



# Corporate Governance Statement

Approved by the Board with effect 30 September 2024

The Directors of Strickland Metals Limited (**Company**) and all of its subsidiaries (Collectively, the **Group**) support the establishment and ongoing development of good corporate governance for the Company and the Group.

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. These policies and procedures are summarised below. The Board of the Company is committed to administering the policies and procedures with openness and integrity, commensurate with the Company's needs.

The Board has adopted and endorses The ASX Corporate Governance Council Principles and Recommendations (**4th Edition**) as amended from time to time (**ASX Recommendations**) and has adopted the ASX Recommendations that are considered appropriate for the Company given its size and the scope of its proposed activities.

Further information about the Company's corporate governance practices is set out on the Company's website at [www.Stricklandmetals.com.au](http://www.Stricklandmetals.com.au). In accordance with the recommendations of the ASX, information published on the Company's website includes:

- Corporate Governance Plan and Board Charter
- Anti Bribery and Anti-Corruption Policy
- Audit and Risk Committee Charter
- Code of Conduct
- Community Relations and Relations and Indigenous Peoples Policy
- Continuous Disclosure Policy
- Diversity Policy
- Environmental Social Governance
- Equal Employment Opportunity Policy
- Fitness for Work Policy
- Health and Safety Policy
- Health, Safety, Community and Sustainability Charter
- Human Rights Policy
- Policy on Selection Appointment and Rotation of External Auditors
- Policy on Suppliers
- Process for Performance Evaluation of Board, Board Committees, Individual Directors and Key Executives
- Risk Management Policy
- Share Trading Policy
- Shareholder Communication Policy
- Social Media Policy
- Statement of Values
- Whistleblower Policy

This Statement sets out the corporate governance practices in place as at 30 September 2024 and has been approved by the Board of the Company.



## ***Corporate Governance Council Principle 1 – Lay Solid Foundations for Management and Oversight***

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### **Role of the Board of Directors**

The role of the Board is to build long term sustainable value for its security holders whilst respecting the interests of its stakeholders.

In order to fulfil this role, the Board is responsible for the overall corporate governance of the Company including formulating its strategic direction, setting remuneration and monitoring the performance of Directors. The Board approves and monitors expenditure, ensure the integrity of internal controls and monitors and approves financial and other reporting.

The Board is collectively responsible for promoting the success of the Group through its key functions of:

- overseeing the management of the Group;
- providing overall corporate governance of the Group;
- monitoring the financial performance of the Group;
- engaging appropriate management commensurate with the Group's structure and objectives;
- overseeing the Group's process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have an effect on the price or value of the entity's securities;
- involvement in the development of corporate strategy and performance objectives;
- monitoring the effectiveness of the Group's governance practices;
- satisfying itself that the Group's remuneration policies are aligned with the purpose, values and objectives of the Group; and
- reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

Senior executives are responsible for implementing the Group's strategic objectives, operating within the Group's values, code of conduct, budget and risk appetite. Senior executives are also charged with supporting and assisting the Managing Director in implementing the running of the general operations and financial business of the Group in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Group's materiality thresholds at first instance to the managing director, or, if the matter concerns the Managing Director, directly to the Chairman, the Board or the independent directors, as appropriate.

In complying with Recommendation 1.1 of the Corporate Governance Council, the Board has adopted a Board Charter which clarifies the respective roles and responsibilities of the Board and management, those matters expressly reserved to the Board, and those delegated to management.

### **Appointment of Directors**

As part of the process for the identification of suitable future candidates for appointment as a director of the Company, the Board takes into consideration the person's character, experience, education, criminal record and bankruptcy history.

Before appointing a director or senior executive, or putting forward to shareholders a director for appointment, the Group undertakes comprehensive reference checks that cover elements such as the person's character, experience, employment history, potential conflicts of interest and qualifications. Directors are required to declare each year that they have not been disqualified from holding the office of director by the Australian Securities and Investments Commission (**ASIC**).

The Group has provided in the Director's Report (in the Annual Report) information about each director that the Board considers necessary for shareholders to make a fully informed decision as to the election of a director. Candidate details, as recommended by the ASX Corporate Governance Principles and Recommendations, are also included in the relevant notice of meeting at which the Company seeks approval from security holders for the election or re-election of an individual as a director of the Company.



## Written Agreements

Executive directors and other senior executives of the Company are engaged subject to the terms of written service contracts, key details of which are published in the Company's annual report.

Non-executive directors are required to enter into written agreements for the provision of their services.

The respective executive and non-executive agreements set out the terms of their respective appointments, including but not limited to, duties and responsibilities, remuneration (and where appropriate, any termination provisions) and indemnity and insurance arrangements.

## Board Processes

An agenda for Board meetings has been determined to ensure certain standing information is addressed and other items which are relevant to reporting deadlines and or regular review are scheduled when appropriate. The agenda is regularly reviewed by the Chairman and the Company Secretary.

## Managing Officer

The Board requires the Managing Officer to provide a written statement that the Consolidated Financial Statements of the Company present a true and fair view, in all material aspects, of the financial position and operational results. In addition, confirmation is provided that all relevant accounting standards have been appropriately applied.

## Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary is accessible to all directors.

The Company Secretary's role, in respect of matters relating to the proper functioning of the Board, includes:

- (a) advising the Board and its committees on governance matters;
- (b) monitoring compliance of the Board and associated committees with policies and procedures;
- (c) coordinating all Board business;
- (d) retaining independent professional advisors;
- (e) ensuring that the business at Board and committee meetings is accurately minuted; and
- (f) assisting with the induction and development of directors.

## Evaluation of Senior Executive Performance

The Chairman in consultation with the Board reviews the performance of the Group's senior executives. The current size and structure of the Group allows the Chairman to conduct informal evaluation of the senior executives regularly. Open and regular communication with senior executives allows the Chairman to ensure that senior executives meet their responsibilities as outlined in their contracts with the Group, and to provide feedback and guidance, particularly where any performance issues are evident. Annually, individual performance may be more formally assessed in conjunction with a remuneration review by the remuneration committee.

During the 2024 financial year, the Group conducted an evaluation of certain senior executives within the Group who were employed throughout the period.

## Diversity Policy

The Board has implemented a Diversity Policy in line with Corporate Governance guidelines. The Group believes that the promotion of diversity on its Board, in senior management and within the organisation generally is good practice and adds to the strength of the Group.

The policy affirms existing employment arrangements which seek to attract and retain people by promoting an environment where employees are treated with fairness and respect and have equal access to opportunities as they arise. Diversity within the workforce includes such factors as religion, race, ethnicity, language, gender, disability and age.



The Board has adopted a diversity policy that details the purpose of the policy and the employee selection and appointment guidelines, consistent with the recommendations of the Corporate Governance Council. The Board believes that the adoption of an efficient diversity policy has the effect of broadening the employee recruitment pool, supporting employee retention, including different perspectives and is socially and economically responsible governance practice.

The Company employs new employees and promotes current employees on the basis of performance, ability and attitude. The Board is continually reviewing its practices with a focus on ensuring that the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair and tolerant.

The Company, in keeping with the recommendations of the Corporate Governance Council provides the following information regarding the proportion of gender diversity in the organisation as at the date of this statement:

	Proportion of female/ total number of persons Employed	Percentage
Females employed in the Company as a whole	7/33	21%
Females employed in the Company in senior positions	1/5	20%
Females appointed as a Director of the Company	0/6	0%

The recommendations of the Corporate Governance Council relating to reporting require a Board to set measurable objectives for achieving diversity within the organisation, and to report against them on an annual basis. The Company has not implemented specific measurable objectives regarding the proportion of females to be employed within the organisation or implemented requirements for a proportion of female candidates for employment and Board positions. The Board considers that the setting of quantitative gender based measurable targets is not consistent with the merit and ability-based policies currently implemented by the Company. The Group is not a “relevant employer” under the Workplace Gender Equality Act.

The Board will consider the future implementation of gender-based diversity measurable objectives when more appropriate to the size and nature of the Company’s operations.

### Evaluation of Board Performance

The Chairman is responsible for evaluation of the Board and individual directors. The Board has not established any independent committees.

The Chairman evaluates the performance of the Board and individual directors by way of ongoing review with reference to the compositions of the Board and its suitability to carry out the Group’s objectives.

The Board intends to carry out a performance evaluation during the coming period. The Group’s process for performance evaluation is disclosed on the Group’s website.

An evaluation of the performance of the Board and individual directors took place in the 2024 financial period. The evaluation determined that the Board was satisfied with the performance of each Director and itself as a whole.

The Managing Director in consultation with the Board reviews the performance of the Group’s senior executives. The current size and structure of the Group allows the managing director to conduct informal evaluation of the senior executives regularly. Open and regular communication with senior executives allows the managing director to ensure that senior executives meet their responsibilities as outlined in their contracts with the Group, and to provide feedback and guidance, particularly where any performance issues are evident. Annually, individual performance may be more formally assessed in conjunction with a remuneration review by the remuneration committee.

During the 2024 financial year, the Group conducted an evaluation of senior executives within the Group who were employed throughout the period. The Group’s Process for Performance Evaluation is disclosed on the Group’s website.



## Corporate Governance Council Principle 2 – Structure the Board to Add Value

### Board Composition

The Constitution of the Company provides that the number of Directors shall not be less than three. There is no requirement for any shareholding qualification.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include the quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the scope of activities of the Company, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Name	Position	Status	Length of Service
<b>Anthony McClure</b>	Non-executive Chairman	Independent	3 year 5 months
<b>Paul L’Herpinere</b>	Managing Director	Non-Independent	3 months
<b>Richard Pugh</b>	Executive Technical Director	Non-Independent	3 months
<b>Peter Langworthy</b>	Non-executive Director	Non-Independent	3 months
<b>Jon Hronsky</b>	Non-executive Director	Independent	3 months
<b>Trent Franklin</b>	Non-executive Director	Non-Independent	3 year 5 months

Directors are initially appointed by the Board and are subject to re-election by shareholders at the next general meeting. In any event one third of the Directors are subject to re-election by shareholders at each general meeting.

The Board is presently comprised of six members, with two executive directors and four non-executive.

When considering the independence of a director, the Board considers whether the director:

- (a) is a substantial shareholder of the Group or an officer of, or otherwise;
- (b) is, represents, or is or has been within the last three years, an officer, employee or professional advisor of a substantial shareholder of the Group;
- (c) is employed, or has previously been employed in an executive capacity by the Group or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- (d) has within the last three years been a principal of a material professional adviser or a material consultant to the Group or another group member, or an employee materially associated with the service provided;
- (e) receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of the Group;
- (f) has close personal ties with any person who falls within any of the categories described above;
- (g) is a material supplier or customer of the Group or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or



- (h) has been a director of the Group for such a period that their independence from management and substantial holders may have been compromised; or
- (i) has a material contractual relationship with the Group or another group member other than as a director.

The Board has assessed the independence of its directors according to the definition contained within the ASX Corporate Governance Guidelines and has concluded that Mr Anthony McClure and Dr Jon Hronsky are directors who meet the recommended independence criteria. The Board considers that both its structure and composition are appropriate given the size of the Company and that the interests of the Company and its shareholders are well met.

The Board does not have a majority of independent directors.

### **Independent Chairman**

The Chairman is an independent director and as such Recommendation 2.5 of the Corporate Governance Council has been complied with.

The roles of Chairman and Managing Director are exercised by different individuals within the Group.

The Board considers that the current size and composition of the Board is appropriate for the execution of the Board's responsibilities. To assist the directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chairman for incurring such expense, the Group will pay the reasonable expenses with obtaining such advice.

### **Nomination Committee**

The Board has not established a separate nomination committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate nomination committee. Accordingly, the Board performs the role of the nomination committee.

Items that are usually required to be discussed by a nomination committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the nomination committee it carries out those functions which are delegated to it by the Group's Nomination Committee Charter, which is available on the Group's website. Additionally, given the structure of the Board and the nature of the Group's operations and strategic objectives, the Board is satisfied it has the appropriate balance of skills, knowledge and experience to enable it to discharge its duties and responsibilities effectively.

The Board deals with any conflicts of interest that may occur when convening as the nomination committee by ensuring that the Director with the conflicting interests is not party to the relevant discussions.

### **Induction program**

The Company does not have a formal induction process, however, the Board has a responsibility to ensure all new directors are provided with an induction into the Group and that directors have access to ongoing education relevant to their position in the Group. New Directors appointed to the Board are also provided with written material incorporating Financial, Corporate and Operating information in relation to the Company.

All directors are encouraged to communicate with the Group's employees and make visits to site to further their understanding of key operations.

The Board is in regular communication, as is necessary, with respect to briefing on material developments in laws, regulations and any accounting standards which may affect the Group.

There are procedures in place to enable Directors, in furtherance of their duties, to seek independent advice at the Company's expense, subject to the approval of the Chairman.

### **Education**

All Directors are encouraged to attend professional education courses relevant to their roles.



### **Independent professional advice and access to information**

Each Director has the right to access all relevant information in respect to the Company at the expense of the Company and to make appropriate enquiries of senior management.

### **Skills and Experience**

The Board has considered the key skill sets that would be appropriate for the organisation in its present stage. Skill sets currently on the Company's Board include technical, financial, legal, managerial, corporate, and commercial.

Key skill sets for the Board include:

- geology, mining engineering and technical experience;
- accounting and finance experience; and
- public company management.

The skills, experience and expertise of all Directors is set out in the Directors' details section of the Directors' Report of the 2024 Annual Report.

## ***Corporate Governance Council Principle 3 – Act Ethically and Responsibly***

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The Board actively promotes ethical and responsible decision making.

### **Core Values**

The Group is committed to providing shareholders with exceptional returns via the acquisition, exploration and development of Gold and base metals projects, maximising leverage to an accretive gold price.

The Company has adopted this Statement of Values to express the standards and behaviours it expects from its directors, senior executives and employees to fulfil its purpose and meet its goals.

The Group's core values include:

- The Company is a mineral exploration company, committed to exploration within world class mineral provinces.
- The Company is committed to empowering communities by providing opportunities that create prosperity and deliver positive economic, social and environmental benefits, within the communities which host the Company's activities.
- The Company is committed to the use of advanced technology, and application of industry best practice, in evaluating and developing projects in order to maximise economic value and minimise any social or environmental impact.

The Company has also made the following commitments:

- To respect the rights and interests of native title holders and Traditional Custodian groups to protect and promote Indigenous history and culture.
- To safeguard our environment and protect biodiversity for future generations.
- To maximise returns for our shareholders.
- To perform in a responsible and efficient manner in the conduct of our work systems and procedures.
- To actively engage with all of our stakeholders with a focus on sustainable exploration and development.

### **Code of Conduct**

The Board has adopted a Code of Conduct that applies to all Directors, officers, executives, employees and consultants of the Company and as such complies with Recommendation 3.2 of the Corporate Governance Council. This Code addresses expectations for conduct in accordance with legal requirements and agreed ethical standards.



The Code of Conduct is available on the Group's website.

### **Security Trading Policy**

The Board has adopted a policy and procedure on dealing in the Company's securities by directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information. Further, in keeping with listing rule amendments, additional restrictions are placed on trading by relevant persons including directors, key management personnel and employees. It also provides that notification of intended trading should be given to the Chairman prior to trading.

The law prohibits insider trading and the Corporations Act and the ASX Listing Rules require disclosure of any trading undertaken by directors or their related entities in the Company's securities.

### **Whistleblower Policy**

The Group has established a whistleblower policy to ensure the Group is living up to its values. This policy is available on the Group's website.

The board is informed of any material incident reported under that policy, as soon as practicable following such a report.

### **Antibribery and Corruption Policy**

The Group has established an anti-bribery and corruption policy as part of its Code of Conduct. This policy and the Code of Conduct are available on the Group's website.

## ***Corporate Governance Council Principle 4 – Safeguard Integrity in Corporate Reporting***

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### **Audit Committee**

The Company does not have a separately constituted audit committee with a composition as suggested by Recommendations 4.1 of the Corporate Governance Council. The Company is not of a size nor are the affairs of a complexity sufficient to warrant the existence of a separate audit committee. The full Board is able to meet objectives of the best practice recommendations and discharge its duties in this area. The relevant experience of Board members is detailed in the Directors' section of the Directors' Report.

External audit recommendations, internal control matters and any other matters arising from the half-year audit review and the annual statutory audit are discussed directly between the Board and the audit engagement partner.

### **Financial Reporting**

The Board relies on senior executives to monitor the internal controls within the Company. Financial performance is monitored on a regular basis by the Managing Director and Chairman who report to the Board at the scheduled Board Meetings.

### **Managing Director and Chief Financial Officer Written Statement**

The Board requires the Managing Director and the Chief Financial Officer to provide a written statement that the Consolidated Financial Statements of the Company present a true and fair view, in all material aspects, of the financial position and operational results and have been prepared in accordance with Australian Accounting Standards and the Corporation Act. The Board also requires that the Managing Director and the Chief Financial Officer provide sufficient assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is working effectively.

The declarations have been received by the Board, in accordance with Recommendation 4.2 of the Corporate Governance Council.

### **Periodic Reports**

The Group engages an external accounting firm to maintain its financial records and assist with the collation of periodic cash flow reports which are released to the market. Such reports are provided by the Company's accountants to the Group for consideration prior to release and are finally reviewed and signed off by the Company Secretary and Managing Director. The completion of periodic reports by external professionals assists the Group to ensure the integrity of its financial reporting.





The Group's activity reports are prepared by employees of the Group in conjunction with external consultants and professional advisers who provide assistance with respect to compliance with ASX Listing Rules and Joint Ore Reserve Committee standards, thus assisting the Group to ensure the integrity of those reports.

#### **External Auditors**

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. Performance of the external auditor is reviewed annually by the Board. audit partner rotation is as required by the *Corporations Act 2001* (Cth). The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

### **Corporate Governance Council Principle 5 – Make Timely and Balanced Disclosure**

#### **Timely and balanced disclosure**

The Board is committed to the promotion of investor confidence by providing full and timely information to all security holders and market participants about the Company's activities and to comply with the continuous disclosure requirements contained in the *Corporations Act 2001* and the Australian Securities Exchange Listing Rules. The Company has adopted a Continuous Disclosure Policy designed to ensure compliance with the ASX Listing Rule Requirements in accordance with Recommendation 5.1 of the Corporate Governance Council.

Continuous disclosure is discussed at all regular Board meetings and on an ongoing basis the Board ensures that all activities are reviewed with a view to the necessity for disclosure to security holders.

The Group ensures that all directors receive copies of each market announcement which is sent to the board each time an announcement is published.

The Group ensures that investor or analyst presentation materials are released on the ASX Market Announcements Platform prior to the presentation.

In accordance with ASX Listing Rules the Company Secretary has been appointed as the Company's disclosure officer.

### **Corporate Governance Council Principle 6 – Respect the Rights of Security Holders**

#### **Communications**

The Group maintains information in relation to governance documents, directors and senior executives, Board and committee charters, annual reports, ASX announcements and contact details on the Group's website.

The Board supports practices that provide effective and clear communications with security holders and allow security holder participation at general meetings. A formal Shareholder Communications Policy has been adopted and therefore the Company complies with Recommendation 6.2 of the Corporate Governance Council.

In addition to electronic communication via the ASX web site, the Company publishes all Significant announcements together with all quarterly reports. These documents are available on the company's website. There is also an email address and contact number available to shareholders who have enquiries or are seeking further information. The Group's website allows security holders to receive communications from and send communications to the entity electronically.

The Group provides security holders with the requisite notice before holding security holder meetings and ensures that they are scheduled to be held in a central, accessible location to enable security holders ample opportunity to attend. The Directors and management encourage security holders to attend and participate in all meetings of security holders and invite attendees to ask questions of the Board.

Additionally, a notice of meeting and related communications are provided to the Company's auditor who, in accordance with the *Corporations Act*, is required to attend the Company's annual general meeting at which shareholders must be given a reasonable opportunity to ask questions of the auditor or their representative.

All resolutions put to a meeting of security holders are decided by poll rather than by a show of hands. This is to support the principle of "one share, one vote" and also supports the ASX stance on voting at general meetings of security holders.



## **Corporate Governance Council Principle 7 – Recognise and Manage Risk**

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### **Oversight of the risk management system**

The Board has not established a formal Audit and Risk Management Committee. However, the Board delegates day-to-day management of risk to the Chief Executive Officer, Chairman and Company Secretary who are responsible for implementing and maintaining a framework of control and accountability systems to enable risk to be assessed and managed.

### **Risk management and internal control systems**

The Board regularly considers and discusses the risks posed to it and the procedures in place to manage that risk to ensure that the Group is adequately protected against such risks. Annually, the Group receives and reviews recommendations from management and senior executives as to the effectiveness of the management of material business risks.

In order to implement risk management strategies, it was considered important that the Company establish an internal control regime in order to:

- assist the Company to achieve its strategic objectives;
- safeguard the assets and interests of the Company and its stakeholders; and
- ensure the accuracy and integrity of external reporting.

Key identified risks to the business are monitored on an ongoing basis as follows:

- Business risk management: The Company manages its activities within budgets and operational and strategic plans.
- Internal controls: The Board has implemented internal control processes typical for the Company's size and stage of development. It requires the senior executives to ensure the proper functioning of internal controls and in addition it obtains advice from the external auditors as considered necessary.
- Financial reporting: Directors approve an annual budget for the Company and regularly review performance against budget at Board Meetings.
- Operations review: Members of the Board from time to time visit the Company's exploration project areas, reviewing development activities, geological practices, environmental and safety aspects of operations.

The Company's risk management strategy is evolving and will be an ongoing process and it is recognised that the level and extent of the strategy will develop with the growth and change in the Company's activities.

### **Economic, Environmental and Social Sustainability Risks**

The Company is focused on the discovery and exploitation of mineral deposits and operates in diverse physical environments in Western Australia and in Serbia. As a result, there is some potential for material exposure to economic, environmental and social sustainability risks.

The Company is very aware of the potential for risk in this area and is committed to ensuring that sound environmental management and safety practices are carried out in its exploration activities.

The Company's underlying goals relating to environmental sustainability are to minimise any adverse impacts upon the environment resulting from the Company's activities.

The Company's activities are conducted in a manner that minimises its environmental "footprint" as much as possible and are conducted strictly in accordance with all necessary permits and approvals from regulators.

### **Risk Reporting**

As the Board has responsibility for the monitoring of risk management, it has not prepared a formal report regarding the material risks and whether those risks are managed effectively therefore not complying with Recommendation 7.2 of the Corporate Governance Council. The Board believes that the Company is currently effectively communicating its significant and material risks to the Board and its affairs are not of sufficient complexity to justify the implementation of a more formal system for identifying, assessing monitoring and managing risk in the Company.



## **Internal audit**

The Company does not have an internal audit function. The Board does not consider that the Company's operations are of a size or complexity to require a dedicated internal audit function and that processes and inherent risks are sufficiently transparent as to be identified by board members. The Board may from time to time engage an external auditor to conduct additional reviews of Group processes.

## ***Corporate Governance Council Principle 8 – Remunerate Fairly and Responsibly***

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The Company's remuneration policy is to ensure that the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Disclosure of the details of the nature and amount of each element of directors, including non- executive directors, and executive's remuneration is included in the Consolidated Financial Statements.

### **Remuneration Committee**

The Board does not have a separate Remuneration Committee. Due to the size and operations of the Company, a separate remuneration committee was not considered to add any efficiency to the process of determining the levels of remuneration for the Directors and key executives.

The full Board determines all compensation arrangements for Directors. It is also responsible for setting performance criteria, performance monitors, share option schemes, incentive performance schemes, superannuation entitlements, retirement and termination entitlements and professional indemnity and liability insurance cover.

The Board ensures that all matters of remuneration will continue to be in accordance with Corporations Act requirements, by ensuring that none of the Directors participates in any deliberations regarding their own remuneration or related issues.

### **Distinguish Between Executive and Non-Executive Remuneration**

Executive Directors receive salary packages which may include performance-based components, designed to reward and motivate, including the granting of share options, subject to shareholder approval.

Non-Executive Directors receive fees agreed on an annual basis by the Board, within total non-executive remuneration limits voted upon by shareholders at General Meetings of security holders (when required).

### **Equity based remuneration**

The Company's equity based remuneration scheme does not specifically preclude participants from entering into transactions which limit the economic risk of participating in equity-based schemes and as such the Company is not compliant with Recommendation 8.3 of the Corporate Governance Council. It is noted that the Corporations Act prohibits key management personnel of an ASX listed company of entering into arrangements that that have the effect of limiting their exposure to risk relating to an element of their remuneration that is unvested.

## ***Corporate Governance Council Principle 9 – Additional Recommendations***

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These recommendations are not applicable to the Group.