



# Corporate Governance Policies

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## **1 BOARD CHARTER**

### **1.1 Purpose**

This statement summarises the role and responsibility of the Board of the Company.

The roles and responsibilities of the Board will evolve as the Company moves forward. A regular review of the balance of responsibilities will ensure that the division of the functions remains appropriate to the needs of the Company.

### **1.2 Role of the Board**

The Board's key objectives are to:

- (a) increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders; and
- (b) ensure the Company is properly managed.

The Board has primary responsibility to shareholders for the welfare of the Company by guiding and monitoring business and the affairs and determining the vision and objectives of the Company.

The Company recognises the importance of the Board in providing a sound base for good corporate governance in the operations of the Company.

The Board must at all times act honestly, fairly and diligently in all respects in accordance with the law applicable to the Company.

The Board will at all times act in accordance with all relevant Company policies.

Each of the directors, when representing the Company, must act in the best interests of shareholders of the Company and in the best interests of the Company as a whole.

### **1.3 Responsibility of the Board**

The Board is collectively responsible for promoting the success of the Company by:

- (a) appointing an independent, Chair, who will be responsible for chairing Board meetings and shaping the agenda in relation to goals, strategy, budget and executive performance;
- (b) supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed, which includes but is not limited to (a) to (j) below inclusive;
- (c) ensuring the Company is properly managed, for example by:
  - (i) appointing and, where appropriate, removing any General Manager, Chief Executive Officer (or equivalent) of the Company;
  - (ii) ratifying the appointment and, where appropriate, the removal of any Chief Financial Officers and the Company Secretaries;
  - (iii) formulating short term and long term strategies to enable the Company to achieve its objectives and ensuring that the Company has the resources to meet its strategic objectives;

- (iv) input into and final approval of management's development of corporate strategy and performance objectives;
  - (v) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
  - (vi) monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available; and
  - (vii) establishing, monitoring and determining the powers and duties of any and all of the Company's committee's;
- (d) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
  - (e) approving the annual budget;
  - (f) monitoring the financial performance of the Company;
  - (g) approving and monitoring financial and other reporting;
  - (h) providing overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;
  - (i) appointing the external auditor and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the next AGM of the Company;
  - (j) liaising with the Company's external auditors; and
  - (k) monitoring and ensuring compliance with all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities.

The Board may not delegate its overall responsibility for the matters listed above however, it may delegate related day-to-day activities provided those matters do not exceed the materiality threshold (as defined below).

#### **1.4 Materiality Threshold**

The Board has agreed on the following guidelines for assessing the materiality of matters:

#### **1.5 Materiality Quantitative**

##### *Balance sheet items*

Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.

##### *Profit and loss items*

Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.

## 1.6 Materiality Qualitative

Items are also material if:

- (a) they impact on the reputation of the Company;
- (b) they involve a breach of legislation;
- (c) they are outside the ordinary course of business;
- (d) they could affect the Company's rights to its assets;
- (e) if accumulated they would trigger the quantitative tests;
- (f) they involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items; or
- (g) they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

## 1.7 Material Contracts

Contracts will be considered material if:

- (a) they are outside the ordinary course of business;
- (b) they contain exceptionally onerous provisions in the opinion of the Board;
- (c) they impact on income or distribution in excess of the quantitative tests;
- (d) there is a likelihood that either party will default, and the default may trigger any of the quantitative tests;
- (e) they are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests;
- (f) they contain or trigger change of control provisions;
- (g) they are between or for the benefit of related parties; or
- (h) they otherwise trigger the quantitative tests.

Any matter which falls within the above guidelines is a matter which triggers the materiality threshold ("**Materiality Threshold**").

## 1.8 Board Structure

### *Board Composition*

The Board has determined that, consistent with the size of the Company and its activities, the Board shall be comprised of a minimum three (3) Directors.

Where possible the Board is to comprise a majority of Non-Executive Directors who are considered by the Board to be independent.

### *Director Independence*

The Board has adopted the definition of independence set out in the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (4<sup>th</sup> edition).

The independence of the Company's Non-Executive Directors will be assessed on an ongoing basis.

### *Skills Required on the Board*

In the opinion of the Board, all Directors should bring specific skills and experience that add value to the Company.

When considering the potential reappointment of an existing director, the Board will consider its skills matrix which sets out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

When considering vacancies, the Board will consider a candidate's capacity to enhance the skills matrix and experience of the Board.

## **1.9 The Role of Individual Directors**

### *General Duties*

The Directors have ultimate responsibility for the overall successful operations of the Company. Their duties relate to:

- the strategic direction of the Company;
- financial operations and solvency;
- all matters as prescribed by law including, but not limited to, safety and the environment; and
- all major policy issues.

### *Conflict of Interest*

The Board will oversee declarations of interest by Directors and manage conflicts of interest.

As soon as a Director becomes aware of a potential or actual conflict of interest, the Director must inform the Chair or Company Secretary.

### *Related Party Transactions*

The Board will review and monitor related party transactions and investments involving the Company and its Directors.

## **1.10 Chair**

The Chair is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings.

## **1.11 Chief Executive Officer (CEO)**

The CEO is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategies set by the Board. In carrying out his/her responsibilities, the CEO must report to the Board in a timely manner and ensure all reports to the Board represent a true and fair view of the Company's financial condition and operational results.

## **1.12 Role and responsibility of Management**

The role of management is to support the Board and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

In this regard, it is the role of the General Manager and the Company Secretaries to support the Board.

The Company Secretaries have the responsibility of providing relevant financial and other information to the General Manager and/or the Directors and /or the Board.

## **1.13 Board Meetings**

### *Frequency and Notice of Meetings*

Unless otherwise agreed, the Board meet together for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit.. Alternatively, a Board meeting can be convened under the Constitution when any two Directors or the Chair so requests. In such situations, a minimum of two days' notice must be given unless it is an emergency meeting.

Meetings by technology may be held as allowed by the Constitution.

Meetings are conducted to allow a full and frank exchange of views by the Directors, while at the same time ensuring that a positive Board culture is maintained.

### *Meeting Agenda*

The meeting agenda and Board papers are provided to Directors no less than two (2) calendar days prior to a scheduled meeting.

The agenda for Board meetings will be prepared by the Company Secretary and CEO and approved by the Chair.

The agenda will include those items required by this Charter, an activity calendar (the Board Calendar) and any other items as are requested by the Directors, Management and external auditors, and which are approved by the Chair.

The agenda and supporting papers are to be delivered to the Directors by the Company Secretary at least two (2) business days in advance of each meeting.

### *Quorum*

In order for a decision of the Board to be valid, a quorum of Directors must be present. At a meeting of the Board, a quorum is constituted by two of the directors present in person or by using technology. A quorum must be present at all times during the meeting.

### *Attendance by Other Parties*

The Company Secretary (or their delegate) will act as secretary to the Board and attend all meetings.

The Chair may issue all invitations to other parties (such as management or advisers to Company) for attendance at Board meetings, through the Company Secretary.

Executives may be invited to be present for all or part of the meetings of the Board. Non-members of the Board may be asked to withdraw from all or any part of any meeting. The Board, at its discretion, may meet without management present.

Representatives of the external auditor will be invited to meetings of the Board. At least annually, the Board meets separately with the external auditors without any members of management present.

All attendees at Board meetings are required to keep confidential any information received in relation to the Board or the proceedings of the meeting.

### *Voting*

Wherever possible, the Board should seek to determine matters before it by consensus. If this is not possible, resolutions of the Board will be carried by majority and only duly appointed Directors are entitled to vote on resolutions.

### *Minutes*

Minutes are to be a sufficient record of discussion that appropriately details the decision(s) and matters discussed at a Board meeting. The minutes contain a brief summary and reference to relevant Board papers tabled plus any official resolutions adopted by the Board. All decisions are recorded in the minutes by means of a formal resolution. A full set of minutes is kept by the Company Secretary.

### *Board Calendar*

In order to provide an even distribution of work over each financial year, the Board has adopted a twelve-month calendar, which includes all scheduled Board and committee meetings as well as major Company and Board activities.

## **1.14 Director Protection**

As a general rule, a Director has two key areas of protection – the right to information relevant to the Company and the ability to insure against specific risks of being a Director. Therefore, as a matter of policy, the following measures of Board member protection apply for Directors of Zenith Minerals Limited.

All these issues have been passed in a formal resolution of the Board.

### *Protocol for Seeking Information*

When seeking information, a Director should follow this protocol:

- (a) In the first instance request the CEO to provide the information;
- (b) If the information is not forthcoming, approach the Chair;
- (c) If it is still not forthcoming write a letter to all Directors and the Managing Director detailing the information required and the purpose for seeking the information.

### *Access to Papers*

The Directors have the right to access board papers as granted by the Corporations Act. Such access shall be provided on a timely basis.

### *Access to Specialist Advice*

All directors have the right to obtain independent professional advice at the expense of the Company. The Company will reimburse a Director for independent specialist advice which the Director obtains relating to their duties and obligations as a Board member on the following basis:

- (a) The Company has not already received specialist advice on the point on which the Director wishes to seek advice or has not made such advice available to the Director or advised the Director accordingly;
- (b) The Director first obtains the Chair's approval to seek such advice or, failing receipt of the Chair's approval, the approval of the Board.
- (c) Copies of any such advice must be made available to all Board members unless the Chair otherwise agrees or making it available would result in a waiver of legal professional privilege.

#### *Directors' and Officers' Insurance*

Directors have their directors' and officers' insurance premiums paid and are indemnified by the Company as permitted by law.

The Company will review the D&O Insurance Policies on at least an annual basis to ensure they are sufficient.

### **1.15 Remuneration**

#### *Director Remuneration*

Non-executive Directors (including the Chair) will collectively be paid from a fixed sum out of the funds of the Company as remuneration for their services as Directors. The fixed sum, and the remuneration of each Non-executive Director, will be determined in accordance with 12.8 of the Constitution.

During a Director's tenure as a Director of Zenith Minerals Limited, the Company will make superannuation guarantee payments on behalf of Directors at the rate prescribed by, and in accordance with, the provisions of the superannuation guarantee legislation from time to time.

#### *Executive Remuneration*

The Executive Remuneration Policy sets out the Board's philosophy with respect to CEO and executive remuneration, the structure of executive remuneration packages and the means by which remuneration is set.

### **1.16 Director Induction and Development**

New Directors undergo a full induction into their role on the Board.

The Board allocates an annual budget to encourage Directors to participate in training and professional development programs to enable them to discharge their responsibilities.

Any Director wishing to undertake either specific directorial training or personal development courses is expected to approach the Chair for approval of the proposed course. Development may be in both governance and governance processes or in the Company's industry.

### **1.17 Board and Senior Executive Evaluation**

The Board considers the evaluation of its own and senior executive performance as fundamental to establishing a culture of performance and accountability.



## Board Evaluation

The Chair is responsible for conducting an annual review of the Board, its committees and individual directors.

### *Senior Executive Evaluation*

All senior executives at the Company will be subject to at least an annual performance evaluation. Each year, senior executives (including the CEO) will establish a set of performance targets. These targets are aligned to overall business goals and the Company's requirements of the position. In the case of the CEO, these targets are negotiated between the CEO and the Board and signed off by the whole Board.

## **1.18 Review and Publication of Charter**

The Board will review and assess the adequacy of this Charter annually and make any appropriate amendments to ensure it meets best practice governance standards, complies with the ASX Corporate Governance Principles and Recommendations and meets the needs of the Company and Board.

This Charter is available on the Company's website.

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## **2     AUDIT COMMITTEE**

There is no separate Audit Committee.

Due to the small size and structure of the Board, a separate Audit Committee is not considered to add any efficiency to the process.

The Board considers that it is more appropriate to set aside time at Board meetings to specifically address matters that would ordinarily fall to an Audit Committee.

When considering financial matters, the Board functions in accordance with its Audit Committee Charter.

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### **3 AUDIT COMMITTEE CHARTER**

#### **3.1 Composition**

The Audit Committee shall comprise the full Board.

#### **3.2 Role of the Audit Committee**

The role of the Audit Committee is to:

- (a) monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgments;
- (b) review the Company's internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;
- (c) monitor and review the effectiveness of the Company's internal audit function (if any);
- (d) monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services; and
- (e) perform such other functions as assigned by law, the Company's constitution, or the Board.

#### **3.3 Operations**

The Committee meets at least half yearly, with further meetings on an as required basis.

Minutes of all meetings of the Committee are to be kept and the minutes and a report of actions taken or recommended to be given at each subsequent meeting of the full Board.

Committee meetings will be governed by the same rules, as set out in the Company constitution as they apply to the meetings of the Board.

Relevant members of management and the external auditor may be invited to attend meetings.

The Committee shall meet with the external auditor without management present, as required.

#### **3.4 Authority and Resources**

The Company is to provide the Committee with sufficient resources to undertake its duties, including provision of educational information on accounting policies and other financial topics relevant to the company, and such other relevant materials requested by the Committee.

The Committee will have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee will have the authority, as it deems necessary or appropriate, to retain independent legal, accounting or other advisers.

### **3.5 Reporting to the Shareholders**

The directors' reports are to contain a separate section that describes the role of the Committee and what action it has taken.

The Chair of the Audit Committee is to be present at the AGM to answer questions, through the Chair of the Board.

### **3.6 Responsibilities**

Annual responsibilities of the Committee are as set out in the Audit Committee Action Points .

#### **(a) Audit Committee Charter – Annual Action Points**

##### Financial Reporting and Internal Controls

- (i) Review half-year and annual financial statements.
- (ii) Consider management's selection of accounting policies and principles.
- (iii) Consider the external audit of the financial statements and the external Auditor's Report thereon.
- (iv) Consider internal controls including the Company's policies and procedures to assess, monitor and manage financial risks (and other business risks if authorised).

#### **(b) Annual meeting with External Auditor**

- (i) Discuss the Company's choice of accounting policies and methods, and any recommended changes.
- (ii) Discuss the adequacy and effectiveness of the Company's internal controls.
- (iii) Discuss any significant findings and recommendations of the external auditor and management's response thereto.
- (iv) Discuss any difficulties or disputes with management encountered during the course of the audit including any restrictions or access to required information.

#### **(c) External Auditor Engagement**

- (i) Establish/review criteria for the selection, appointment and rotation of external auditor.
- (ii) Recommend to the Board to appoint and replace the external auditor and approve the terms on which the external auditor is engaged.
- (iii) Establish/review permissible services that the external auditor may perform for the Company and pre-approve all audit/non-audit services.
- (iv) Confirm the independence of the external auditor, including reviewing the external auditor's non-audit services and related fees.

- (v) Ensure that the external auditor is requested to attend the AGM of the Company and is available to answer questions from shareholders.

(d) **Internal Communications and Reporting**

- (i) Provide an annual report that includes the Committee's review and discussion of matters with management and the external auditor.
- (ii) Regularly update the Board about Committee activities and make appropriate recommendations.
- (iii) Ensure the Board is fully aware of matters which may significantly impact the financial conditions or affairs of the business.

(e) **Other**

- (i) Verify the membership of the Committee is in accordance with the Audit Committee Charter.
- (ii) Review the independence of each committee member based on ASX Corporate Governance Guidelines.
- (iii) Review and update the Audit Committee Charter and Action Points.
- (iv) Develop and oversee procedures for treating complaints of employee concerns received by the Company regarding accounting, internal accounting controls and auditing matters.

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#### **4 NOMINATION COMMITTEE**

There is no separate nomination committee.

The Board considers those matters and issues arising that would usually fall to a nomination committee.

The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee.

When considering nomination matters, the Board functions in accordance with its Nomination Committee Charter.

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## **5 NOMINATION COMMITTEE CHARTER**

### **5.1 Composition**

The Nomination Committee shall comprise the full Board.

### **5.2 Role**

The role of the Nomination Committee is to:

- (a) review and make recommendations on Board composition, skills, competencies, independence and diversity;
- (b) oversee and review Board succession planning;
- (c) oversee and review director induction programs and continuing professional development;
- (d) develop and review the process for evaluating the performance of the Board, its committees and directors;
- (e) oversee Board appointments, re-elections and termination of directors.

### **5.3 Operations**

The full Board shall meet in its capacity as the Nomination Committee at least once a year and otherwise, as required.

Minutes of all meetings of the committee are to be kept. Committee meetings will be governed by the same rules as set out in the Company's constitution, as they apply to meeting of the board.

### **5.4 Responsibilities**

- (a) Reviewing and making recommendations on Board composition, skills, competencies, independence and diversity:
  - (i) conduct a review (at least annually) of the structure, size and composition of the Board having regard to present and future needs of the Company and assessing the mix of skills, knowledge and experience, currently represented on the Board.
  - (ii) evaluate the mix of skills, experience, and diversity at Board level disclosed in the Board skills matrix.
  - (iii) conduct an annual review of and conclude on the independence of each director.
  - (iv) develop strategies on achieving Board diversity.
- (b) oversee and review Board succession plans, including succession of the Chair, with the intention to maintain and appropriate mix of skills, expertise, experience, independence and diversity on the Board.

- (c) oversee and review director induction programs and continuing professional development:
  - (i) oversee the process for recruiting new candidates for the Board including and assessing the balance of skills, knowledge, experience, independence and diversity on the board.
  - (ii) develop and provide all new directors with an induction program into the Company and review its effectiveness.
  - (iii) review and make recommendations on continuing professional development to enhance the competency levels of the directors.
- (d) develop and review the process for evaluating the performance of the Board, its committees and directors by:
  - (i) implementing a process to evaluate the performance of the Board, its committees and individual directors.
  - (ii) consider and review the required time commitment by its non-executive directors to be able to efficiently discharge their duties and continually assess whether they are fulfilling the time commitment required.
  - (iii) review the performance of the non-executive director during their term of office in relation to any re-appointment of a director.
- (e) oversee Board appointments, re-elections and termination of directors.
  - (i) candidates for Board vacancies are considered as and when they arise, and are selected by reference to a number of factors which include, but are not limited to, their relevant experience, skills, diversity and compatibility within the Company's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities.
  - (ii) provide new directors with a formal letter of appointment setting out the Company's expectations, including time commitment, their responsibilities and rights, and terms and conditions of their appointment.
  - (iii) where directors whose terms of office is due to expire, to review whether they should be nominated for re-election.
  - (iv) directors are initially appointed by the full Board, subject to election by shareholders at the next annual general meeting.
  - (v) external consultants may be engaged in search for a new director.
- (f) reviewing this Charter annually or as often as it considers necessary and making changes (including the responsibilities of the Committee) from time to time by Board resolution.

## 5.5 Authority and Resources

The Nomination Committee may, when it considers it necessary or appropriate, seek advice from external consultants or specialists in relation to the Committee's responsibilities under this Charter.



## **5.6 Internal Communications and Reporting**

The minutes of the Nomination Committee meeting are to be tabled at the next Board meeting following the Committee meeting along with any recommendations of the Committee.

The Chair of the Committee is to submit an annual report to the Board summarising the Committee's activities during the year.

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## **6 REMUNERATION POLICY**

There is no separate Remuneration Committee.

Due to the small size and structure of the Board, a separate Remuneration Committee is not considered to add any efficiency to the process of determining the levels of remuneration for the Directors and key executives.

The Board considers that it is more appropriate to set aside time at Board meetings to specifically address matters that would ordinarily fall to a Remuneration Committee.

When considering matters of remuneration, the Board functions in accordance with its Remuneration Committee Charter.

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## **7 REMUNERATION COMMITTEE CHARTER**

### **7.1 Composition**

The Remuneration Committee shall comprise the full Board.

### **7.2 Role**

The function of the Committee is to review and make appropriate recommendations on:

- (a) remuneration packages of executive directors, non-executive directors and senior executives; and
- (b) employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

### **7.3 Operations**

The full Board shall meet in its capacity as the Remuneration Committee at least once a year and otherwise as required.

Minutes of all meetings of the Committee are to be kept. Committee meetings will be governed by the same rules as set out in the Company's constitution, as they apply to meetings of the Board.

### **7.4 Responsibilities**

- (a) Executive Remuneration and Incentive Policies

The Committee is to make decisions with respect to appropriate remuneration and incentive policies for executive directors and senior executives which:

- (i) will motivate executive directors and senior executives to pursue long term growth and success of the Company within an appropriate control framework;
- (ii) demonstrate a clear correlation between key performance and remuneration; and
- (iii) will align the interests of key leadership with the long-term interests of the Company's shareholder.

- (b) Executive Remuneration Packages

The Committee is to ensure that:

- (i) executive remuneration packages involve a balance between fixed and incentive pay, reflecting short- and long-term performance objectives appropriate to the Company's circumstances and objectives;
- (ii) a proportion of executives' remuneration is structure in a manner designed to link reward to corporate and individual performances; and
- (iii) recommendations are made to the Board with respect to the quantum of bonuses to be paid to executives.

To the extent that the Company adopts a different remuneration structure for its non-executive directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

(c) Termination Payments

The Committee is to review and make recommendations to the Board on termination payments. No termination payment should be made in an event of a removal for misconduct.

(d) Non-Executive Directors

The Committee is to ensure that:

- (i) fees paid to non-executive directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's AGM;
- (ii) non-executive directors are remunerated by way of fees (in the form of cash and/or superannuation benefits);
- (iii) non-executive directors are not provided with retirement benefits other than statutory superannuation entitlements; and
- (iv) non-executive directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders.

To the extent that the Company adopts a different remuneration structure for its non-executive directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

(e) Incentive Plans and Benefits Programs

The Committee is to:

- (i) review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, the Committee will act on behalf of the Board to administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans including making and authorising grants, in accordance with the terms of those plans;
- (ii) ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and
- (iii) continually review and, if necessary, improve any existing benefit programs established for employees.

(f) Charter Review

The Committee will review this Charter annually or as often as it considers necessary and may change this Charter (including the responsibilities of the Committee) from time to time by Board resolution.

## **7.5 Authority and Resources**

The Remuneration Committee may, when it considers it necessary or appropriate, seek advice from external consultants or specialists in relation to remuneration related matters.

## **7.6 Internal Communications and Reporting**

The minutes of the Remuneration Committee meeting are to be tabled at the next Board meeting following the Committee meeting along with any recommendations of the Committee.

The Chair of the Committee is to submit an annual report to the Board summarising the Committee's activities during the year.

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## **8 CODE OF CONDUCT**

### **8.1 Introduction**

Zenith Mineral's Code of Conduct is designed to maintain confidence in the integrity of the Company and the responsibilities and accountability of individuals for reporting and investigating reports of unethical practices.

The Code of Conduct reinforces the Company's Corporate Values which guide the attitudes, decisions, and actions of Directors, management and staff every day.

### **8.2 Responsibility to Shareholders**

The Company aims:

- (a) to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders and the financial community; and
- (b) to comply with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity.

### **8.3 Integrity and Honesty**

Directors, management and staff shall deal with the Company's customers, suppliers, competitors and each other with the highest level of honesty, fairness and integrity and observe the rule and spirit of the legal and regulatory environment in which the Company operates.

### **8.4 Respect for the Law**

The Company is to comply with all legislative and common law requirements which affect its business, in particular those in respect of occupational health and safety, the environment, native title and cultural heritage.

Any transgression from the applicable legal rules is to be reported to the Board (or, in the instance of the appointment of a General Manager or equivalent, that party) as soon as a person becomes aware of such a transgression.

### **8.5 Conflicts of Interest**

Directors, management and staff must not involve themselves in situations where there is a real or apparent conflict of interest between them as individuals and the interest of the Company.

Where a real or apparent conflict of interest arises, the matter should be brought to the attention of:

- (a) the Chair, in the case of a Board member;
- (b) the Board in the case of a member of management, or in the instance of the appointment of a General Manager or equivalent, that party;

a supervisor, in the case of an employee, so that it may be considered and dealt with in an appropriate manner for all concerned.

## **8.6 Protection of Assets**

Directors, management and staff must protect the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company and that no property, information or position belonging to the Company or opportunity arising from these are used for personal gain or to compete with the Company.

## **8.7 Confidential Information**

Directors, management and staff must respect confidentiality of all information of a confidential nature which is acquired in the course of the Company's business and not disclose or make improper use of such confidential information to any person unless specific authorisation is given for disclosure or disclosure is legally mandated.

## **8.8 Employment Practices**

The Company will employ the best available staff with skills required to carry out vacant positions.

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

## **8.9 Workplace Behaviour**

The Company does not tolerate any form of bullying, harassment, discrimination or intimidation. Zenith Mineral's provide equal opportunities for everyone; it does not discriminate when making employment, remuneration or promotion decisions.

## **8.10 Responsibility to the Community**

The Company will recognise, consider and respect environmental issues which arise in relation to the Company's activities and comply with all applicable legal requirements.

## **8.11 Responsibility to the Individual**

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

## **8.12 Obligations Relative to Fair Trading and Dealing**

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

## **8.13 Compliance with the Code of Conduct**

Any breach of compliance with this Code of Conduct is to be reported directly to the Chair (and, in the instance of the appointment of a General Manager (or equivalent) that party), as appropriate.

#### **8.14 Supporting Policies**

Zenith Mineral's Code of Conduct is supported by a range of policies, including:

- Anti-Bribery and Corruption Policy
- Corporate Values
- Diversity Policy
- Whistleblower Policy

#### **8.15 Periodic Review of Code**

The Company will monitor compliance with this Code of Conduct periodically by liaising with the Board, management and staff especially in relation to any areas of difficulty which arise from this Code of Conduct and any other ideas or suggestions for improvement of it.

Suggestions for improvements or amendments to this Code of Conduct can be made at any time by providing a written note to the Board (or, in the instance of the appointment of a General Manager (or equivalent) that party).



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**9 POLICY FOR DEALING IN THE COMPANY SECURITIES**

**9.1 Disclosed under separate policy – refer Zenith Minerals Securities Trading Policy & Guidelines**

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## 10 DISCLOSURE POLICY AND COMMUNICATIONS STRATEGY

### 10.1 Introduction

This policy applies to Zenith Minerals Limited and all its subsidiaries (“Company”).

The Board of Zenith Minerals Limited is committed to:

- (a) ensuring that the Company is complying with the continuous disclosure obligations under the *Corporations Act 2001* (Cth) (“Corporations Act”) and Australian Securities Exchange (“ASX”) Listing Rules; and
- (b) ensuring that shareholders and other participants in the market are provided with equal and timely access to material information of the Company, including its financial position, performance, ownership and governance.
- (c) ensuring that Company announcements are factual, complete and balanced and are expressed clearly and in an objective manner that enables investors when they are making investment decisions to assess the impact of the information.

### 10.2 Scope

This policy sets out the processes engaged by the Company and its Directors, Executives and employees in complying with its continuous disclosure obligations and its market communications strategy.

### 10.3 Continuous Disclosure

ASX Listing Rule 3.1 requires the Company to immediately notify the ASX of any information concerning it that a reasonable person would expect to have a material effect on the price or value of its securities (Material Information), subject to specific exceptions where the ASX Listing Rules do not require such information to be disclosed.

A reasonable person would expect information to have a material effect on the company securities price or value, if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company’s securities.

The Company will not release material price sensitive information to any external party (e.g. media or analysts) or in the case of consultants or advisors (unless they are bound by an appropriately executed confidentiality agreement that is consistent with the Company’s continuous disclosure obligations), until it has been disclosed to the ASX and the Company has received an acknowledgement from the ASX, that the information has been released to the market.

If the Company becomes aware that material price sensitive information has been released in particular sections of the public before it has been given to the ASX under listing rule 3.1, then the Company must immediately disclose that information to the ASX for release to the market.

#### Exceptions to Listing Rule 3.1

Under Listing Rule 3.1 disclosure of material information is not required where each of the following is satisfied in relation to the information:

- (a) one or more of the following conditions apply:
  - it would be a breach of a law to disclose the information;
  - the information concerns an incomplete proposal or negotiation;

- the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - the information is generated for internal management purposes; or
  - the information is a trade secret; and
- (b) The information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- (c) a reasonable person would not expect the information to be disclosed.

#### Listing Rule 3.1B

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

## 10.4 Roles and Responsibilities

The responsibilities under this Policy are divided as follows:

- (a) **The Board** is responsible for the Company's compliance with its continuous disclosure obligations.
- (b) **The Managing Director** has responsibility the implementation of this Policy. These responsibilities include:
- deciding what information will be disclosed;
  - approving announcements before they are given to the ASX (after the announcement has been circulated to the Board for consideration);
  - analysts' and brokers' briefings;
  - media enquiries; and
  - providing information to the Company Secretary to enable the Company Secretary to maintain a register of decisions and announcements.
- (c) **The Company Secretary** is responsible for the overall administration of this Policy and communications with ASX.
- (d) **Authorised Spokespersons** are the only Company officers authorised to speak on behalf of the Company to external parties (see below).
- (e) **All Employees** of the Company are responsible for reporting to the Company Secretary if they become aware of any information that may be material price sensitive information arising in their area of responsibility that has not been previously disclosed.

## 10.5 Procedures

The following procedures apply in safeguarding against inadvertent breaches of Zenith Minerals Limited's continuous disclosure obligations:

- (a) Directors and Senior Management are responsible for identifying and communicating to the Managing Director as soon as they become aware of potential Material Information.
- (b) the Managing Director is responsible for promptly reviewing the material information reported and in consultation with the Chair, Directors or other Executive members, determine whether the information must be disclosed to the ASX.

- (c) the Managing Director will co-ordinate the actual form of disclosure with the Company Secretary and relevant members of management and its release to the ASX in a prompt manner.
- (d) the Managing Director regularly reports to the Board in relation to matters regarding investor relations and market communication.
- (e) the Company Secretary provides a copy of ASX Listing Rules – Guidance Note 8 to all Directors and Senior Management and are briefed on the following matters:
  - (i) the roles and responsibilities of Directors, Officers and employees of Zenith Minerals Limited in complying with its disclosure obligations;
  - (ii) safeguarding confidentiality of corporate information to avoid premature disclosure;
  - (iii) measures for seeking to avoid the emergence of a false market in the Company's securities;
  - (iv) media contact and comment; and
  - (v) external communications including analyst briefings and responses to shareholder queries.

All significant key announcements are circulated to and reviewed by the Board, including periodic disclosures in the form of full year and half year reporting and other significant key information, prior to their release to the market. All announcements are released electronically, either by a Director or the Company Secretary.

Once confirmation is received from the ASX regarding the Company's lodgement of an announcement, all material information released to the ASX will be then posted on the Company's website as soon as practicable.

## **10.6 Authorised Spokespersons**

The authorised spokespersons are the Chair and the Managing Director and other persons authorised by the Board from time to time (“**Authorised Spokespersons**”). They are the only Company representatives who may speak to the media or other external parties in relation to matters subject to this Policy.

## **10.7 Market Communications**

Directors are committed to:

- (a) the promotion of investor confidence by ensuring that trade in the Company's securities takes place in an efficient, competitive and informed market;
- (b) providing accurate and timely access to material company information to all shareholders and market participants;

All market communications must be factual, balanced and presented in a clear and accurate manner with the objective to enable investors to assess the impact of the information when making investment decisions.

All market communications must be prepared and reviewed in line with the procedures outlined in 10.5 of this Policy.

The Company also encourages full participation of shareholders at any general meeting of shareholders, not only the annual general meeting.

### **10.8 Analyst Briefings/Media Releases**

Information that is discussed with and provided to analysts, are subject to the continuous disclosure requirements.

Material information must not be disclosed to analysts, media or other external parties until that information has been disclosed to the ASX. In a briefing, only information that has been publicly released through the stock exchange can be discussed. If a question is raised in a briefing that can only be answered by disclosing price sensitive information then the Company Representative must decline to answer the question until the Company announces the information through the ASX.

All inquiries from analysts or from the media must be referred to the Managing Director or other Director to whom the Board has delegated authority to.

All media releases must be reviewed and approved by the Managing Director and in that person's absence, the Chair. No employee may make any public statement to the market on behalf of the Company, give an interview or make a presentation without the specific authorisation or permission from the Managing Director or Chair.

Slides and presentations to be used in briefings will be given to the ASX, by Managing Director and/or Company Secretary, prior to the briefing and posted on the Company's website after confirmation of the release by the ASX.

### **10.9 Market Rumours and Speculation**

The Managing Director (or his/her delegate) is responsible for deciding whether an appropriate response is required in relation to market rumours or speculation. Any employee of the Company who is requested by an external third party to comment on the Company's affairs, must refer the enquiry or third party to the Managing Director.

Zenith Minerals Limited is committed to using reasonable endeavours to safeguard the confidentiality of potential material information to avoid premature disclosure.

### **10.10 Trading Halts to Manage Continuous Disclosure obligations**

The Company may find it necessary at times to request a trading halt from the ASX so as to prevent the emergence of a false market in the Company's securities and to manage disclosure matters. The Managing Director in consultation with the Chair (or another Non-Executive Director where the Chair is not available) is responsible for the decision on requesting a trading halt.

### **10.11 Duty to Correct/Update Information**

Any Director, Senior Executive or employee who becomes aware that relevant information has not been notified and disclosed in accordance with the preceding provisions, should immediately contact the Company Secretary so that appropriate action can be taken.

If Zenith Minerals Limited discovers that a statement it has made is materially incorrect, or subsequent information renders it incorrect, the Company is to issue an announcement via the ASX to correct the statement.

## **10.12 Breach of Policy**

The Company takes continuous disclosure very seriously. Non-compliance with continuous disclosure obligations may constitute a breach of the Corporations Act or the ASX Listing Rules. This may result in fines for the Company, personal liabilities for Directors and other officers, and damage to the Company's reputation.

Breaches of this Policy may result in disciplinary action against the individual.

## **10.13 Policy Reviews**

The Board will review this Policy periodically to ensure it is operating effectively and having regard to compliance with the Corporations Act, the ASX Listing Rules and corporate governance good practice. Any amendments will be made with Board approval.

## Attachment 1

### Key Terms

**Announcement** means any form of text issued in the name of the Company for the purposes of disclosing information of the kind identified in this Policy.

**ASX** means ASX Limited or the Australian Securities Exchange.

**Aware** is defined in ASX Listing Rule 19.12, which states: “An entity becomes aware of information if a director or executive officer has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity”.

**Confidential** means confidential as a matter of fact. An entity may give information to third parties in the ordinary course of its business activities and continue to satisfy ASX

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Disclosure requirements** are set out in ASX Listing Rule 3.1, which requires that the Company must immediately notify the ASX of any information the Company becomes aware of concerning itself that a reasonable person would expect to have a material effect on the price or value of the Company’s securities. This is known as the continuous disclosure obligation.

**False market** means a situation in which there is a specific rumour or media comment in relation to Macarthur that has not been clarified or confirmed by an announcement to the ASX, and there is evidence that the market price of the Company’s shares or securities is moving in a way referable to such a rumour or comment.

**Generally available information** is information that has been released to the ASX, published in an Annual Report or prospectus or otherwise been made generally available to the public and a reasonable time has elapsed after the information has been disseminated in one of these ways.

**Immediately** means that the Company must disclose information “promptly and without delay”. Once it becomes aware of material price sensitive information, the Company will not be permitted to defer, postpone or put off disclosure to a later time and must release an announcement as quickly as it can in the circumstances.

**Listing Rule** means the official listing rules of the ASX.

**Material information** means information that a reasonable person would expect to have a material effect on the price or value of Zenith Minerals Limited shares.

**Media** means all forms of media including press, wire services, radio, television, electronic and Internet, which includes general news, business/finance, personal investment and trade publications whether international, national, regional or rural.

**Price sensitive information** means information concerning Zenith Minerals Limited that a “reasonable person” would expect to have a material effect on the price or value of the Company’s shares that is not generally available or previously been made available to the ASX.

**Reasonable person** is not defined in either the Listing Rules or the Corporations Act. It is a subjective concept, which would be interpreted by the Courts in any prosecution.

*NOTE: Words not defined in this policy which are given a meaning in the Corporations Act or ASX Listing Rules have the same meaning as in the Corporations Act or ASX Listing Rules.*

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## 11 RISK MANAGEMENT POLICY

### 11.1 Purpose

Zenith Minerals Limited has implemented a risk management and reporting system that enables the identification, assessment, monitoring, and management of material business risks that could have material impact on its business activities. The Board recognises that a system of risk management and internal controls are essential for good corporate governance and has developed a risk oversight and management policy which sets out a framework for assessing risk levels, applying appropriate risk mitigation controls or where appropriate acceptance of risk commensurate with potential rewards for the Company and its stakeholders.

### 11.2 SCOPE

The oversight and management system has resulted in the Board approving the identification and assessment of the following categories of business risks which may impact the company's business operations both locally and overseas:

- |   |
|---|
| <ul style="list-style-type: none"><li>• Operational (Risks that may impact on the ability of the company to operate or risks that arise out of company operations)<ul style="list-style-type: none"><li>- sovereign risk</li><li>- health, safety risk</li><li>- risk associated with unauthorised access to company computer systems leading to loss</li><li>- of intellectual property and/or damage/loss of data</li></ul></li></ul> |
| <ul style="list-style-type: none"><li>• Environmental (Risk of causing environmental damage as a result of exploration activity)</li></ul>  |
| <ul style="list-style-type: none"><li>• Financial Sustainability (Risk of not having sufficient funds to continue operating, or of operating whilst insolvent)</li></ul>  |
| <ul style="list-style-type: none"><li>• Compliance and Financial Reporting (Risk of not complying with statutory and/or ASX reporting requirements)</li></ul>   |
| <ul style="list-style-type: none"><li>• Strategic (Risk of having an inappropriate strategy for the company based on its financial strength, staff, current/anticipated political/economic climate)</li></ul>   |
| <ul style="list-style-type: none"><li>• Ethical Conduct (Risks associated with unethical conduct of the Company, its Directors or its staff.)</li></ul>   |
| <ul style="list-style-type: none"><li>• Reputation (Risk of loss of reputation of the Company)<ul style="list-style-type: none"><li>- Arising from inappropriate trading in the Company's shares by Directors/staff</li><li>- Inappropriate related party transactions</li><li>- Any other activity that could be seen to be detrimental to the reputation of the Company</li></ul></li></ul>   |



<ul style="list-style-type: none"> <li>• Technical and project management competencies (Risks related to exploration activities) <ul style="list-style-type: none"> <li>- Selection of poor prospecting areas for exploration (false positive)</li> <li>- Rejection of good prospecting areas (false negative)</li> <li>- Selection of inefficient exploration technique resulting in poor results/ material cost overrun</li> <li>- Significant time /cost overruns on exploration projects</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Market Related Risks – <ul style="list-style-type: none"> <li>- Interest rate exposure on surplus funds</li> <li>- Risks associated with investing surplus funds with financial institutions</li> <li>- Currency exposure on overseas operations.</li> </ul> </li> </ul>

The risk oversight and management process requires regular reviews of the Company's risks to:

- Assess relevance and significance
- Assess acceptability of post mitigation residual risk
- Identify new risks that may impact the Company.

### 11.3 POLICY

Ultimate responsibility for risk oversight and management rests with the full Board. The Board delegates its day to day management of risk to the General Manager. The General Manager with assistance from senior management, as required, has the responsibility to identify, assess, monitor and manage material business risks and report regularly to the Board on risk oversight and management.

The Board requires the General Manager to:

- identify and evaluate the material business risks faced by the Company in achieving its strategic objectives in line with the Company's overall risk tolerance
- implement risk mitigation strategies, controls and procedures to mitigate risk to a level acceptable to the Board
- regularly monitor and assess the effectiveness of the system of risk management and internal compliance and control
- ensure the risk oversight and management system is communicated to staff and is integrated into business processes and systems
- regularly report to the Board on the effectiveness of the systems in managing material business risks.
- report to the Board that appropriate risk management and internal control systems have been designed and implemented to manage the Company's material business risks.
- formally report to the Board as to whether the identified material business risks are being effectively managed.
- the General Manager and Company Secretary (Chief Financial Officer) to formally report to the Board, a declaration (section 295A of the Corporations Act 2001) that in their opinion, the financial records is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

## **11.4 PROCEDURES TO IMPLEMENT POLICY**

The Board in conjunction with the General Manager determines the Company's tolerance for risk, which determines the risk management action required to address material business risks identified. Risk tolerance is determined as the amount of total risk the Company is prepared to be exposed to or accept at any point in time. Once the Board determines the Company's tolerance for risk, the General Manager is responsible for communicating risk tolerance to management and for working with management to design and implement suitable risk mitigation strategies to reduce assessed risks to an appropriate level.

The implementation of the risk oversight and management policy framework enables risk management and internal controls to be embedded into the Company's business practices and processes, so that risks are identified at project, strategic, operational and corporate levels.

The General Manager, with Board oversight and approval, identifies and documents each material risk and the associated potential consequence in a risk register. Each risk is then evaluated in the context of the Company's strategy, objectives and risk tolerance and ranked or prioritised on the risk register based on risk significance. Consideration is given to the causes and sources of risk, the magnitude of the consequences, and likelihood that those consequences can occur.

Risk analysis determines the appropriate risk management (mitigation) strategies and internal controls that are needed to best manage those identified risks. Once these have been determined, appropriate internal control and other risk mitigation strategies are identified and implemented.

The General Manager, with assistance from senior management as required, regularly monitors and assesses the effectiveness and performance of internal controls and the risk mitigation strategies.

The results of these reviews are to be reported by the General Manager to the Board at least twice a year.

## **11.5 POLICY REVIEW**

This policy shall be reviewed at least annually or as required.

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## 12 HEALTH, SAFETY, ENVIRONMENT AND THE COMMUNITY STATEMENT

The Company management systems will be cognisant of the need to achieve industry practice in safety, business conduct, social, environmental and economic activities.

The Company will:

- seek ways to promote and improve the health of our workforce and the community;
- identify, assess and manage risks to employees, contractors, the environment and communities in which we operate;
- uphold ethical business practices and regulations;
- understand, promote and uphold fundamental human rights within our sphere of influence, respecting the traditional rights of Indigenous peoples;
- provide a work environment in which everyone is treated fairly, with respect and can realise their full potential;
- set and achieve targets that promote efficient use of resources and include reducing and preventing pollution;
- enhance biodiversity protection by assessing and considering ecological values and land-use aspects in investment, operational and closure activities;
- engage regularly, openly and honestly with people affected by our operations, and take their views and concerns into account in our decision-making;
- develop partnerships that foster the sustainable development of our host communities; and
- regularly review our performance and, where appropriate, publicly report our progress.

Our ESG Framework Policy supports this Statement and in implementing the Statement, we will support all stakeholders sharing responsibility for meeting our requirements.