors (other than the Managing Director) are subject to re-election at least every three years. The tenure of executive directors is linked to their holding of executive office.

The name, position, independence classification, qualification, skills and length of service of each director of the Company in office at the date of the Statement is:

Name	Position	Independence Classification	Qualification/Skills	Service (yrs)
Brian M Phillips	Chairman	Independent	Mining Engineer, general mining	12
Peter J Harold	Managing Director	n/a, executive	Process Engineer, project development	18
Peter R Sullivan #	Non-Executive Director	Non Independent	Engineer, corporate and project development	3
Nicholas L Cernotta	Non-Executive Director	Independent	Mining Engineer, general mining and project development	1
Rebecca J Hayward	Non-Executive Director	Independent	Lawyer, corporate and project development	1

# Peter R Sullivan is a non-executive director of a substantial shareholder holding more than 5% of the ordinary shares in the Company and as a consequence has been assessed as not being independent under the independence criteria detailed in Recommendation 2.3 of the Recommendations

## 2019 Corporate Governance Statement

### Nomination committee

Due to the size of the Board and the small senior executive team, the Board has determined there is no benefit, at this time, of establishing a nomination committee. The functions of the nomination committee are performed by the Board as a whole, when required, using the principles for setting the composition of the Board.

### Directors' Independence

The composition of the Board is considered to be appropriate for a Company that is in the process of becoming once again a sustainable producing business. In addition, the Company remains active in reviewing, developing or divesting projects in its current portfolio. As at the date of this Statement, the majority of non-executive directors, including the Chairman, are considered independent of management, have no interest, position, association or relationship that would compromise their independence and directly or indirectly, individually hold less than 5% of the issued ordinary shares of the Company. The Independence Criteria detailed in *Recommendation 2.3* of the Recommendations in relation to each non-executive director is listed in Annexure A to the Board Charter and each director's independence is assessed on a regular basis against the Independence Criteria and the quantitative and qualitative Materiality Thresholds (listed in Annexure B of the Board Charter) when appropriate.

Where a director acquires an interest, position, association or relationship described in *Recommendation 2.3* of the Recommendations and exceeds the Materiality Thresholds set out in the Board Charter, the director must immediately declare the nature of the interest, position, association or relationship and the Board will determine whether to declare any loss of independence.

### Director Education

The non-executive directors are given every opportunity to gain a better understanding of the business, the industry, and the environment within which the Company operates, and are given access to continuing education opportunities to update and enhance their skills and knowledge. Directors visit the Savannah Nickel Project at least once a year, and meet with executives on a regular basis to enable directors to maintain an understanding of the roles and responsibilities of executives and of the culture and values within the Company.

### Conflict of Interest

In accordance with Section 191 of the Corporations Act 2001 and Article 10.13 of the Company's Constitution, directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

### Independent professional advice

Each director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice at the Company's expense. A copy of the advice received by the director is made available to all other members of the Board.

### Board Committees

To facilitate the execution of its responsibilities, the Board's Committees provide a forum for a more detailed analysis of key issues. Each Committee is entitled to the resources and information it requires to carry out its duties, including direct access to advisors and employees. Membership of the current Committees of the Panoramic Board and the number of times each Committee met during the financial year are set out in the Directors' Report. The names and functions of each Committee is set out below:

- Audit Committee

The Audit Committee consists of all non-executive directors and is chaired by an independent director who is not the Chairman of the Board. The Audit Committee is to oversee the financial reporting process to ensure the balance, transparency and integrity of published financial information. The Audit Committee is also to review: the effectiveness of internal controls, recommendation and the appointment and assessing the performance of the external auditor; the Company's process for monitoring compliance with laws and regulations affecting financial reporting and, if applicable, its code of business conduct. The Audit Committee operates under an Audit Committee Charter that is reviewed by the Committee and is re-approved or changed by the full Board on a bi-annual basis.

## 2019 Corporate Governance Statement

- Remuneration Committee

The Remuneration Committee consists of all non-executive directors. The Remuneration Committee is chaired by Peter Sullivan, who has been assessed as not being independent under the Independence criteria detailed in *Recommendation 2.3* of the Recommendations. The Board believes that Peter Sullivan is an appropriate person for the position of Chair, due, in part, to his extensive corporate experience gained from a previous role as managing director of a large listed resource company and his current directorships of several listed resource companies.

The role of the Remuneration Committee is to review remuneration packages and policies applicable to the Managing Director, other executive directors (if applicable) and senior executives and to monitor the scope and currency of the Company's Diversity Policy. The remuneration of executive directors is determined by reference to relevant employment market conditions and of the attainment of defined Company goals. The remuneration of senior executives is determined by the Remuneration Committee based on recommendations provided by the Managing Director. Remuneration levels are competitively set to attract the most qualified and experienced directors and senior executives. The Remuneration Committee obtains independent advice on the appropriateness of remuneration packages.

There is increased transparency and accountability in remuneration matters as required in the *Improving Accountability on Director and Executive Remuneration Bill 2011*. There are now rules for engaging remuneration consultants and on reporting specific information about remuneration consultants in the audited Remuneration Report in the Directors' Report. The Company's audited 2019 Remuneration Report includes these reporting obligations.

Further details on the Committee and of remuneration arrangements in place for the directors and executives are set out in the Directors' Report.

- Risk Committee

The Risk Committee consists of all directors and is chaired by Nick Cernotta, an independent director. The role of the Risk Committee is to oversee and monitor the effectiveness of the Group's strategies and systems to ensure that the Company complies with external and internally accepted standards for the impact of business activities on the environment, the safety and well-being of employees, and on the control and management of the key risks facing the business. Where possible, the Committee meets during Board visits to the mining operations whereby the members of the Committee are able to directly inter face with the senior managers responsible for environmental risks, occupational health and safety risks and the control and mitigation of non-financial risks. The Committee also nominates a non-executive director to attend and be actively involved in the Group's safety conferences. The Committee operates under a Charter that is reviewed by the committee and is re-approved or changed by the full Board on a bi-annual basis.

The Committee Charter can be accessed on the Company's website at [www.panoramicresources.com](http://www.panoramicresources.com) under the Corporate Governance section.

In August 2018, the Committee convened to review both the Committee Charter and the 2015 Risk Management Guideline and to discuss with management on the rapidly changing business landscape and what risks and challenges the Company would be facing with the transition to a producing company. In May 2019, the Committee was briefed by management on the progress made to date on the review and update of both the Savannah Nickel Project and corporate risk registers which are important inputs in the update and production of a new Risk Management Guideline.

### Principle 3: Act Ethically and Responsibly

All directors, executives, managers and employees are expected to act with the utmost integrity, honesty and objectivity, striving at all times to enhance the performance and reputation of the Company and its controlled entities.

### Code of Conduct

The Company has established a written Code of Conduct which outlines the culture, practices, expected conduct, values and behaviour to be displayed by all employees in upholding the integrity, reputation and accountability of the Company and its controlled entities in the work environment and in the interactions with the Company's various stakeholders. Certain practices are necessary to comply with Federal and Western Australian State industrial legislation and the Corporations Law. The Code of Conduct has a clear responsibility and accountability of employees for reporting and investigating reports of unethical practices by reference to specific rules and policies such as the rules for trading in the Company securities, and the policy on discrimination, harassment and bullying.

## 2019 Corporate Governance Statement

This code can be accessed on the Company's website at [www.panoramicresources.com](http://www.panoramicresources.com) under the Corporate Governance section.

### Trading in Company securities by directors, officers and employees

The Company has in place a fit-for-purpose Share Trading Policy for the trading in Company securities by directors, key management personnel, officers and employees as required under ASX Listing Rule 12.12. The Policy is worded to ensure compliance with Section 1043A of the Corporations Law (on insider trading), Part 2D.1 of the Corporations Act 2001 (on the proper duties in relation to the use of inside information), and ASX Listing Rules 3.19A, 12.9, 12.10, and 12.11 and updated Guidance Note 27 (July 2017). The Managing Director and the Company Secretary have been appointed to ensure that the following rules for the trading in Company's securities are strictly adhered to:

- Trading in Company securities is only permitted following the notification of the intention to trade by submitting a Notification Form with the Managing Director and dealing is not to occur until a receipt of confirmation is received from the Managing Director or, in the case of the Managing Director, from the Chairman;
- Trading in Company securities is prohibited at any time when in possession of unpublished information, which if generally available, might materially affect the price or value of those securities;
- Trading in Company securities is prohibited during specified prohibited periods, known as black-out periods;
- Active trading in Company securities, which involves frequent and regular trading in those securities with a view to derive profit related income from that activity, is prohibited;
- The entering into contracts to hedge exposure to equity-based remuneration, is prohibited; and
- Only in exceptional circumstances, can approval be obtained in advance from the Managing Director, or in the case of a director, from the other directors, to trade outside the specified prohibited periods.

On an annual basis in December, the Company Secretary circulates to all employees via email, the start and finish dates for the next calendar year's black-out periods. To monitor compliance with the policy and to give assurance to the Board on compliance with the rules of the Share Trading Policy, the Company Secretary keeps records of the confirmations permitting a trade in the Company's securities in strict adherence with the rules.

This Share Trading Policy can be accessed on the Company's website at [www.panoramicresources.com](http://www.panoramicresources.com) under the Corporate Governance section.

### Discrimination, Harassment and Bullying Policy

The Company is committed to providing a work environment that is safe, fair and free from discrimination, harassment and bullying for all employees of the Company. All employees are encouraged to follow adopted procedures allowing concerns or instances of illegal conduct or malpractice to be raised in good faith without being subjected to victimisation, harassment or discriminatory treatment, and to have such concerns or instances properly investigated. The Policy provides a mechanism by which all employees can confidentially report improper conduct without fear of discrimination. This policy document can be accessed on the Company's website at [www.panoramicresources.com](http://www.panoramicresources.com) under the Corporate Governance section.

### Privacy Policy

The Company has in place a Privacy Policy which deals with the collection, use, storage and disclosure of information of personal information about an individual who can be identified or who may be reasonably identified by the information. Where sensitive information is collected and stored, the information must not be collected unless the individual consents to collection and the Company is authorised to collect the information by law. The Policy sets out the obligations surrounding the integrity of personal information, security measures, how an individual can access their information and seek correction to it, and make complaint to if necessary. This Privacy Policy can be accessed on the Company's website at [www.panoramicresources.com](http://www.panoramicresources.com) under the Corporate Governance section.

The Company has a Privacy Data Breach Response Plan ("Plan"), which sets out the required steps to be followed if an actual or potential breach of personal or sensitive information occurs. Following this Plan will help the Company's employees and contractors to contain, assess and respond to data breaches in a timely manner and to mitigate potential harm to any affected individuals and organisations.

## 2019 Corporate Governance Statement

### Principle 4: Safeguard Integrity in Corporate Reporting

The Managing Director and Chief Financial Officer are required to state in writing to the Audit Committee and the Board that the Company's and Group's financial reports present a true and fair view, in all material aspects, of the Company's and Group's financial condition and that operational results are in accordance with relevant accounting standards. Pursuant to Section 295A of the Corporations Act 2001, the Managing Director and the Chief Financial Officer are required to provide written certification to the Board, at both the end of the Half-Year and the Full-Year reporting periods, that the Company's financial reports are based on a sound system of risk management and internal control and that the system is operating effectively.

The Audit Committee reviews all final draft external financial reports with the external auditor and makes recommendations on their adequacy to the Board prior to their release to shareholders, investors and other public forums. There is regular communication between the Audit Committee, management and external auditor. In accordance with Section 324DA of the Corporations Act 2001, the audit partner of the external auditor is required to be rotated after five successive financial years. It is the role of the Audit Committee to select the new audit engagement partner as nominated by the external partner after considering each nominated individual's experience, reputation and independence.

In addition, in the absence of an internal audit function, the Audit Committee reviews, assists and assesses the adequacy of the Company's internal control and financial risk management systems, accounting and business policies.

### Principle 5: Make Timely and Balanced Disclosure

#### Continuous Disclosure and Shareholder Communication

The Company is committed to providing relevant up to date information to its shareholders and the broader investment community in accordance with the continuous disclosure requirements under the ASX Listing Rules and the Corporations Law.

The Company has a Continuous Disclosure Policy that all shareholders and investors have equal access to the Company's information. This policy has been updated and approved by the full Board to comply with the April 2014 amendments to ASX Listing Rule 3.1 and updated Guidance Note 8 (August 2018) of the Recommendations. This document and all material announcements provided to the ASX can be accessed on the Company's website at [www.panoramicresources.com](http://www.panoramicresources.com).

The Company has appointed the Company Secretary to oversee the continuous disclosure practices of the Company and its controlled entities. His responsibilities include:

- Reviewing all statutory regulatory or tender reports submitted to or made by the Company and its controlled entities, and to report or recommend to the Board as appropriate;
- Ensuring compliance with continuous disclosure requirements;
- Overseeing and coordinating the disclosure of information to the ASX, analysts, brokers, shareholders, the media and public; and
- Educating directors and staff of the Company's and Group's disclosure policies and procedures and raising awareness of the principles of the underlying continuous disclosure.

### Principle 6: Respect the Rights of Security Holders

#### Continuous Disclosure and Shareholder Communication

The Board in adopting a Continuous Disclosure Policy ensures that shareholders are provided with up to date Company information. Communication to shareholders is facilitated by the production of the annual report, quarterly reports, public announcements, and the posting of policies, and ASX releases immediately after their disclosure to the ASX, on the Company's website. All shareholders are given the option to receive communications from, and send communications to, the Company and Share Registry electronically. In addition, all shareholders are encouraged to attend the Annual General Meeting and use the opportunity to ask questions to management following the Managing Director's presentation. The Company makes every endeavour to respond to the most commonly asked questions. The external auditor attends the meeting and is available to answer questions in relation to the conduct of the audit.

## 2019 Corporate Governance Statement

### Principle 7: Recognise and Manage Risk

The Board believes that risk management and compliance are fundamental to sound management and that oversight of such matters is an important responsibility of the Board. Since 2011, the Company has significantly changed the risk management framework through the progressive development of an enterprise-wide software database on the inherent risks and risk mitigation strategies identified across all functions of the business, including occupational, health, safety and environment (OHS&E). This Board sanctioned approach is in accordance with Australian/New Zealand Standard for Risk Management (AS/NZS 4360 2004) and is currently aligned to the control framework for enterprise risk management prepared by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) in 2001.

There are a number of risks the Company's operations (either directly or in-directly owned) are exposed to, principally when in production, that are both common to the mining industry and unique due to location such as, but not limited to:

- exposure to fluctuations in commodity prices and the United States currency foreign exchange rate;
- customer declaration of force majeure;
- health, safety, industrial and environment matters;
- production capacity;
- future delivery against committed financial derivatives; and
- regulatory constraints, compliance, the impact of climate change and natural disasters.

In FY2015, the Company conducted a second comprehensive review of its enterprise wide risk management framework using the process and procedures set down in the 2012 Risk Management Guideline, including the re-setting of various risk appetite tolerance thresholds by senior management, which resulted in the production of Risk Appetite Statements (May 2015), Risk Management Policy (May 2015) and an updated Risk Management Guideline ("Guideline") that was approved by the full Board in June 2015. A condensed version of the Guideline is available on the Company's website at [www.panoramicresources.com](http://www.panoramicresources.com).

The Board has established a committee of the Board, the Risk Committee, which is chaired by an independent director. All directors of the Board are also members of the Committee. The number of times the Committee met during the financial year is contained in the Directors' Report. The Committee's Charter (August 2018) states that the Committee will oversee the Company's management of financial and non-financial risks at the operations in accordance with the established risk management framework while always taking into account the Company's legal obligations set by the Federal and State statutory law makers on, but not limited to, environment, employment and occupational health and safety.

In August 2018, the Risk Committee convened a meeting with management to discuss the various elements of the Company's risk management framework in light of the decision to restart operations at the Savannah Nickel Project. It was agreed at that meeting to plan and conduct various workshops across the Group to review risk registers, the risk appetite tolerance thresholds and Risk Appetite Statements, with the aim to updating the Guideline as soon as practical. This review and update process is still ongoing. The Risk Committee in its review of the Company's risk management framework is targeting to incorporate certain aspects of the recent 2018 revision to the International Organisation for Standardisation (ISO) ISO 31000 Standard, which has provided a clearer, shorter and more concise guide on the principles of risk management. In May 2019, the Risk Committee was briefed by management on the progress made to date on the review and update of both the Savannah Nickel Project and corporate risk registers which are important inputs in the update and production of a new Risk Management Guideline.

There are strict Company-wide compliance reporting requirements under the Guideline that require each department head/function manager on an annual basis to review their risk registers to determine the level of compliance (from zero to 100%) using a risk matrix score for impact, tolerance and opportunity, thereby ensuring that either a risk(s) has not developed a higher risk profile, or outlining monitoring and corrective measures to reduce the risk(s) to an acceptable level. Using this information, each operations manager is required to complete and provide a Project Risk Summary and Compliance Report during the Full-Year audit process.

In FY2016, FY2017, FY2018 and FY2019, the compliance reporting requirements detailed above were undertaken on a more limited basis as a consequence of the Group's operations being on either full care and maintenance or for part of the financial year, as was the case in FY2019.

The reporting and control mechanisms, in the absence of an internal audit function, support the written certification at the end of the Half-Year and Full-Year reporting periods, in accordance with Section 295A of the Corporations Act 2001 given by the Managing Director and the Chief Financial Officer to the Board certifying that the Company's financial reports are based on a sound system of risk management and internal control and that the system is operating effectively.

## 2019 Corporate Governance Statement

### Principle 8: Remunerate Fairly and Responsibly

#### Board Remuneration

The total annual remuneration paid to non-executive directors may not exceed the limit set by the shareholders at an annual general meeting (currently \$600,000). The remuneration of the non-executive directors is fixed rather than variable.

#### Executive Remuneration

The Board has established a committee of the Board, the Remuneration Committee. The Remuneration Committee provides recommendations and direction for the Company's remuneration practices. Subject always to the Company's operational and economic circumstances, the Committee ensures that a significant proportion of each executive's remuneration is linked to his or her performance and the Company's performance. Performance reviews are conducted regularly to determine the proportion of remuneration that will be at 'risk' for the upcoming year. The Committee also ensures that there is no discrimination on remuneration in respect to gender.

The Company's executives are able, once again, to participate in a long term employee incentive plan, the shareholder approved 2018 ES Plan, that is linked to the Company's performance on an absolute and relative share price basis against its peers in the resources industry and on a resources and reserves growth performance basis.

Further details in relation to director and executive remuneration are set out in the 2019 Remuneration Report.