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ABN 44 113 900 020

## **CORPORATE GOVERNANCE PLAN**

Adopted and effective as from 18 December 2019

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## SCHEDULE 1 – BOARD CHARTER

In carrying out the responsibilities and powers set out in this Charter, the Board of **MEC Resources Limited (Company) (Board)**:

- (a) recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
- (b) recognises its duties and responsibilities to its subsidiaries, employees, stakeholders and the communities in which it operates.

### 1. THE SPECIFIC RESPONSIBILITIES OF THE BOARD

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

- (a) appointment of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (b) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (c) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (d) approving and monitoring the progress of major capital expenditure. Capital management and significant acquisitions and divestitures;
- (e) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (f) approving the annual, half-yearly and quarterly accounts;
- (g) approving significant changes to the organisational structure;
- (h) approving the issue of any shares, options, equity instruments or other securities in the Company;
- (i) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (j) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them; and
- (k) meeting with the external auditor, at their request, without management being present.

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## **2. COMPOSITION OF THE BOARD**

- (a) The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.
- (b) In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.
- (c) The majority of the Board should be comprised of non-executive Directors. Where practicable, at least 50% of the Board will be independent. An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to materially interfere with, the exercise of independent judgement.
- (d) Directors must disclose their interests. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.
- (e) Directors are expected to bring their independent view and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.
- (f) Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- (g) Prior to the Board proposing re-election of a non-executive Director, their performance will be evaluated by the Nomination Committee to ensure that they continue to contribute effectively to the Board.
- (h) No member of the Board may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders, other than the Managing Director.
- (i) The Board should comprise Directors with a mix of qualifications, experience, expertise and gender which will assist the Board in fulfilling its responsibilities as well as assisting the Company in achieving growth and delivering value to shareholders.

## **3. THE ROLE OF THE CHAIRMAN**

- (a) The Chairman should be a non-executive Director. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director.
- (b) The Chief Executive Officer should not be the Chairman of the Company during his term as Chief Executive Officer or in the future.
- (c) The Chairman must be able to commit the time to discharge the role effectively.

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- (d) The Chairman is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings.
  - (e) The Chairman should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.
  - (f) In the event that the Chairman is absent from a meeting of the Board then the Board shall appoint a chairman for that meeting.

#### **4. BOARD COMMITTEES**

- (a) Given the small size of the Company at present, the Board has determined that it would not be appropriate or a proper use of valuable shareholder funds to establish Board Committees. Rather, the Board itself will act as a committee in a number of areas until such time as the Board determines that it makes practicable sense establish separate Committees formally reporting to the Board. Accordingly, the Board in fulfilling its duties will operate as 'a committee of the whole' from time to time as required, governed by the Charters for the following Committees until such time as these Committees are established when appropriate:
  - (i) Audit & Risk Committee;
  - (ii) Remuneration Committee;
  - (iii) Nomination Committee;
  - (iv) Continuous Disclosure Committee.
- (b) The Charter for each Committee will be approved by the Board and reviewed following applicable regulatory changes.
- (c) The Board will ensure that the Committees when established will be sufficiently funded to enable them to fulfil their role and discharge their responsibilities.
- (d) Members of Committees will be appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.
- (e) The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.

#### **5. BOARD MEETINGS**

- (a) There must be two Directors present at a Board meeting to constitute a quorum.
- (b) The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required. All Directors will be given adequate notice of scheduled Board meeting, to facilitate full attendance.

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- (c) Non-executive Directors may confer at scheduled time without management being present.
  - (d) The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairman and circulated to Directors after each meeting.
  - (e) The Company Secretary shall distribute supporting papers for each meeting of Board as far in advance as practicable.
  - (f) Minutes of meeting must be approved at the next Board meeting.

**6. COMPANY SECRETARY**

- (a) When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committee and between senior executives and non-executive Directors.
- (b) The Company Secretary is to facilitate the induction of new Directors.
- (c) The Company Secretary is to facilitate the implementation of Board policies and procedures.
- (d) The Company Secretary is to provide advice to the Board, on corporate governance matters and law.
- (e) All Directors have access to the advice and services provided by the Company Secretary.
- (f) The Board has the responsibility for the appointment and removal of the Company Secretary.

**7. ACCESS TO ADVICE**

- (a) All Directors have unrestricted access to company records and information except where the Board determines that such access would be adverse to the Company's interests.
- (b) All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
- (c) The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

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**8. THE BOARD'S RELATIONSHIP WITH MANAGEMENT**

- (a) The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director or Chief Executive Officer, Chief Operating Officer and other designated consultants of the Company.
- (b) In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors provided that as a matter of courtesy the fact of such communications taking place is not made known to the Managing Director or Chief Executive Officer.

**9. PERFORMANCE REVIEW**

The Board acting as the Nomination Committee shall conduct an annual performance review of the Board that:

- (a) compares the performance of the Board with the requirements of its Charter;
- (b) critically reviews the mix of the Board; and
- (c) suggests any amendments to the Charter as are deemed necessary or appropriate.

**10. DISCLOSURE POLICY**

The Board should ensure that the Company has in place effective disclosure policies and procedures so that shareholders and the financial market are fully informed to the extent required by the applicable disclosure rules and legislation on matters that may influence the price or value of the shares of the Company .

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## SCHEDULE 2 – CORPORATE CODE OF CONDUCT

### 1. PURPOSE

The purpose of this Corporate Code of Conduct is to provide **MEC Resources Limited (Company)** with a framework for decision and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealings in its business affairs and to a duty of care to all employees, clients and stakeholders. The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behavior expected from employees.

### 2. ACCOUNTABILITIES

#### 2.1 Managers and Supervisors

Managers and supervisors are responsible and accountable for:

- (a) undertaking their duties and behaving in a manner that is consistent with the provisions of the Code of Conduct;
- (b) the effective implementation, promotion and support of the Code of Conduct in their areas of responsibility; and
- (c) ensuring employees under their control understand and follow provisions outlined in the Code of Conduct.

#### 2.2 All employees are responsible for:

- (a) undertaking their duties in a manner that is consistent with the provisions of the Code of Conduct;
- (b) reporting suspected corrupt conduct; and
- (c) reporting any departure from the Code of Conduct by themselves or others.

### 3. PERSONAL AND PROFESSIONAL BEHAVIOUR

When carrying out duties as an employee of the Company the person should:

- (a) behave honestly and with integrity and report other employees who are behaving dishonestly;
- (b) carry out their work with integrity and to a high standard and in particular, commit to the Company's policy of producing quality work;
- (c) operate within the law at all times;
- (d) follow the policies of the Company; and



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- (e) act in an appropriate business-like manner when representing the Company in public forums.

#### **4. CONFLICT OF INTEREST**

Potential for conflict of interest arises if it is likely that a person could be influenced, or it could be perceived that the person is influenced, by a personal interest when carrying out one's duties. Conflicts of interest that lead to biased decision making may constitute corrupt conduct.

- (a) Some situations that may give rise to a conflict include situations where one has:
  - (i) financial interests in a matter the Company deals with or one is aware that one's friends or relatives have a financial interest in the matter;
  - (ii) directorships / management of outside organisations;
  - (iii) memberships of boards of outside organisations;
  - (iv) personal relationships with people the Company is dealing with which go beyond the level of a professional working relationship;
  - (v) secondary employment, business, commercial, or other activities outside the workplace which impacts on one's duties and obligations to the Company;
  - (vi) access to information that can be used for personal gain; and
  - (vii) offer of an inducement.
- (b) The person may often be the only person aware of the potential for conflict. It is their responsibility to avoid any conflict from arising that could compromise their ability to perform their duties impartially. One must report any potential or actual conflict of interest to the person's manager.
- (c) If one is uncertain whether a conflict exists, one should discuss that matter with the manager and attempt to resolve any conflict that may exist.
- (d) One must not submit or accept any bribe, or other improper inducement. Any such inducements are to be reported to one's manager.

#### **5. PUBLIC AND MEDIA COMMENT**

- (a) Individuals have a right to give their opinions on political and social issues in their private capacity as members of the community.
- (b) Employees must not make official comment on matters relation to the Company unless they are:
  - (i) authorised in writing to do so by the Managing Director and Chief Executive Officer; or

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- (ii) giving evidence in court; or
  - (iii) otherwise authorised or required to be law.
- (c) Employees must not release unpublished or privileged information unless they are authorised to do so in writing by the Managing Director and/or the Chief Executive Officer.

**6. USE OF COMPANY RESOURCES**

Requests to use Company resources outside core business time should be referred to management for approval.

If employees are authorised to use Company resources outside core business times they must take responsibility for maintaining, replacing, and safeguarding the property and following any special directions or conditions that apply.

Employees using Company resources without obtaining prior approval could face disciplinary and/or criminal action. Company resources are not to be used for any private commercial purpose.

**7. SECURITY OF INFORMATION**

Employees are to make sure that confidential and sensitive information cannot be accessed by authorised persons. Sensitive material should be securely stored overnight or when unattended. Employees must ensure that confidential information is only disclosed or discussed with people who are authorised to have access to it. It is considered a serious act of misconduct to deliberately release confidential documents or information to unauthorised persons, and may incur disciplinary action.

**8. INTELLECTUAL PROPERTY / COPYRIGHT**

Intellectual property includes the rights to scientific discoveries, industrial designs, trademarks, service marks, commercial names and designations, and inventions that are valuable to the Company.

The Company is the owner of intellectual property created by employees in the course of their employment unless a specific agreement has been made. Employees must obtain written permission to use any such intellectual property from the Company Secretary before making any use of that property for purposes other than as required in their role as employee.

**9. DISCRIMINATION AND HARASSMENT**

Employees and Directors must not harass, discriminate, or support others who harass and discriminate against colleagues or members of the public on the grounds of gender, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), physical or intellectual impairment, homosexuality or transgender.

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Such harassment or discrimination may constitute an offence under legislation. Managers should understand and apply the principles of Equal Employment Opportunity.

#### **10. CORRUPT CONDUCT**

Corrupt conduct involves the dishonest or partial use of power or position which results in one person/group being advantaged over another. Corruption can take many forms including, but not limited to:

- (a) official misconduct;
- (b) bribery and blackmail;
- (c) unauthorised use of confidential information;
- (d) fraud; and
- (e) theft.

Corrupt conduct will not be tolerated by the Company. Disciplinary action up to and including dismissal will be taken in the event of any employee participating in corrupt conduct.

#### **11. OCCUPATIONAL HEALTH AND SAFETY**

It is the responsibility of all employees to act in accordance with occupational health and safety legislation, regulations and policies applicable to their respective organisations and to use security and safety equipment provided.

Specifically all employees are responsible for safety in their work area by:

- (a) following the safety and security directives of management;
- (b) advising management of areas where there is potential problem in safety and reporting suspicious occurrences; and
- (c) minimising risks in the workplace.

#### **12. LEGISLATION**

It is essential that all employees comply with the laws and regulations of the countries in which the Company operates. Violations of such laws may have serious consequences for the Company and any individuals concerned. Any known violation must be reported immediately to management. If in doubt employees should seek advice from the Company Secretary.

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**13. FAIR DEALING**

The Company aims to succeed through fair and honest competition and not through unethical or illegal business practices. Each employee should endeavor to deal fairly with the Company's suppliers, customers and other employees.

**14. INSIDER TRADING**

All employees must observe the Company's Securities Trading Policy. In conjunction with the legal prohibition on dealing in the Company's securities when in possession of unpublished price sensitive information, the Company has established specific time periods when Director, management and employees are permitted to buy and sell the Company's securities.

**15. RESPONSIBILITIES TO INVESTORS**

The Company strives for full, fair and accurate disclosure of financial and other information on a timely basis.

**16. BREACHES OF THE CODE OF CONDUCT**

Employees should note that breaches of certain sections of this Code of Conduct may be punishable under legislation.

Breaches of this code may led to disciplinary action. The process for disciplinary action is outlined in Company policies and guidelines, relevant industrial awards and agreements.

**17. REPORTING MATTERS OF CONCERN**

Employees are encouraged to raise any matters of concern in good faith with the head of their business unit or with the Company Secretary without fear of retribution.

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## SCHEDULE 3 – AUDIT AND RISK COMMITTEE CHARTER

### 1. ROLE

The role of the Audit and Risk Committee will be to assist the Board of **MEC Resources Limited (Company)** in monitoring and reviewing any matters of significance affecting financial reporting and compliance. This Charter defines the Audit and Risk Committee's function, composition, mode of operation, authority and responsibilities.

### 2. COMPOSITION

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

### 3. PURPOSE

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

- (a) the quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- (b) compliance with all applicable laws, regulations and company policy;
- (c) the effectiveness and adequacy of internal control processes;
- (d) the performance of the Company's external auditors and their appointment and removal;
- (e) the independence of the external auditors and the rotation of the lead engagement partner; and
- (f) the identification and management of business risks.

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

#### **4. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

##### **4.1 Review of Financial Reports**

- (a) Review the appropriateness of the accounting principles adopted by management in the financial reports and the integrity of the Company's financial reporting.
- (b) Oversee the financial reports and the results of the external audits of those reports.
- (c) Assess whether external reporting is adequate for shareholder needs.
- (d) Assess management processes supporting external reporting.
- (e) Establish procedures for treatment of accounting complaints.
- (f) Review the impact of any proposed changes in accounting policies on the financial statements.
- (g) Review the quarterly, half-yearly and annual results.

##### **4.2 Relationship with External Auditor**

- (a) Recommend to the Board procedures for the selection and appointment of external auditor and for the rotation of external audit partners.
- (b) Review performance, succession plans and rotation of lead engagement partner.
- (c) Approve the external audit plan and fees proposed for audit work to be performed.
- (d) Discuss any necessary recommendations to the Board for the approval of quarterly, half-yearly and annual reports.
- (e) Review the adequacy of accounting and financial controls together with the implementation of any recommendation of the external auditor in relation thereto.
- (f) Meet with the external auditors at least twice in each financial period without management being present and at any other time the Committee considers appropriate.
- (g) Provide pre-approval of audit and non-audit services that are to be undertaken by the external auditor.

- (h) Ensure adequate disclosure as may be required by law of the Committee's approval of all non-audit services provided by the external auditor.
- (i) Ensure that the external auditors prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company.
- (j) Receive from the external auditor their report on, among other things, critical accounting policies and alternative accounting treatment, prior to the filing of their audit report in compliance with the Corporations Act and ASX Listing Rules.

#### **4.3 Internal Audit**

- (a) Currently, the Company does maintain an Internal Audit Function.

#### **4.4 Risk Management**

- (a) Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
- (b) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

#### **4.5 Other**

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

### **5.0 MEETINGS**

- (a) The Committee will meet at least each financial quarter and additionally as circumstances may require for it to undertake its role effectively.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- (c) Where deemed appropriate by the Chairman of the Committee, meeting and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.
- (d) A quorum shall consist of two members of the Committee. In the absence of the Chairman of the Committee or their nominee, the members shall elect one of their members as Chairman of that meeting.

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- (e) Decisions will be based on a majority of votes with the Chairman having a casting vote.
  - (f) The Committee Chairman, through the Secretary, will prepare a report of the actions of the Committee to be included in the Board papers for the next board meeting.
  - (g) Minutes of each meeting are included in the papers of the net full Board meeting after each Committee meeting.

**6. SECRETARY**

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of the meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

**7. RELIANCE ON INFORMATION OR PROFESSIONAL OR EXPERT ADVICE**

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- (a) an employee of the Company whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- (b) a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- (c) another Director or officer of the Company in relation to matters within the Director's or officer's authority.

**8. ACCESS TO ADVICE**

- (a) Members of the Committee have rights to access to management and to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interest.
- (b) Members of the Committee may meet with the auditor, both internal and external, without management being present.
- (c) Members of the Committee may consult independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities, subject to prior consultation with the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

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**9. REVIEW OF CHARTER**

- (a) The Board will conduct an annual review of the membership to ensure that the Committee has carried out its functions in an effective manner, and will update the Charter as required or as a result of new laws or regulations.
- (b) The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.

**10. REPORT TO THE BOARD**

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

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## SCHEDULE 4 – REMUNERATION COMMITTEE CHARTER

### 1. GENERAL SCOPE AND AUTHORITY

- (a) The Remuneration Committee will be a Committee of the Board of **MEC Resources Limited (Company)**. The Charter may be subject to review by the Board at any time.
- (b) The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:
  - (i) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
  - (ii) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
  - (iii) recommending to the Board the remuneration of executive Directors;
  - (iv) fairly and responsibly rewarding executives having regard to the performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market;
  - (v) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
  - (vi) reviewing and approving the remuneration of director reports to the Managing Director, and as appropriate other senior executives; and
  - (vii) reviewing and approving any equity based plans and other incentive schemes.
- (c) the Committee shall have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense.

### 2. COMPOSITION

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

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- (d) A quorum will comprise any two director Committee members. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman for that meeting.

### **3. SECRETARY**

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

### **4. MEETINGS**

- (a) The Committee will meet at least once per year and additionally as circumstances may require.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- (c) A quorum shall comprise two members of the Committee. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their members as Chairman.
- (d) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or a conference call.
- (e) Decisions will be based on a majority of votes with the Chairman having the casting vote.
- (f) The Committee may invite any executive management team members or other individuals, including external third parties, to attend meetings of the Committee, as they consider appropriate.

### **5. ACCESS**

- (a) Members of the Committee have rights of access to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- (b) The Committee may consult independent experts to assist it in carrying out its duties and responsibilities subject to prior consultation with the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

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## 6. DUTIES

The overall remit of the Remuneration Committee is to:

- (a) determine and agree with the Board the framework and policy for the remuneration of the Company's Chairman and Chief Executive Officer and individuals reporting directly to both of them, including, for the avoidance of doubt, all executive directors and the company secretary employed on a contract of service or a contract for services (Executive) which ensures that they are fairly, but responsibly rewarded for their individual contributions to the Company's overall performance;
- (b) demonstrate to the shareholders of the Company that the remuneration of the Executives is independently approved and monitored and set by a committee of the Board whose members have no personal financial interest, other than as shareholders, in the outcome of the decisions of the Remuneration Committee and who will have due regard to the interests of shareholders; and
- (c) to ensure that the Company complies with best practice provisions regarding directors' remuneration.

In determining the policy and all elements of the remuneration of the Executives, the Remuneration Committee shall:

- (a) consider the basic salary paid to the Executives and any recommendations made by the Chairman of the Company for changes to that basic salary;
- (b) consider any bonuses to be paid to the Executives and, in respect of any element of remuneration of an Executive which is performance related, to formulate suitable performance related criteria and monitor their operation, and to consider any recommendation made by the Chairman of the Company regarding bonuses or performance-related remuneration;
- (c) advise on and determine all performance –related formulae relevant to the remuneration of the directors of the Company and consider the eligibility of directors for annual bonuses and benefits under long term incentive schemes;
- (d) determine the policy for, and scope of, superannuation arrangements for each director and other senior executives;
- (e) have regard to any published guidelines or recommendations regarding the remuneration of directors of listed companies and the formation and operation of share incentive plans which the Remuneration Committee considers relevant or appropriate including the provisions and recommendations of the ASX Corporate Governance Council Principles of Good Corporate Governance and Good Practice Recommendations, and associated guidance;
- (f) consider and make recommendations to the Board about the public disclosure of executive directors' remuneration packages in relation to those required by law;
- (g) consider other benefits granted to the executive and any recommendations of the Chairman of the Company for changes in those benefits;

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- (h) agree the policy for authorising expense claims from the Chief Executive Officer and the Chairman of the Company;
- (i) consider and make recommendations in respect of the terms of employment of the executives and any proposed changes to these terms (including, without limitation, any compensation payments, notice periods, or other entitlements under these contracts).
- (j) consider any other matters relating to the remuneration of or terms of employment applicable to the Executives referred to it by the Board;
- (k) ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and the duty to mitigate loss is fully recognised;
- (l) ensure that all provisions regarding disclosure of remuneration including superannuation are fulfilled; and
- (m) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have the full authority to commission any reports or surveys which it deems necessary to help fulfil its obligations.

The Committee shall also:

- (a) Executive Remuneration Policy
- (i) Review and approve the Company's recruitment, retention and termination policies and procedures for senior executives to enable the Company to attract and retain executives and Directors who can create value for shareholders.
- (ii) Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs.
- (iii) Ensure that remuneration policies fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and prevailing remuneration expectations in the market.
- (b) Executive Incentive Plan
- Review and approve the design of any executive incentive plans.
- (c) Equity Based Plans
- (i) Review and approve equity based plans that may be introduced (Plans) in the light of legislative, regulatory and market developments.

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- (ii) For each Plan, determine each year whether awards will be made under that Plan.
  - (iii) Review and approve total proposed awards under each Plan.
  - (iv) In addition to considering awards to executive Directors and direct reports to the Managing Director and Chief executive Officer, review and approve proposed awards under each plan on an individual basis for executive as required under the rules governing each plan or as determined by the Committee.
  - (v) Review, approve and keep under review performance hurdles for each equity base plan.

(d) Other

The Committee shall perform other duties and activities that it or the Board considers appropriate.

**7. APPROVALS**

The Committee must approve the following prior to implementation:

- (a) changes to the remuneration or contract terms of executive Directors and direct reports to the Managing Director and the Chief Executive Officer;
- (b) the Plans or amendments to current equity plans or executive cash-based incentive plans;
- (c) total level of awards proposed from equity plans or executive cash-based incentive plans; and
- (d) termination payments to executive Directors or direct reports to the Managing Director. Termination payments to other departing executives should be reported to other Committee at its next meeting.

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## SCHEDULE 5 – NOMINATION COMMITTEE CHARTER

### 1. GENERAL SCOPE AND AUTHORITY

- (a) The Nomination Committee is a Committee of the Board of **MEC Resources Limited (Company)**. The Charter may be subject to review by the Board at any time.
- (b) The primary purpose of the Committee is to support and advise the Board in:
  - (i) maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
  - (ii) ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standard of corporate governance.

### 2. COMPOSITION

- (a) the Committee shall comprise at least two directors, where possible independent non-executive directors, one of whom will be appointed the Committee Chairman.
- (b) The Board may appoint additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

### 3. SECRETARY

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

### 4. MEETINGS

- (a) The Committee will meet at least once per year and additionally as circumstances may require.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- (c) A quorum shall comprise two members of the Committee. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their members as Chairman.

- 
- (d) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or a conference call.
  - (e) Decisions will be based on a majority of votes with the Chairman having the casting vote.
  - (f) The Committee may invite any executive management team members or other individuals, including external third parties, to attend meetings of the Committee, as they consider appropriate.

## **5. ACCESS**

- (a) Members of the Committee have rights of access to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- (b) The Committee may consult independent experts to assist it in carrying out its duties and responsibilities subject to prior consultation with the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

## **6. RESPONSIBILITIES**

The Committee shall periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors. In particular, the Committee is to:

- (a) identify and recommend to the Board candidates for the Board after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience and after assessment of how the candidates can contribute to the strategic direction of the Company;
- (b) approve and review induction procedures for new appointees of the Board to ensure that they can effectively discharge their responsibilities;
- (c) assess and consider the time required to be committed by a non-executive Director to properly fulfil their duty to the Company and advise the Board;
- (d) consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
- (e) review Directorships in other public companies held by or offered to Directors and senior executives of the Company;
- (f) review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
- (g) arrange an annual performance evaluation of the Board, its Committees and individual Directors;



- 
- (h) make recommendations to the Board on the appropriate size and composition of the Board; and
  - (i) make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board.

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## SCHEDULE 6 – PERFORMANCE EVALUATION

The Nomination Committee will arrange a performance evaluation of the Board, its Committees and its individual Directors on an annual basis. To assist in their process an independent advisor may be used.

The Nomination Committee will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively.

The review will include:

- (a) comparing the performance of the Board with the requirements of its Charter;
- (b) examination of the Boards' interaction with management;
- (c) the nature of information provided to the Board by management; and
- (d) management's performance in assisting the Board to meeting its objectives.

A similar review will be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying where improvements can be made.

The Remuneration Committee will oversee the performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.

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## SCHEDULE 7 – CONTINUOUS DISCLOSURE

### 1. INTRODUCTION

The continuous disclosure provisions of the Corporations Act and the Listing Rules mean that criminal and civil liabilities could be imposed on **MEC Resources Limited (Company)** and its officers if information is not released immediately after it becomes known.

This memorandum deals with:

- (a) the composition and duties of the Continuous Disclosure Committee;
- (b) the obligations of the Company;
- (c) the type of information that needs to be disclosed;
- (d) the procedures for internal notification and external disclosure;
- (e) the roles and responsibilities of officers in the disclosure content;
- (f) the procedures for promoting understanding of compliance with the disclosure requirements; and
- (g) the procedure for monitoring compliance.

### 2. GENERAL SCOPE AND AUTHORITY

- (a) The Company's Board acts as a Continuous Disclosure Committee as a committee of the whole and will establish a separate Committee when it is appropriate to do so. The Committee is charged with the responsibility for the development and oversight of the policy and procedures applicable to the Company's continuous disclosure obligations and is required to approve all exchange announcements.
- (b) The Charter may be subject to review by the Board at any time.
- (c) The primary purpose of the Continuous Disclosure Committee will be to support and advise the Board in fulfilling its continuous disclosure obligations.
- (d) The Continuous Disclosure Committee shall have the right to seek an information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense.

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### 3. COMPOSITION

- (a) The Continuous Disclosure Committee shall comprise at least two directors, where possible these directors shall be independent non-executive Directors.
- (b) The Continuous Disclosure Committee will be chaired by an independent Director who will be appointed by the Board (Continuous Disclosure Officer).
- (c) The Board may appoint such additional non-executive directors to the Continuous Disclosure Committee or remove and replace members of the Continuous Disclosure Committee by resolution.
- (d) A quorum will comprise two Director Continuous Disclosure Committee members. In the absence of the Continuous Disclosure Officer, a deputy must be appointed.

### 4. DUTIES

The overall remit of the Continuous Disclosure Committee will be to:

- (a) review all information of which they become aware for the purpose of the Listing Rules in relation to continuous disclosure (usually advised by the Chief Executive Officer, Chief Financial Officer and other designated consultants of the Company);
- (b) be responsible to the Board for assisting the Board and the Company in meeting its continuous disclosure obligations;
- (c) review all draft Exchange announcements required to be released by the Company in accordance with its continuous disclosure obligations;
- (d) liaise with the Company's technical consultants and designated contractors in relation to drill and test results which require the release of an Exchange announcement;
- (e) ensure that that an exchange announcement which has been reviewed and approved pursuant to the process outlined above, is only released by the Company Secretary or Chief Financial Officer;
- (f) ensure that Board only informs analysis, media and other shareholders of the subject matter of the applicable exchange announcement following confirmation of the Exchange's receipt of the announcement;
- (g) ensure that all information disclosed to the Exchange in compliance with the Company's continuous disclosure obligations is promptly placed on the Company's website; and

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- (h) submit a quarterly declaration to the exchange, executed by the Chairman of the Company, the Chief Executive Officer and the Chairman of the Continuous Disclosure Committee, certifying that the Board has reviewed the Company's operations during the preceding quarter and declares that in the opinion of the Board, there are no issues that require additional disclosure by the Company and that the market is fully informed in accordance with the Company's continuous disclosure obligations under the Listing Rules in respect of the prospects and activities of the Company.

**5. KEY OBLIGATIONS OF THE COMPANY TO NOTIFY Directors,**

**officers, employees and agents of the Company:**

*Are you aware of any information about the Company that might influence someone in deciding to buy or sell the Company Securities?*

If so, immediately telephone the Continuous Disclosure Officer of the Company (refer to section 1 of the Schedule 7) and then send the information contained in Annexure A of the Notification Form (as annexed to this schedule 7) to the Continuous Disclosure Officer. In the absence of the Continuous Disclosure Officer the Company's Company Secretary should be contacted.

**Continuous Disclosure Officer**

The Continuous Disclosure Officer will process promptly all Notification Forms received and complete Annexure B to this Schedule 7 in consultation with appropriate personnel. When required, an announcement to the exchange will be prepared and released.

**6. THE COMPANY'S OBLIGATIONS**

**Listing Rules – Disclosure**

The Listing Rules requires "immediate" or "without delay" disclosure of any information concerning the Company or its associated entities which the Company or its associated entities is or becomes aware and which a reasonable person would expect to have a "material effect" on the price or value of securities in the Company. Section 674 of the Corporations Act reinforces the Listing Rules in relation to continuous disclosure.

The requirement to disclose this information does not apply if, and only if, each of the following conditions is and remains satisfied:

- (a) a reasonable person would not expect the information to be disclosed;
- (b) the information is confidential and the Exchange has not formed the view that the information has ceased to be confidential; and

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- (c) one or more of the following conditions apply:
- (i) it would be a breach of a law to disclose the information;
  - (ii) the information concerns an incomplete proposal or negotiation (for example, a negotiation to enter a new contract);
  - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - (iv) the information is generated for the internal management purposes of the Company; or
  - (v) the information is a trade secret.

**7. HOW DOES THE COMPANY BECOME AWARE OF INFORMATION?**

The Company will be deemed to have become aware of information where a director or executive officer has, or ought reasonably to have come into possession of the information in the course of the performance of his/her duties as a director or executive officer of the Company.

As the Listing Rules fix the Company with the knowledge of a director or executive officer, it is very important to follow the notification procedures set out later in the Guide. Because there is an obligation to disclose information, a director or executive officer “ought reasonably” to have come into possession of, the notification procedures in the Guide are designed to ensure that all potentially relevant information regarding the Company is brought to the attention of the Company.

An executive officer is a person concerned in, or taking part in, the management of the Company.

**8. MATERIALITY**

The Company must disclose information if a reasonable person would expect that information to have a material effect on the price or value of the securities of the Company. A reasonable person is taken to expect information to have such an effect if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell, those securities.

Neither the Listing Rules nor the Corporations Act define when information will be taken to have such an effect. In practice, usually a monetary test is adopted using thresholds from the accounting standards relevant to preparation of financial statements. However, other concepts of materiality are also adopted in addition to a monetary threshold. For example:

- (a) whether a matter will significantly damage the Company’s image or reputation;
- (b) whether a matter will significantly affect the Company’s ability to carry on business in the ordinary course;
- (c) whether the matter involves a breach of any law or regulation; and

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- (d) information may include information necessary to prevent or correct a false market.

## **9. THE TYPE OF INFORMATION THAT NEEDS TO BE DISCLOSED**

It is not possible to exhaustively list the information, which must be disclosed. The following examples are provided to give you some idea about information that might require disclosure.

If there is any doubt about the importance of information which comes to light, there should be immediate notification to the Continuous Disclosure Officer so that advice can be given and a formal decision can be made as to whether or not to release the information. In the Continuous Disclosure Officer's absence the Company Secretary should be contacted.

Examples of information that might need to be disclosed include the following:

- (a) a new contract that the Company had entered into or a variation to an existing contract; or
- (b) any event which could affect the Company's assets, earnings or profitability such as:
  - (i) litigation being commenced by or against the Company;
  - (ii) significant unbudgeted capital expenditure commitments arising; or
  - (iv) proposed changes in the nature of the business of the Company; or
- (c) any other confirmation regarding the Company that may be material to the share price or the value of shares and/or other securities of the Company such as:
  - (i) proposed changes to the Board or senior management;
  - (ii) proposed changes to the capital structure of the Company; or
  - (iii) a matter that may significantly damage the Company's image or reputation.

## **10. OBLIGATIONS TO NOTIFY THE CONTINUOUS DISCLOSURE OFFICER**

Where any information comes to light about the Company which may need to be released, the information is required to be brought to the attention of the Continuous Disclosure Officer (or delegate) with all possible expediency.

The procedure for notification is set out in the Schedule. The Schedule also contains a checklist for the Company's directors, executive officers, employees and agents designed to assist in determining whether information may need to be released.

Until a decision as to whether or not to disclose information has been made, the Company directors, officers, employees and agents must treat the information as strictly confidential.

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**11. DECISION NOT TO DISCLOSE INFORMATION**

If a decision is made not to disclose information, the reasons for withholding that information must be documented at the time the decision is made, signed by the Continuous Disclosure Officer (or delegate), dated and retained.

**12. CONFIDENTIAL INFORMATION**

In determining whether any information that comes to light about the Company needs to be released, it will be necessary to determine whether the conditions permitting non-disclosure which are mentioned in section 6 above apply. In particular, a determination may need to be made as to whether the information is confidential. If a determination is made that the information is confidential, then the Continuous Disclosure Officer will ensure that anyone who has a copy of the information is aware that it is confidential.

**13. RELATIONSHIP WITH MEDIA AND PUBLIC**

The Company must disclose information needed to prevent a false market. Accordingly, it may be necessary for the Company to correct a rumor or respond to speculation, including media speculation, regarding the Company.

Relevant information must be provided to the Exchange in accordance with the Listing Rules and released to the market before it is provided to the media (even on an embargoed basis).

Care must be taken not to make comments to the media or others which could result in rumors or speculation about the Company. Staff must comply with the media relations policy of the Company. That policy limits media contact to the Continuous Disclosure Officer. Other officers and executive may only confer with the media in relation to a particular matter concerning the Company if they have obtained the prior express approval of Continuous Disclosure Officer or their delegate for the purpose of giving such approval.

**14. EMPLOYMENT AND MONITORING COMPLIANCE**

To promote an understanding of the continuous disclosure obligations imposed on the Company by the Corporations Act and the Listing Rules, a copy of this guide will be provided to all directors, executive officers, employees (present or future) and agents of the Company who may from time to time be in the possession of undisclosed information that may be material to the price or value of the Company's securities. All recipients are required to acknowledge receipt by completing the form at Appendix 1.

The Continuous Disclosure Officer of the Company will ensure that the continuous disclosure obligation so the Company are drawn to the attention of officers, employees or agents of the Company, by written memorandum, at least once in every 12 month period.

At least once in every 12 month period, the Audit and Risk Committee will review the Company's compliance with this memorandum. From time to time, and if considered necessary, the Board of the Company may update this memorandum (and distribute an updated copy to all directors, officers, employees and relevant agents of the Company) to reflect changes in the Company's business operations and changes in the Corporations Act and the Listing Rules.

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The induction procedures for new staff must require that a copy of this Guide be provided to each new employee. It is the responsibility of the Continuous Disclosure Officer (or their designate) of the Company to ensure that all staff and consultants have received this Guide and understand its requirements.

**15. SHARE TRADING BY OFFICERS**

Any director, officer or employee of the Company proposing to trade in the Company's securities must comply with the Company's Securities Trading Policy.

**16. REPORTING AND CORRECTING MISTAKEN NON-DISCLOSURE**

Any director, officer or employee of the Company who becomes aware that relevant information has not been notified and disclosed in accordance with the preceding provisions, should immediately contact the Continuous Disclosure Officer of the Company so that appropriate action can be taken. It is far better to correct mistaken non-disclosure and lodge an announcement belatedly than to continue to ignore the omission and fail to comply with the Listing Rules in relation to continuous disclosure.

**17. CONCLUSION**

Compliance with this policy is very important. Failure to comply could lead to civil or criminal liabilities for the Company and its officers and could have a damaging impact on the perception of the Company within the investment community. Any director, officer, employee or agent of the Company who willfully or negligently causes a failure to comply by the Company will be considered to have engaged in serious misconduct which may result in the termination of their engagement by the Company.

All directors, officers, employees and agents are encouraged to actively consider the need for disclosure.

Does the person have information likely to influence a person to buy or sell the Company's securities?

If so, that person must notify the Continuous Disclosure Officer of the Company as soon as possible. It is far better to consider and where appropriate, reject the need for disclosure rather than make what could be a false assumption that the information does not need to be disclosed.

**18. APPROVED AND ADOPTED**

This Charter was approved by the Board on 18 December 2019

Date:

Signed:

Chairman

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## Appendix

### NOTIFICATION CHECKLIST

*You are aware of information concerning the Company which you think might influence someone to buy or sell the Company's securities. Use this checklist to help you determine whether the information may require disclosure under the Listing Rules. Remember, if in doubt always notify and discuss your concerns with the Continuous Disclosure Officer of the Company.*

**Is the information likely to influence someone buying or selling the Company's securities?**

**Is the information likely to have a material effect on the price or value of the shares of the Company?**

**Would the information be likely to influence people who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the Company's shares?**

For example:

- (a) Does the information relate to any change in the value of the Company?
- (b) Is the information about a material acquisition or sale by, the Company?
- (c) Is the information about a significant "milestone" achievement for the Company?
- (d) Are you about to commit the Company to a strategic alliance or business relationship, or new initiatives?
- (e) Has someone threatened to sue the Company?
- (f) Have you instructed a corporate solicitor to initiate legal action against a Company customer or supplier or any other party? And
- (g) Might the information significant damage the Company's image or reputation.

If so, the information might be material and you should immediately notify the Company's Continuous Disclosure Officer.

**Are the conditions for non-disclosure satisfied?**

For example:

- (a) Would a reasonable person expect the information to be disclosed?
- (b) Would disclosure result in unreasonable prejudice to the Company?
- (c) Is the information confidential and has it remained confidential? Are all of the persons who, to your knowledge, are in possession of the information, bound by an obligation of confidentiality? Has there been any media speculation concerning the information?

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**Does one or more of the following apply?**

- (a) it would be a breach of a law to disclose the information;
- (b) the information related to 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 the internal management purposes of the Company; and
- (e) the information is a trade secret?

Ultimately, it is not for you to determine whether these conditions are satisfied. Having determined that:

- (a) the information has been received in the course of your duties for the Company; and
- (b) the information is likely to influence someone to buy or sell the Company securities, you must disclose the information to the Continuous Disclosure Officer of the Company.

**NOTIFICATION PROCEDURE**

Where information comes to light about the Company that may need to be disclosed, the following procedure must be followed:

- Step 1:** Telephone the Continuous Disclosure Officer (or delegate) of the Company.
- Step 2:** Complete Part a of the Notification Form (Annexure A).
- Step 3:** Forward the Notification Form to the Continuous Disclosure Officer (or delegate) of the Company.
- Step 4:** The Continuous Disclosure Officer of the Company (or delegate) notifies all members of the Continuous Disclosure Committee and the committee considers the notification and completes Part B of the Notification Form (Annexure A).
- Step 5:** The Continuous Disclosure Committee reviews the draft announcement prepared by management (and where applicable in consultation with the Company's technical consultants and designated contractors).
- Step 6:** The Continuous Disclosure Committee approves the final announcement.
- Step 7:** Subject to the approval of the Continuous Disclosure Committee, the announcement is lodged with the ASX by the Company Secretary or the Chief Financial Officer.

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**Step 8:** The Company Secretary or the Chief Financial Officer files the completed Notification Form (Annexure A) and if applicable, announcement in the Continuous Disclosure register.

**All steps must be completed promptly.**

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ANNEXURE A

NOTIFICATION FORM

Notification of Information regarding MEC Resources Limited to enable determination of whether it is necessary to disclose information pursuant to the Listing Rules.  
(for internal use only)

**Part A**

The following information regarding the Company may be relevant to the Company's continuous disclosure obligations pursuant to the Listing Rules:

Clearly describe the information that would likely to influence an investor (the information).

To my knowledge there \*has been /\* has not been any press commentary concerning the information. \* delete whichever is not applicable

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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**ANNEXURE A**

**NOTIFICATION FORM**

**Notification of Information regarding MEC Resources Limited to enable determination of whether it is necessary to disclose information pursuant to the Listing Rules.  
(for internal use only)**

**Part B** (for completion by the Continuous Disclosure Committee of the Company)

This notification was received at \_\_\_\_\_(time) on \_\_\_\_\_(date).

After examining this notification and consulting with the appropriate personnel, the Continuous Disclosure Committee has determined that the disclosure of the Information:

Should be made pursuant to the Listing Rules and have directed accordingly (attach Exchange announcement)

Or

Is not required for the purposes of the Listing Rules because:

- the information is confidential and it has remained confidential
- it would be a breach of a law to disclose the information (state why)
- the information is, or is part of an incomplete proposal or negotiation (state why)
- the Information comprises matters of supposition or is insufficiently definite to warrant disclosure
- the Information is generated for the internal management purposes of the Company (state relevant purpose)
- the Information is a trade secret
- a reasonable person would not expect the information to be disclosed (state why)

Accordingly, at least one of the conditions pre-requisite to non-disclosure of the Information is not satisfied.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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**APPENDIX 1**

**FORM OF ACKNOWLEDGEMENT**

1. I have read and understood the document titled "Continuous Disclosure".
2. I agree to be bound by and to comply with the document titled "Continuous Disclosure".
3. I acknowledge and agree that the document titled "Continuous Disclosure" constitutes a condition of the terms of my appointment.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

To be returned to the Continuous Disclosure Officer on completion.

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## SCHEDULE 8 – RISK MANAGEMENT

### 1. INTRODUCTION

This Policy has been adopted by **MEC Resources Limited (Company)** to establish and set out the Company's risk oversight and management and internal control.

### 2. RISK OVERSIGHT

The Board has the primary responsibility for identifying the principal risks and opportunities of the Company's business and ensuring that appropriate risk management systems and an internal control framework are established and reviewed. The Board fulfils its responsibility by overseeing the establishment and implementation of these systems and framework, through approval and review of the Company's processes.

The Board acting as the Audit and Risk Committee pending the establishment of the Committee has the specific function and responsibility for establishing, implementing and maintaining the Company's risk management systems and internal control framework. When established by the Board the Audit and Risk Committee will operate under a charter to be approved by the Board, which will include the following duties:

- (a) to review the effectiveness of management information and other systems of internal control;
- (b) to review all areas of significant financial risk and the arrangement in place to contain those to acceptable levels; and
- (c) to monitor the internal controls and accounting compliance with all relevant accounting standards and the Listing Rules.

The Audit and Risk Committee's duties will include other matters which impact upon risk management, such as matters relating to the Company's external auditor and reviewing significant transactions, financial information and reporting and other procedures for that information.

Further to the Audit and Risk Committee's role, the actual management of operational risk and the implementation of risk management strategies will be delegated to the Company's management.

The Board recognises that this delegation of responsibility to the Audit and Risk Committee and to management will not reduce its primary responsibility for the oversight of risk management. The Board will approve all risk management systems and the internal control framework established by the Audit and Risk Committee which is implemented by management. The Board will receive and adopt a report from the Audit and Risk Committee on its activities as part of the approval of the Company's annual report.



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### **3. RISK PROFILE**

The Board recognises that material risks facing the Company are the more significant areas of uncertainty or exposure to the Company that could adversely affect the achievement of the Company's objectives and successful implementation of its business strategies.

The Board will update the list of material risks on an ongoing basis upon advice from the Audit and Risk Committee including, where appropriate, as a result of regular interaction with management and other relevant staff across the Company's business.

### **4. RISK MANAGEMENT SYSTEM AND COMPLIANCE AND CONTROL**

The Company's system for identifying, assessing, monitoring and managing its material risks, as established by the Audit and Risk Committee in conjunction with management, is as follows:

- (a) the Board monitors management and operational performance on an ongoing basis;
- (b) a system of forecasting has been established, with updates being provided by management to the Board, for consideration at the Board's meetings. Actual results are also reported to the Board regularly. In addition, all statutory and exchange financial reporting requirements are complied with in terms of quarterly, half-yearly and annual financial reports and the Board review the reports and related accounting procedures on an ongoing basis;
- (c) regular presentations made to the Board throughout the year by appropriate members of management on the Company's operations;
- (d) procedures exist for all significant capital expenditure, including a requirement for Board approval for any capital expenditure above an amount set by the Board from time to time;
- (e) the performance by the Audit and Risk Committee of its functions and responsibilities;
- (f) a continuous disclosure policy has been adopted to ensure that all price sensitive information is disclosed to the market and shareholders or investors on a timely basis;
- (g) a securities trading policy has been adopted to ensure that all trading in the Company's securities by officers and employees in compliance with statutory requirements; and
- (h) the Company has informed directors of their duties and obligations as directors and adopted a Code of Conduct applicable to all directors, employees and contractors setting out the expected standards of conduct and compliance.

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Day to day management responsibility for risk management and internal control is delegated to the Company's management, with the Company's Chief Executive Officer and Chief Financial Officer being responsible to the Board for identifying matters requiring Board consideration.

The Company's risk management system also will include a process of close consultation and review between the Audit and Risk Committee and the Company's external auditor.

**5. ASSESSMENT OF EFFECTIVENESS**

The Company's analysis of its risk management systems and internal control framework and the effectiveness of their implementation will be undertaken by the Audit and Risk Committee on an annual basis. This review will be based on the Committee's ongoing oversight of the Company's risk management systems and its role in establishing, implementing and maintaining these systems.

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## SCHEDULE 9 – SECURITIES TRADING POLICY

### 1. BACKGROUND

**MEC Resources Limited** (“MEC”) has a policy that imposes certain restrictions on directors and management trading in the Company’s securities.

The policy has been adopted to prevent trading in contravention of the insider trading provision of the Corporations Act 2001 (Cth), in particular when Company personnel are in possession of price-sensitive information.

The general aim of this policy regarding dealings by directors and management in MEC’s securities is that those persons should:

- (a) never engage in short term trading of MEC’s securities;
- (b) never deal in MEC’s securities while in possession of price sensitive information;
- (c) seek approval from the Managing Director of any intended transactions involving MEC’s securities (the Managing Director to seek approval from the Chairman); and
- (d) subject to the above conditions, not trade MEC’s securities during nominated black-out periods.

The law imposes a number of significant restrictions on directors and other employees of companies when they deal in their company’s securities. As fiduciaries, these corporate managers must not utilise their position for their own gain or for the gain of any person other than their Company.

The Corporations Act 2001 (Cth) imposes severe penalties (both criminal and civil) on persons who conduct insider-trading activities. Perhaps more importantly, any perception of improper conduct by members of MEC has the potential to substantially damage MEC’s reputation.

This is an important document. It is the personal responsibility of each individual to comply with this policy. If you do not understand any aspect of this policy, it is strongly recommended that you contact the Company Secretary.

### 2. OVERVIEW OF THE INSIDER TRADING PROVISIONS OF THE CORPORATIONS ACT

It is illegal for anybody to deal in any securities of a body corporate (including MEC ), when in possession of information that the person knows, or ought reasonably to know:

- a) is not generally available (including information that has not been disclosed to the market in accordance with MEC’s Continuous Disclosure policy); and
- b) might have a material effect on the price or value of those securities if it was generally available (“**Inside Information**”).

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This prohibition extends to procuring another person to deal, and, in the case of securities of listed corporations, extends to communicating the inside information to another person, if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in the securities in question or procure another person to do so.

“**Dealing**” includes applying for, acquiring or disposing of or entering into an agreement to apply for, acquire or sell, securities, and “**deal**” has a corresponding meaning.

“**Securities**” includes shares, derivatives and other financial products that can be traded on a financial market including financial products issued or created over MEC’s securities by third parties and products which operate to limit economic risk in securities holdings in MEC .

### **3. CONFIDENTIALITY AND INSIDE INFORMATION**

A person in possession of Inside Information about MEC has a duty to keep that information confidential and must not in any way disclose or communicate that information to any person. Confidentiality is also stressed in relation to external advisers.

### **4. KEY MANAGEMENT PERSONNEL RESTRICTIONS ON TRADING**

MEC’s Key Management Personnel, whose positions expose or is likely to expose them to Inside Information regarding MEC , include:

- (a) the directors;
- (b) the Managing Director / Chief Executive Officer, the Chief Financial Officer, the Company Secretary; and
- (c) any other employee, who may have access to Inside Information in the course of their duties

(collectively called “Key Management Personnel (KMPs)” for the purposes of this policy) are to be subject to restrictions on trading in MEC’s securities.

### **5. ASSOCIATED PARTIES**

Each person to whom this policy applies has a personal responsibility to ensure that his or her “associated parties” (being immediate family (including spouse or de facto spouse or dependent), family company or trust) complies with the same respective restrictions as apply to that person.

### **6. RESTRICTIONS ON KMP’S DEALING IN MEC’S SECURITIES**

KMPs and their associated parties are prohibited from dealing in MEC ’s securities during any of the following defined black-out periods:

- (a) one month before and 24 hours after the release of the Company’s financial results for the full year;

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- (b) one month before and 24 hours after the release of the Company's financial results for the half year;
  - (c) two weeks before and 24 hours after the release of the Company's Quarterly Activities and Cash Flow Report;
  - (d) 24 hours after the release of an Announcement made to ASX which ASX determines as price sensitive;
  - (e) any other periods determined by MEC from time to time to meet its continuous disclosure obligations.

## **7. EXEMPTION TO TRADE DURING BLACK-OUT PERIOD**

The Board may, in exceptional circumstances only, approve any KMP or his or her associated parties dealing in MEC's securities during a black-out period. An exemption will not be granted by the Board if it considers there is in existence confidential price sensitive information (Inside Information) that has not previously been released.

A KMP who is not in possession of Inside Information in relation to MEC, may be given clearance to deal if he or she is in severe financial difficulty or there are other exceptional circumstances.

Clearance may be given for such a person to sell (but not purchase) MEC's securities when he or she would otherwise be prohibited by this procedure from doing so. The determination of whether the person is in severe financial difficulty or whether there are exceptional circumstances can only be made by the Managing Director.

A person may be regarded as being in severe financial difficulty if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant MEC securities. A liability to pay tax would not normally constitute a severe financial difficulty unless the person has no other means of satisfying the liability. A circumstance will be considered exceptional if the person in question is required by a court order to transfer or sell the MEC's securities or if there is some other overriding legal requirement for him or her to do so.

The following dealings are regarded as permitted dealings for the purpose of section 7:

- (a) Trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (b) Undertakings to accept, or the acceptance of a takeover offer;
- (c) Dealing where the beneficial interest in the relevant MEC security does not change;

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- (d) Transfers of securities of the entity already held in a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
  - (e) An investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the entity) where the assets of the fund or other scheme are invested at the discretion of a third party;
  - (f) Where a restricted person is a trustee, trading in the securities of the entity by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a black-out period is taken by the other trustees or by the investment managers independently of the restricted person;
  - (g) A disposal of securities of the entity that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
  - (h) The exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of a convertible security, falls during a black-out period and the entity has been in an exceptionally long black-out period or the entity has had a number of consecutive black-out periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so;
  - (i) The grant of securities by the Board under an employee's securities scheme to employees other than KMPs may be permitted during a black-out period if such grant could not reasonably be made at another time;
  - (j) Trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in the trading policy and where:
    - (i) The restricted person did not enter into the plan or amend the plan during a black-out period;
    - (ii) The trading plan does not permit the restricted person to exercise any influence or discretion over how, when or whether to trade; and
    - (iii) The entity's trading policy does not allow for the cancellation of a trading plan during a black-out period other than in exceptional circumstances.

## **8. PROHIBITION ON ACTIVE TRADING**

Dealing in the securities of the Company is subject to the prohibition that KMPs must not engage in the business of active dealing in the Company's securities. This means that KMPs must not actively trade in the Company's securities with a view to deriving profit related income from that activity. "Active trading" for this purpose means to deal in the Company's securities in a manner that involves frequent and regular trading activity.

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**9. BOARD OF DIRECTORS' DISCRETION**

The Board of MEC has an absolute discretion to place an embargo on KMPs and employees and their respective associated parties trading in MEC 's securities at any time.

**10. CLEARANCE RULES IN RELATION TO DEALING IN MEC 'S SECURITIES**

KMPs with access to confidential price sensitive information are required to seek clearance from the Managing Director prior to initiating any dealings in securities, by themselves or their associated parties, at least three days prior to such intended dealings. This clearance request should be submitted by written notice to the Managing Director (or Chairman in the case of the Managing Director) of MEC outlining:

- (a) Name of security holder;
- (b) Proposed date of dealing;
- (c) Type of proposed transaction (purchase / sale etc); and
- (d) Number of securities involved.

Clearance requests may be submitted and responded to by mail, email or facsimile.

A person who is given clearance to deal in accordance with this section must deal as soon as possible.

Following completion of the proposed dealing, the KMP must provide confirmation to the Company Secretary that the dealing has occurred, and details of the price per security.

**14. DIRECTORS TO NOTIFY ASX OF SHAREHOLDING**

ASX Listing rule 3.19B requires MEC to make arrangements with each director to ensure that the director discloses to MEC all the information that MEC requires for it to satisfy its obligations to advise ASX of notifiable interests of directors. Each director will enter into an agreement with MEC in the form of that annexed to this Policy.

**15. DISCLOSURE**

In order to maintain transparency, this policy is to be disclosed in the annual report and be made publicly available via the Company's website.

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## ANNEXURE

Letter of Undertaking in relation to disclosure of interest in MEC Resources Limited securities

[Date]

[Name / Address of Director]

Dear [Name]

### **Agreement to disclose your interests in MEC Resources Limited**

MEC Resources Limited ("MEC") is required, under the Listing Rules to disclose to ASX details of the interests of its directors in securities of the Company (Company Securities), and in contracts relevant to Company Securities. Contracts relevant to Company Securities are contracts to which you are a party or under which you are entitled to a benefit, and that confer a right to call for or deliver shares in or debentures of MEC or its related bodies corporate.

MEC is also required to enter into an agreement with directors under which directors are obliged to provide the necessary information to it.

If you agree to the following terms, please sign and return the enclosed copy of this letter.

### **Binding Agreement**

In consideration of the mutual obligations contained in this agreement, you and MEC agree to be bound by the terms of this agreement.

### **Initial disclosure**

You will immediately provide the following information as at the date of your appointment as a director;

- (a) Details of all Company Securities registered in your name. These details include the number and class of the Company Securities;
- (b) Details of all Company Securities not registered in your name but in which you have a relevant interest within the meaning of section 9 of the Corporations Act 2001 (Cth). These details include the number and class of the Company Securities, the name of the registered holder, the nature of your relevant interest and the circumstances giving rise to that interest.



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## Ongoing disclosure

You will provide the following information:

- (a) Details of changes in Company Securities registered in your name other than changes occurring as a result of corporate actions by MEC . These details include the date of the change, the number and class of the Company Securities held before and after the change, the number of Company Securities acquired or disposed , and the nature of the change, for example on-market transfer. You will provide details of the consideration payable in connection with the change, or if a market consideration is not payable, the value of the Company Securities the subject of the change.
- (b) Details of changes in Company Securities not registered in your name but in which you have a relevant interest within the meaning of section 9 of the Corporations Act. The details must include the date of the change, the number and class of the Company Securities held before and after the change, the number of Company Securities acquired or disposed, the entire of your relevant interest and the circumstances giving rise to that interest. You will also provide details of the consideration payable in connection with the change, or if a market consideration is not payable, the value of the Company Securities the subject of the change. If there are any circumstances that may affect the value of the Company Securities (e.g. in the case of options, the satisfaction of performance hurdles) you will also provide details of those circumstances.

You will provide the required information as soon as reasonably possible after the date of the change and in any event no later than two business days after the date of the change.

## Final disclosure

You will provide the following information as at the date of ceasing to be a director:

- (a) Details of all Company Securities registered in your name. These details include the number and class of the Company Securities;
- (b) Details of all Company Securities not registered in your name but in which you have a relevant interest within the meaning of section 9 of the Corporations Act. These details include the number and class of the Company Securities, the name of the registered holder, the nature of your relevant interest and the circumstances giving rise to that interest.

## Agency

You authorise MEC to give the information provided by you to ASX on your behalf and as your agent.

For personal use only

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**Company's obligations**

MEC will:

- (a) Lodge with ASX any information provided by you to MEC pursuant to this agreement within two business days of receipt of the information by MEC; and
- (b) Retain and allow you access to a hard copy of any notification given to ASX by MEC pursuant to ASX Listing Rule 3.19A for a period of not less than seven years after the date on which such notification is given.

Yours faithfully,

Company Secretary

I agree to the terms of this undertaking.

Date:

[Directors Signature]

[Print Name].

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## SCHEDULE 10 – SHAREHOLDER COMMUNICATIONS STRATEGY

### 1. INTRODUCTION

This Policy has been adopted by **MEC Resources Limited (Company)** to establish and set out the Company's policy for communicating with, and keeping informed, its shareholders.

### 2. PURPOSE OF THE POLICY

The Company is committed to dealing fairly, transparently and promptly with its current and prospective shareholders, encouraging and facilitating active participation by shareholders at shareholder meetings and dealing promptly with shareholder enquiries.

The Board recognises that disclosure of information is fundamental to good communication and this Policy is therefore based on the Company's disclosure obligations and policies.

### 3. COMMUNICATION WITH SHAREHOLDERS

The Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

Information is communicated to shareholders through:

- (a) the Annual report delivered by post or electronically (where requested by shareholders) and which is placed on the Company's website;
- (b) the half-yearly report which is placed in the Company's website;
- (c) the quarterly reports which are placed in the Company's website;
- (d) disclosures and announcements made to the Australian Securities Exchange, copies of which are placed on the Company's website;
- (e) notice and explanatory memoranda of Annual General Meetings (AGM) and Extraordinary General Meetings (EGM), copies of which are placed on the Company's website;
- (f) the Chairman's address and the managing Director's address made at the AGMs and the EGMs, copies of which are placed on the Company's website;
- (g) the Company's website, <https://www.mecresources.com.au/> on which the Company posts all announcements which it makes to the ASX;
- (h) the auditor's lead engagement partner being present at the AGM to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

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#### **4. CONTINUOUS DISCLOSURE**

The Company is subject to the continuous disclosure obligations of the ASX Listing Rules, and has adopted a comprehensive market disclosure protocol to ensure that the Company, and its directors, officers and employees, comply with those obligations.

Compliance with the Company's Continuous Disclosure Policy is the primary basis by which the Company shall keep its current and prospective shareholders informed of material matters relating to the Company and its operations. All market announcements made as a result of the Company's continuous disclosure obligations are to be made available on the Company's website.

Any material presented to market analyst or media is in most cases the subject of a prior market announcement pursuant to the Company's continuous disclosure obligations. An announcement would not be made where the material presented does not contain any new material information beyond that already announced by the Company to the market. In many cases, the Company will make available the material on its website, where practical to do so.

#### **5. ACCESS TO INFORMATION**

The Company has adopted a comprehensive Securities Trading Policy to ensure that the Company and its directors, officers and employees comply with those provisions, and to ensure that shareholders are given fair access to any information relating to the Company's securities.

#### **6. COMPANY REPORTING**

The Company complies with its financial and other reporting obligations under the Listing Rules, in order to make important Company information available to shareholders. The Company aims to comply with these reporting requirements promptly and transparently.

The Company emails copies of announcements to shareholders who have provided an email address to the Company and wish to be sent information electronically. Annual reports are either mailed or sent electronically, dependent upon the election by the shareholder. Copies of the Annual Report are placed on the Company's website.

#### **7. COMPANY MEETINGS**

The Company aims to hold its shareholder meetings at locations and at times that is convenient to shareholders. The Company will inform shareholders of shareholder meetings, and conduct those meetings, in accordance with the requirements of the Corporations Act, and endeavors to do so fully and transparently. In most cases, this will involve detailed explanatory statements or memoranda to accompany statutory information.

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**8. ELECTRONIC COMMUNICATION**

The Company makes information available to its shareholders through its website, [www.MECresources.com.au](http://www.MECresources.com.au), as set out in this Policy.

**9. OTHER INFORMATION**

The Company will from time to time provide other information to shareholders or the media where it considers that that information is of interest to shareholders or the general public, by way of media releases.

**10. SHAREHOLDER ENQUIRIES**

Shareholder queries should be referred to the Company Secretary in the first instance. The Company aims to deal with all shareholder enquiries promptly, fully and transparently. It has also taken steps to ensure that its share registry does so in relation to the matters to which it is given authority by the Board to administer.

**11. SHAREHOLDER CONTACT**

The Company, via its share registry, endeavors to maintain an accurate and up to date list of shareholder details to ensure its communication and reporting is effective.

**12. PRIVACY**

The Company endeavors to comply with applicable statutory privacy requirements in all its dealings with the details or information relating to the Company's shareholders.

**13. REVIEW**

The Board will review this Policy on an annual basis, or as and when appropriate.

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DEFINITION OF INDEPENDENCE

**1. ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS**

An independent Director is a non-executive Director (i.e. is not a member of management) and:

- (a) holds less than 5% of the voting shares of the Company and is not an officer of, or otherwise associated directly or indirectly with, a shareholder of more than 5% of the voting shares of the Company;
- (b) within the last three years has not been employed in an executive capacity by the Company or other group company, or been a Director after ceasing to hold such employment;
- (c) within the last three years has not been a principal of a material professional adviser or a material consultant to the Company, or an employee materially associated with the service provided;
- (d) is not a material supplier or customer of the Company or other group company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has no material contractual relationship with the Company or other group company, other than as a Director of the Company;
- (f) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- (g) is free from any interest and any business or other relationships which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The materiality thresholds are assessed on a case by case basis, taking to account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.

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## SCHEDULE 11 – DIVERSITY POLICY

The Company respects and values the competitive advantage of diversity, and the benefit of its integration throughout the Company, in order to enrich our perspective, improve performance, increase shareholder value and enhance the probability of achievement of our business strategy.

Our principles with respect to diversity are:

- (a) To treat all employees, prospective employees, contractors, consultants, shareholders and suppliers fairly and equally regardless of their gender, age, sexuality, culture/ethnicity, language and religious beliefs.
- (b) To value diversity by maintaining a safe work environment and taking action against inappropriate workplace behaviour including discrimination, harassment, bullying and victimisation.
- (c) To promote a Company culture that values diversity and tolerate differences by developing and offering work arrangements that help meet the needs of a diverse work force.
- (d) To promote the recruitment of employees and directors impartially from a diverse field of suitable qualified candidates.

The Company will develop, implement and measure ongoing strategies, initiatives and programs to promote diversity across the organisation.

The Chief Executive Officer will report annually to the Board on the Company's progress.

The Company's Annual Report will contain details of the measureable objectives set by the Board in accordance with this policy and the Company's progress towards achieving them. In addition the Company will disclose in its Annual Report details of the proportion of women employees, women in senior executive positions and women on the Board.

Management, employees, contractor and consultants have responsibility for understand and adhering to the terms of this policy.

The Company will meet all obligations with respect to the issue of diversity in line with any applicable regulatory and reporting requirements in Australia and in any jurisdiction that it operates in.