



## Corporate Governance Statement

2020

This Statement outlines the corporate governance practices adopted by Silver Lake Resources Limited (**Company**) throughout FY2020, by reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3<sup>rd</sup> edition). It is current as at 30 June 2020 and has been approved by the Board.

Copies of governance related documents referred to in this Statement can be found on the Company's website at [www.silverlakeresources.com.au](http://www.silverlakeresources.com.au), under the section marked "Corporate", "Corporate Governance".

## 1. Lay solid foundations for management and oversight

<p>1.1 A listed entity should disclose:</p> <ol style="list-style-type: none"><li>the respective roles and responsibilities of its board and management; and</li><li>those matters expressly reserved to the board and those delegated to management.</li></ol>	<p>The Company has adopted a Board Charter which sets out the roles and responsibilities of the Board and management. A copy of the Board Charter is located on the Company's website.</p> <p>The role of the Board is to provide leadership for and supervision over the Company's affairs. The Board is responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring its financial performance, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.</p> <p>The Managing Director is responsible for running the affairs of the Company under delegated authority from the Board and implementing the policies and strategy set by the Board. Management is responsible for supporting and assisting the Managing Director in implementing the running of the operations and financial aspects of the Company, in accordance with the delegated authority of the Board. Management is responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, directly to the Chairman or the lead independent Director, as appropriate.</p>
<p>1.2 A listed entity should:</p> <ol style="list-style-type: none"><li>undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director and;</li><li>provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</li></ol>	<p>The Company undertakes appropriate checks on candidates before appointing them or putting them forward for re-election as Directors, including checks on character, experience and education.</p> <p>Details of the relevant skills, experience and expertise of the Directors are included in the Annual Report, as well as in each notice of meeting given to shareholders where a Director is standing for election or re-election.</p>
<p>1.3 A listed entity should have a written service agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The Company has written agreements in place with each Director and senior executive which set out the terms of their appointment. Material variations to these agreements are disclosed to the ASX to the extent required by the ASX Listing Rules.</p>

<p>1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair; on all matters to do with the proper functioning of the board.</p>	<p>The Company Secretary reports directly to the Managing Director, but has a direct line of communication with the Chairman and all Directors. The Company Secretary is responsible for supporting the proper functioning of the Board including, but not limited to, providing advice on governance and procedural issues and the preparation of Board papers and minutes.</p>
<p>1.5 A listed entity should:</p> <ul style="list-style-type: none"> <li>a. have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity’s progress in achieving them</li> <li>b. disclose that policy or summary of it; and</li> <li>c. disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity’s diversity policy and its progress towards achieving them, and either; <ul style="list-style-type: none"> <li>i. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for those purposes); or</li> <li>ii. if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”. As defined in and published under that Act.</li> </ul> </li> </ul>	<p>The Company does not have a Diversity Policy. The Company does however acknowledge that its workforce comprises individuals of diverse backgrounds, seeks to provide a safe working environment for all employees and values a workplace free of prohibited discrimination, harassment, victimisation, bullying and occupational violence.</p> <p>The Board did not establish measurable objectives for achieving gender diversity during the reporting period. It has determined that it is appropriate for an organisation of the size and nature of the Company to provide management with the appropriate authority to engage people with the relevant skills, knowledge, experience, wisdom, temperament and mental processing ability that management believes are necessary for the relevant role.</p> <p>As at 30 June 2020 Silver Lake had 15.2% females in its workforce.</p> <p>The Company’s 2019-2020 Workplace Gender Equality Report can be viewed on the Company’s website under the Corporate Governance Section.</p> <p>As at the date of this report, the Company has 4 Non-executive Directors, and 6 senior executives* (including the Managing Director), all of whom are male. The Nomination and Remuneration Committee reviews the composition and structure of the Board at least annually to ensure it is suitable to achieve long-term shareholder wealth. The outcome of this review is reported to and considered by the Board.</p> <p><i>*Senior executive positions include the Managing Director, Chief Financial Officer, Company Secretary &amp; General Counsel, Exploration &amp; Geology Manager, General Manager Mount Monger Operations and General Manager Deflector Mine.</i></p>

<p>1.6 A listed entity should:</p> <ul style="list-style-type: none"> <li>a. have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ul>	<p>The Chairman is responsible for the ongoing evaluation of the Board, Board committees and individual Directors. The Nomination and Remuneration Committee and the Chairman of the Board are responsible for evaluating the performance of the Managing Director.</p> <p>The Managing Director’s performance is evaluated as part of the annual remuneration process and is reviewed against predetermined objectives.</p> <p>The Chairman and the Board regularly review the performance and composition of the Board and its various committees, considering issues or concerns as they arise. This ongoing process is conducted internally and informally and relies on regular discussion. The performance of the Board was continually assessed during the reporting period.</p>
<p>1.7 A listed entity should:</p> <ul style="list-style-type: none"> <li>a. have and disclose a process for periodically evaluating the performance of its senior executives; and</li> <li>b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ul>	<p>The Company has in place a formal process for evaluating the performance of senior executives each year. The Managing Director is responsible for evaluating the performance of senior executives directly reporting to him, whilst the Board evaluates the Managing Director’s performance. The evaluation process incorporates a self-evaluation component as well as a written performance appraisal. A follow up meeting is then held with the Managing Director at which performance objectives are set for the following year.</p> <p>During the reporting period all performance reviews for senior executives were conducted in accordance with the process described above.</p>

## 2. Structure the Board to add value

2.1 The board of a listed entity should:

- a. have a nomination committee which:
  - i. has at least three members, a majority of whom are independent directors; and
  - ii. is chaired by an independent director; and disclose
  - iii. the charter of the committee;
  - iv. the members of the committee; and
  - v. as at the end of the reporting period, the number of times the committee met throughout the period and individual attendances of the members at those meetings; or
- b. if it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively

The Board has a Nomination and Remuneration Committee which meets at least twice a year. The Committee has a formal Charter, a copy of which is available on the Company's website.

Members of the Committee and the number of meetings held during the year ended 30 June 2020 are as follows:

Director	Meetings Attended	Meetings Held During Director's Membership of Committee
Les Davis (Chair)*	1	1
Peter Alexander (Chair)*	1	1
David Quinlivan	2	2
Kelvin Flynn	2	2

\* Les Davis resigned as a Director and ceased as a member of the Nomination and Remuneration Committee on 22 November 2019. Peter Alexander was appointed as Chair of the Nomination and Remuneration Committee in his place.

A majority of the members of the Committee are independent Directors. Mr Davis, who was a Non-executive Director until 22 November 2019, was not classified as an independent Director as he previously served as Managing Director of the Company from November 2007 until November 2014. Peter Alexander, an independent Director, was subsequently appointed as Chair of the Nomination and Remuneration Committee in place of Mr Davis.

Whilst Mr Davis was not an independent Director (due to his previous tenure as Managing Director of the Company), the Board determined that his appointment as Chair of the Committee was appropriate given his knowledge, skills and experience, and the fact that a majority of the Committee were independent.

2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors Report in the Annual Report.

A summary of the key skills and experience comprised within the Board are as follows:

**Board Skills Matrix**

<b>Skills and Experience</b>	<b>Competency</b>
<b>Mining and processing</b>	Relevant industry experience from working within the resources sector.
<b>Commercial</b>	Executive exposure to accounting and financial reporting and requirements, internal financial controls and financial risk assessment
<b>Governance</b>	Experience in the governance of organisations
<b>Strategy</b>	Experience in developing and implementing strategy successfully as well as having experience in identifying risk and managing to acceptable levels.
<b>Human Resources</b>	Experience in remuneration frameworks
<b>Executive Leadership</b>	Management experience at an executive level

<p>2.3 A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>a. the names of directors considered by the board to be independent directors;</li> <li>b. if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</li> <li>c. the length of service of each director.</li> </ul>	<p>The Board currently consists of the Managing Director and three non-executive Directors (including the Chairman). The Board, having regard to the ASX Corporate Governance Principles and Recommendations, considers that three of the four Directors can be classified as independent Directors: Mr David Quinlivan (Chairman), Mr Kelvin Flynn and Mr Peter Alexander.</p> <p>Mr Luke Tonkin is not classified as an independent Director as he is the current Managing Director.</p> <p>In addition, during FY2020, Mr Les Davis was a Non-executive Director until 22 November 2019. Mr Davis was not classified as an independent Director as he previously served as Managing Director of the Company from November 2007 until November 2014.</p> <p>Consistent with the ASX Corporate Governance Principles and Recommendations, the Board was at all times comprised of a majority of independent Directors during FY2020.</p> <p>Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The Board has developed procedures to assist Directors with disclosure of conflicts of interest.</p> <p>Information regards relevant skills, experience and expertise of the Directors of the Company as at the date of this Statement is included in the 2020 Annual Report. As at 30 June 2020 the period each Director was in office is as follows:</p> <table data-bbox="752 794 1122 922"> <tr> <td>Mr David Quinlivan</td> <td>5 years</td> </tr> <tr> <td>Mr Luke Tonkin</td> <td>7 years</td> </tr> <tr> <td>Mr Kelvin Flynn</td> <td>4 years</td> </tr> <tr> <td>Mr Peter Alexander</td> <td>2 year</td> </tr> </table>	Mr David Quinlivan	5 years	Mr Luke Tonkin	7 years	Mr Kelvin Flynn	4 years	Mr Peter Alexander	2 year
Mr David Quinlivan	5 years								
Mr Luke Tonkin	7 years								
Mr Kelvin Flynn	4 years								
Mr Peter Alexander	2 year								
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>As noted above, the Board considers that three of the four current Directors can be classified as independent Directors. Therefore, a majority of the Board are independent Directors.</p>								
<p>2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The Chairman (Mr David Quinlivan) is an independent Director.</p>								

<p>2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge to perform their role as directors effectively.</p>	<p>The Nomination and Remuneration Committee reviews the skills, experience and expertise of prospective and current Directors and ascertains any shortcomings and/or development requirements. It also oversees induction programs and ongoing education requirements concerning key developments in the Company, as well as in the industry.</p> <p>The Company recognises that from time to time a Director may need to obtain independent professional advice in order to discharge their director’s duties. Subject to prior approval being obtained from the Chairman, the Company will pay the reasonable expenses associated with obtaining such advice.</p>
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### 3. Promote ethical and responsible decision making

<p>3.1 A listed entity should:</p> <ul style="list-style-type: none"> <li>a. have a code of conduct for its Directors, senior executives and employees; and</li> <li>b. disclose that code or a summary of it.</li> </ul>	<p>The Company has a Code of Conduct that sets out the principles and standards which the Board, management and employees of the Company are encouraged to strive towards when dealing with each other, shareholders and the broader community.</p> <p>The Code of Conduct is disclosed on the Company’s website.</p> <p>Where the Board believes that a significant conflict exists for a Director on a Board matter, the Director does not receive any relevant Board papers and should exclude themselves from the meeting whilst the matter is considered.</p>
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## 4. Safeguard integrity in financial reporting

### 4.1 The board of a listed entity should:

- a. have an audit committee which:
  - i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - ii. is chaired by an independent director, who is not chair of the board,
  - iii. and disclose
  - iv. the charter of the committee
  - v. the relevant qualifications and experience of the members of the committee; and
  - vi. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b. if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Board has an Audit Committee which meets at least twice a year. The Committee has a formal Charter, a copy of which is available on the Company's website. The role and function of the Audit Committee is set out in the Audit Committee Charter. The Committee is comprised of 3 members, a majority of whom are independent Directors. Members of the Committee and the number of meetings held during the year ended 30 June 2020 are as follows:

Director	Meetings Attended	Meetings Held During Director's Membership of Committee
Kelvin Flynn (Chair)	2	2
David Quinlivan	2	2
Les Davis*	1	1
Peter Alexander*	1	1

\* Les Davis resigned as a Director and ceased as a member of the Audit Committee on 22 November 2020. Peter Alexander was appointed as a member of the Audit Committee in his place.

Mr Flynn and Mr Quinlivan are independent Directors. Mr Davis, who was a Non-executive Director until 22 November 2019, was not classified as an independent Director as he previously served as Managing Director of the Company from November 2007 until November 2014. Peter Alexander, an independent Director, was subsequently appointed as a member of the Audit Committee in place of Mr Davis. The Chair of the Committee (Mr Kelvin Flynn) is an independent Director who is not Chairman of the Board. Details of each Director's qualifications are set out in the Director's Report of the Annual Report. All members of the Audit Committee consider themselves to be financially literate and have relevant industry experience.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee. Candidates for the position of external auditor must demonstrate independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee and any recommendations are made to the Board.

The external auditor, the Managing Director and the Chief Financial Officer, are invited to Audit Committee meetings at the discretion of the Audit Committee.

<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>The Company's Managing Director and Chief Financial Officer provide the Board with the appropriate assurances in relation to the statutory financial reports released by the Company.</p> <p>Prior to the Board's approval of the 31 December 2019 half year and 30 June 2020 full year financial statements, the Managing Director and Chief Financial Officer provided a written statement to the Board that, in their opinion, the financial records were properly maintained and that the financial statements complied with the appropriate accounting standards and gave a true and fair view of the financial position and performance of the Group and that the opinion was formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
<p>4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>The Company's external auditor was invited to, and attended, the Company's Annual General Meeting held in November 2019. Shareholders were informed of the auditor's presence at the meeting and provided with the opportunity to address questions to the auditor.</p>

## 5. Make timely and balanced disclosure

<p>5.1 A listed entity should:</p> <ol style="list-style-type: none"> <li>a. have a written policy of complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>b. disclose that policy or summary of it</li> </ol>	<p>The Company has established an Information Release Policy designed to ensure:</p> <ol style="list-style-type: none"> <li>1. that all communications to external stakeholders regarding the Company's activities are timely, factual, accurate and broadly disseminated; and</li> <li>2. a consistent approach to the Company's information release practices and compliance with continuous disclosure obligations.</li> </ol> <p>A copy of the Information Release Policy is located on the Company's website.</p>
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## 6. Respect the rights of security holders

<p>6.1 A listed entity should provide information about itself and its governance via its website.</p>	<p>The Company's website (<a href="http://www.silverlakeresources.com.au">www.silverlakeresources.com.au</a>) provides information on the Company including its background, objectives, projects and contact details. Information concerning the Company's governance policies and practices are provided on the Corporate Governance page and include links to key policies, procedures and charters of the Company.</p> <p>ASX announcements, Company reports and presentations are uploaded to the website following release to the ASX. Editorial content is updated on a regular basis.</p>
<p>6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>The Board aims to ensure that shareholders are informed of all major developments affecting the Company. All shareholders can access the Company's Annual Report via the Company's website, and are encouraged to participate at general meetings. Shareholders may also request copies of the Company's half-yearly and quarterly reports. ASX announcements, Company reports and presentations are uploaded to the website following release to the ASX. Editorial content is updated on a regular basis.</p>
<p>6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders</p>	<p>The Company encourages full participation of shareholders at the Annual General Meeting of the Company. Shareholders who are unable to attend meetings of the Company are encouraged to participate in meetings by way of appointment of a proxy. Proxy forms may be lodged by shareholders by way of post, facsimile, transmission to the electronic address specified in the relevant notice of meeting or lodged by online process via the Company's share registry website.</p> <p>Shareholders may register to receive information updates by email by sending an email to <a href="mailto:contact@slrltd.com.au">contact@slrltd.com.au</a>.</p> <p>The Company's Shareholder Communications strategy is disclosed on the Company's website.</p>
<p>6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security register electronically.</p>	<p>Shareholders have a choice with regards to the method in which they receive notices of meeting and may elect (by written notice to the Company) to receive such notices either by post or electronically. The Company's share registry also engages with shareholders electronically and makes available a range of relevant forms on its website. Shareholders can register with the share registry to access their personal information and shareholdings via the internet.</p>

## 7. Recognise and manage risk

### 7.1 The board of a listed entity should:

- a. have a committee or committees to oversee risk, each of which:
  - i. has at least three members, a majority of whom are independent directors; and
  - ii. is chaired by an independent director; and disclose:
  - iii. the charter of the committee;
  - iv. the members of the committee; and
  - v. as at the end of the reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b. if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Company does not have a stand-alone risk committee and oversight of risk is the responsibility of the entire Board. The Board has established an Audit Committee, whose responsibilities include monitoring and evaluating the adequacy and effectiveness of the Company's internal control systems and processes for financial reporting and for the management of the Company's financial risk management framework.

Separately, the Board has responsibility for reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance. The Board fulfils this responsibility by:

- delegating day-to-day management of risk to the Managing Director, who is responsible for identifying, assessing, monitoring and managing risks with the assistance of senior management; and
- receiving and reviewing monthly board reports from management which include reporting in the areas of health and safety, environmental, human resources, operations, project development, KPIs, finance, exploration and continuous disclosure.

In fulfilling the duties of risk management, the Managing Director has unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter considered appropriate.

In addition, risk management measures have been adopted by the Board to manage the Company's material business risks including:

- delegated authority limits for all employees;
- establishment of a procedure for ensuring compliance with the Company's continuous disclosure obligations; and
- an annual budget process which includes the identification and management of individual operating site risks which are reviewed by the Board.

### 7.2 The board or a committee of the board should:

- a. review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- b. disclose, in relation to each reporting period, whether such a review has taken place.

The Board annually reviews the risk management framework and did so during the reporting period.

7.3 A listed entity should disclose:

- a. if it has an internal audit function, how the function is structured and what role it performs; or
- b. if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes

The Company does not have a formal internal audit function. Instead, the Board oversees the overall effectiveness of risk management and internal control processes, whilst the Audit Committee has specific responsibility for overseeing the Company's financial risk management framework, including reviewing and monitoring the Company's systems for:

- the reporting of all actual and suspected breaches of laws, including fraud and theft; and
- the control and reporting of unusual and/or high risk transactions, including levels of authority.

At each balance date the Managing Director and Chief Financial Officer provide a written statement to the Board that, in their opinion, the financial records are properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group and that the opinion was formed on the basis of a sound system of risk management and internal control which is operating effectively.

7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The categories of risk identified by the Company and reported on as part of its systems and processes for managing material business risk include financial, operational, human capital, economic cycle, environmental, legal and compliance.

In particular, the Company has exposure in the following areas:

- Gold price and FX currency: The Company is exposed to fluctuations in the Australian dollar gold price which can impact on revenue streams from operations. To mitigate downside in the gold price, the Board has implemented a hedging program to assist in offsetting variations in the Australian dollar gold price. Hedging is an agenda item at each Board meeting to ensure it continues to fit within the Company's hedging strategy and is deemed appropriate.
- Government charges: The gold mining industry is subject of a number of Government taxes, royalties and charges. Changes to the rates of taxes, royalties and charges can impact on the profitability of the Company. The Company maintains communications with relevant parties to mitigate potential increases.
- Operating risk: The Group's gold mining operations are subject to operating risks that could result in decreased production, increased costs & reduced revenues. To manage this risk the Company seeks to attract and retain high calibre employees and implement suitable systems and processes to ensure production targets are achieved.
- Environmental: The Company has environmental liabilities associated with its tenements which arise as a consequence of mining operations, including waste management, tailings management, chemical management, water management and energy efficiency. The Company monitors its ongoing environmental obligations and risks, and implements rehabilitation and corrective actions as appropriate, through compliance with its environmental management system.
- Sustainability risks: The Company seeks to ensure that it provides a safe workplace to minimise risk of harm to its employees and contractors. It achieves this through an appropriate safety culture, safety systems, training and emergency preparedness.

The Company's reports annually on its strategy and the key risks to deliver on that strategy in the Directors' Report section of its Annual Report.

## 8. Remunerate fairly and responsibly

8.1 The board of a listed entity should:

- a. have a remuneration committee which:
  - i. has at least three members, a majority of whom are independent directors; and
  - ii. is chaired by an independent director; and disclose
  - iii. the charter of the committee;
  - iv. the members of the committee; and
  - v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b. if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Board has a Nomination and Remuneration Committee which meets at least twice a year. The Committee has a formal Charter, a copy of which is available on the Company's website. Members of the Committee and the number of meetings held during the year ended 30 June 2020 were:

Director	Meetings Attended	Meetings Held During Director's membership of Committee
Les Davis (Chair)*	1	1
Peter Alexander (Chair)*	1	1
David Quinlivan	2	2
Kelvin Flynn	2	2

\* Les Davis resigned as a Director and ceased as a member of the Nomination and Remuneration Committee on 22 November 2019. Peter Alexander was appointed as Chair of the Nomination and Remuneration Committee in his place.

A majority of the members of the Committee are independent Directors. Mr Davis, who was a Non-Executive Director until 22 November 2019, was not classified as an independent Director as he previously served as Managing Director of the Company from November 2007 until November 2014. Peter Alexander, an independent Director, was subsequently appointed as Chair of the Nomination and Remuneration Committee in place of Mr Davis.

Whilst Mr Davis was not an independent Director (due to his previous tenure as Managing Director of the Company), the Board determined that his appointment as Chair of the Committee was appropriate given his knowledge, skills and experience, and the fact that a majority of the Committee were independent.

8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The Company’s policies on remuneration and the remuneration of Directors and senior executives are contained in the “Remuneration Report” section of the Directors’ Report in the Annual Report. The Remuneration Report separately discloses the remuneration policies and practices for non-executive Directors and senior executives (including executive Directors).

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain high calibre talent;
- aligned to the Company’s strategic and business objectives and the creation of shareholder value;
- transparent and easily understood; and
- acceptable to shareholders.

The Company’s approach to remuneration ensures that remuneration is competitive, performance-focused, clearly links appropriate reward with desired business performance, and is simple to administer and understand by Executives and shareholders.

In line with the remuneration policy, remuneration levels and arrangements are reviewed annually to ensure alignment to the market and the Company’s stated objectives.

The Company’s reward structure provides for a combination of fixed and variable pay with the following components:

- fixed remuneration in the form of base salary, superannuation and benefits;
- short-term incentives (STI); and
- long-term incentives (LTI).

In accordance with the Company’s objective to ensure that executive remuneration is aligned to Company performance, a portion of executives’ remuneration is placed “at risk”. The relative proportion of target FY2020 total remuneration packages split between fixed and variable remuneration is shown below:

Executive	Fixed Remuneration	Target STI	Target LTI
Managing Director	40%	20%	40%
Other Executives	40%	20%	40%

There are no termination or retirement benefits for non-executive Directors (other than for superannuation). Remuneration for non-executive Directors is set at market rates for comparable ASX listed companies and takes the form of cash and superannuation benefits. No fees are payable to Directors who sit on any of the Board Committees.



- 8.3 A listed entity which has an equity-based remuneration scheme should:
- a. have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk or participating in the scheme; and
  - b. disclose that policy or a summary of it.

The Company has a Dealing in Securities Policy, a copy of which is located on the Company's website.

The Policy prohibits key management personnel from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes.