

2020 CORPORATE GOVERNANCE STATEMENT

This corporate governance statement sets out Lake Resources NL's (**Company**) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**) during the financial year ended 30 June 2020.

The Company and the board of the Company (**Board**) have operated for the entire year in accordance with the ASX Corporate Governance Principles and Recommendations 3rd Edition and as required under ASX listing rules unless otherwise stated below. It should be noted that the small size of the Company and the specialised nature of the mineral exploration industry has necessitated modification in the application of some of the recommendations, whilst endeavouring to keep faith with the underlying principles of the recommendations. For many of the recommendations the Company achieved the standard required. For some recommendations, where certain aspects of the recommendation are considered by the Board to be unduly onerous for a company of the size of Lake Resources, the Company has implemented alternative arrangements. This corporate governance statement discloses the extent to which the Company has followed the ASX Principles and Recommendations.

This corporate governance statement is current as at 30 June 2020 and has been approved by the Board. It is available on the Company's website at www.lakeresources.com.au.

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
1.		Lay solid foundations for management and oversight
<p><i>1.1. A listed entity should disclose:</i></p> <p><i>(a) the respective roles and responsibilities of its board and management; and</i></p> <p><i>(b) those matters expressly reserved to the board and those delegated to management.</i></p>	<p>Yes</p>	<p>The Board is responsible for the performance and overall corporate governance of the Company including the strategic direction, selection of executive directors, establishing goals for management and monitoring the achievement of those goals and approval of budgets.</p> <p>Day to day management of the Company's affairs and implementation of the corporate strategy are delegated by the Board to the managing director and ultimately to senior contract employees.</p> <p>For the purposes of the proper performance of their duties, the directors are entitled to seek independent advice at the Company's expense, unless the Board determines otherwise. The Board schedules meetings on a regular basis and other meetings as and when required.</p> <p>The Company has adopted a Board Charter which sets out the roles and responsibilities of the Board, senior management and the Company Secretary. The Board Charter also sets out the matters expressly reserved to the board and those delegated to management.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
<p>1.2. <i>A listed entity should:</i></p> <p>(a) <i>undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and</i></p> <p>(b) <i>provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</i></p>	Yes	<p>A brief biography of each director is published on the Company's website and in the annual financial reports of the Company.</p> <p>In accordance with Recommendation 1.2, appropriate background checks are carried out prior to the appointment of new directors in respect of checking qualifications and experience, and screening for bankruptcy or criminal convictions.</p> <p>Directors are elected by shareholders and, in accordance with the Company's constitution; no Director may hold office for a period longer than three years without standing for re-election by shareholders at the Annual General Meeting. Each Director appointed by the board of directors during the year will also, in accordance with the Company's constitution, stand for re-election at the next annual General Meeting following his or her appointment. The Managing Director is not subject to this clause as per the Constitution.</p> <p>The Board ensures that the Notice of Meeting sent to all shareholders prior to the AGM includes all material information obtained by the Company to enable shareholders to make an informed decision in respect of the re-election of directors at the AGM.</p>
<p>1.3. <i>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</i></p>	Yes	<p>The Company has written agreements in place with its current directors setting out the terms of their appointment.</p>
<p>1.4. <i>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</i></p>	Yes	<p>The Company Secretary reports directly and is accountable to the Board in relation to all governance matters. The Company Secretary advises the board members on governance matters, implements adopted governance procedures and coordinates circulation of meeting agendas and papers. The appointment and removal of the Company Secretary is decided by the Board.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
<p>1.5. <i>A listed entity should:</i></p> <p>(a) <i>have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</i></p> <p>(b) <i>disclose that policy or a summary of it; and</i></p> <p>(c) <i>disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</i></p> <p>(1) <i>the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</i></p> <p>(2) <i>if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</i></p>	No	<p>The Board recognizes the importance of diversity in the workplace including gender, ethnicity, cultural background and age. The Company does not discriminate on any of these grounds for appointments, remuneration or promotion or other matters. However because of the small size of the Company and the limited scope of its operations, the Company has not developed or made formal disclosures in accordance with Recommendation 1.5 of the ASX Corporate Governance Council.</p> <p>It should be noted that the Company has only one permanent employee – its exploration activities are usually undertaken by contractors and consultants on an "as-needed" basis.</p>
<p>1.6. <i>A listed entity should:</i></p> <p>(a) <i>have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</i></p> <p>(b) <i>disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</i></p>	No	<p>Because of the small size of the Company and the limited scope of its operations, the Company has not established or disclosed a formal process for evaluation of the Board, Board Committees or individual directors. Nor has it been considered necessary to seek outside assistance in performance evaluation.</p>
<p>1.7. <i>A listed entity should:</i></p> <p>(a) <i>have and disclose a process for periodically evaluating the performance of its senior executives; and</i></p> <p>(b) <i>disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</i></p>	No	<p>Because of the small size of the Company and the limited scope of its operations, the Company has not established or disclosed a formal process for evaluation of senior executives. As with performance evaluation of directors, performance evaluation for executives is a discretionary matter for consideration by the entire board and in the normal course of events, the board reviews the performance of the executives and management as a whole.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
2. Structure the board to add value		
<p>2.1. <i>The board of a listed entity should:</i></p> <p>(a) <i>have a nomination committee which:</i></p> <p>(1) <i>has at least three members, a majority of whom are independent directors; and</i></p> <p>(2) <i>is chaired by an independent director,</i></p> <p><i>and disclose:</i></p> <p>(3) <i>the charter of the committee;</i></p> <p>(4) <i>the members of the committee; and</i></p> <p>(5) <i>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i></p> <p>(b) <i>if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</i></p>	No	<p>The Company does not have a nomination committee at the present time because of the small size of the company and the limited scope of its operations.</p> <p>The Board are dedicated to building long-term value in the Company for shareholders. The small size of the Company and the specialist nature of the minerals exploration industry have generally led shareholders to place importance on increasing shareholder value by having a board with strong industry experience.</p> <p>The high-risk nature of exploration funding has also led to shareholders preferring directors to be directly or indirectly involved in the provision of capital.</p>
<p>2.2. <i>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</i></p>	No	<p>The Board currently has four directors – three non-executive directors and one executive director. Each director's biography is contained within the annual financial report of the Company and is available on the Company's website.</p> <p>The Company does not currently have a board skills or diversity matrix. The Board considers that such a matrix is not necessary given the small size of the company and the limited scope of its operations. Adoption of a board skills and diversity matrix would be considered if there is a material change in the scope and activities of the Company and its Board.</p>
<p>2.3. <i>A listed entity should disclose:</i></p> <p>(a) <i>the names of the directors considered by the board to be independent directors;</i></p> <p>(b) <i>if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</i></p> <p>(c) <i>the length of service of each director.</i></p>	Yes	<p>The Chair, Mr Stuart Crow, appointed on 14 November 2016, is a non-executive director and shareholder, yet is not a substantial security holder of the Company that it would breach the factors relevant to assessing the independence of a director per box 2.3. The Board considers that Mr Crow has demonstrated the appropriate experience, skills and integrity to act independently and without compromise in the best interests of the company, its shareholders and the community.</p> <p>Dr Nick Lindsay was appointed on 18 July 2017 and is considered to be independent by the Board.</p> <p>Robert Trzebski was appointed on 10 December 2019 and is considered to be independent by the Board.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
2.4. <i>A majority of the board of a listed entity should be independent directors.</i>	Yes	<p>The Board has a majority of independent directors.</p> <p>Consistent with the size of the Group and its activities, the Board is currently comprised of four (4) directors, of which three are currently considered to be independent directors.</p>
2.5. <i>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</i>	Yes	<p>The Chair, Mr Stuart Crow, is a non-executive director.</p> <p>Whilst Mr Crow is a shareholder of the Company he is deemed not to be a substantial security holder and therefore meets the criteria as set out in the ASX guidance on corporate governance.</p> <p>Mr Promnitz is the CEO/Managing Director.</p>
2.6. <i>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</i>	Yes	<p>The directors have the appropriate balance of skills, knowledge, experience and diversity to enable them to perform their roles and responsibilities effectively. The directors are also involved in other public companies and they attend seminars and industry conferences which enable them to maintain their understanding of relevant industry matters and technical advancements. The Board ensures that its members understand the company's operations, including site visits where appropriate (this is currently restricted due to Covid-19 pandemic).</p>

3. Promote ethical and responsible decision-making		
3.1.	<p><i>A listed entity should:</i></p> <p>(a) <i>have a code of conduct for its directors, senior executives and employees; and</i></p> <p>(b) <i>disclose that code or a summary of it.</i></p>	<p>Yes</p>
		<p>The Board acknowledges and emphasises the importance of all directors, employees, contractors and agents maintaining the highest standards of corporate governance and ethical conduct. Directors are obliged to be independent in judgement and ensure that all reasonable steps are taken to ensure due care is taken by the board in making sound decisions. The Company has an established reputation for the highest standard of ethical conduct - for example, it has never made facilitation payments to government officials in overseas countries.</p> <p>The Company has a code of conduct for its directors, senior executives and employees and is published on the Company's website. The Company's code of conduct, which has been strictly adhered to, is set-out below:</p> <ul style="list-style-type: none"> • avoid conflicts and make full disclosure of any possible conflicts of interest, • act honestly with integrity and in good faith; • take great care to ensure the integrity and security of all the Company's confidential information; • All personal information of the Company's suppliers, customers and employees is to be treated as confidential; • Treat each other and all suppliers, competitors, clients, customers and other stakeholders fairly and with respect; • Comply with all laws and regulations relating to the Company; • Ensure timely and full disclosure of material to the ASX; and • Report any instances of actual or suspected fraudulent or unethical behavior. <p>The Board takes ultimate responsibility for these matters. In fulfilling their duties, each director may obtain independent professional advice at the Company's expense, subject to prior approval of the Chair, whose approval will not be unreasonably withheld.</p>
4. Safeguard integrity in financial reporting		
4.1.	<p><i>The board of a listed entity should:</i></p> <p>(a) <i>have an audit committee which:</i></p> <p>(1) <i>has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</i></p> <p>(2) <i>is chaired by an independent director, who is not the chair of the board,</i></p> <p><i>and disclose:</i></p> <p>(3) <i>the charter of the committee;</i></p> <p>(4) <i>the relevant qualifications and experience of the members of the committee; and</i></p> <p>(5) <i>in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i></p>	<p>No</p>
		<p>The Company does not currently have an audit committee and the role of the audit committee is carried out by the full Board. The small size of the Company with the four directors as the only persons handling company operations including signing all contracts and disbursements, means there is close and direct contact in all aspects of implementing and monitoring all financial systems and reporting.</p> <p>The half-yearly and annual reports are audited by external auditors, Stanley & Williamson, who demonstrate quality and independence. The external auditor provides an annual declaration of their independence to the Company. The external auditor attends the annual general meetings of the Company to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.</p>

<p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		
<p>4.2. The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Yes</p>	<p>Prior to approving the Company's financial statements, the managing director and the person performing the role of CFO advise the Board that the declaration in accordance with the Corporations Act 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.</p> <p>The Board received a CEO/CFO declaration before it approved the Company's financial statements for all financial periods in the reporting period.</p>
<p>4.3. A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>Yes</p>	<p>The external auditor attends each annual general meeting of the Company and is available to answer questions from security holders relevant to the audit.</p>
<p>5. Make timely and balanced disclosure</p>		
<p>5.1. A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Yes</p>	<p>The Company has a policy that all shareholders, investors and the general public have timely and equal access to the company's information.</p> <p>As an exploration company, there is regular reporting to shareholders through the ASX Periodic Disclosure requirements, which call for quarterly operational and cash flow reporting. This reporting is additional to more conventional reporting by all companies of half yearly and annual financial results.</p> <p>All of the company's quarterly and annual reports and other disclosures are made available on the Company website.</p> <p>The Board is thoroughly aware of its Continuous Disclosure obligations which require immediate reporting of material events, particularly in relation to exploration progress. The Company has a demonstrated history of disclosure, through ASX announcements, of material events such as exploration results and joint ventures.</p> <p>The Board takes ultimate responsibility for these matters by following the ASX Listing Rule disclosure requirements rigorously, and does not consider adoption and disclosure of a formal disclosure policy outside of this corporate governance statement is appropriate at this stage.</p>

6. Respect the rights of shareholders		
6.1.	<i>A listed entity should provide information about itself and its governance to investors via its website.</i>	<p>Yes</p> <p>The Company maintains a website containing comprehensive information on the Company including a company profile, corporate strategy, policy statements including corporate governance, board of directors, newsflashes and contact information.</p> <p>All of the Company's quarterly, half year and annual reports and other disclosures are available on the Company website: http://www.lakeresources.com.au.</p>
6.2.	<i>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</i>	<p>Yes</p> <p>Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. The Directors are personally acquainted with many of the shareholders of the Company and encourage them to visit the Company's office to view the exploration data and discuss the progress of the exploration program with the managing director.</p> <p>The Company communicates with shareholders via releases to the market on the ASX platform, through the Company's website, by information provided directly to shareholders at briefing meetings open to all shareholders and the public and at general meetings.</p> <p>Telephonic, email and written communications from shareholders are dealt with promptly, usually by the managing director.</p>
6.3.	<i>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</i>	<p>Yes</p> <p>The Company encourages shareholders to attend and participate in general meetings. If a shareholder wishes to provide a comment or question and is not able to attend the meeting, the Company will address this as part of the meeting.</p>
6.4.	<i>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</i>	<p>Yes</p> <p>All material reports and disclosures are made by the company through ASX announcements and on the company website. As noted above, telephonic, email and written communications from security holders are dealt with promptly, usually by the managing director. Security holders with registry matters are referred to the Company's share registry, Automic Pty Ltd, who shareholders can communicate with via email at hello@automic.com.au</p>
7. Recognise and manage risk		
7.1.	<p><i>The Board of a listed entity should:</i></p> <p><i>(a) have a committee or committees to oversee risk, each of which:</i></p> <p><i>(1) has at least three members, a majority of whom are independent directors; and</i></p> <p><i>(2) is chaired by an independent director,</i></p> <p><i>and disclose:</i></p> <p><i>(3) the charter of the committee;</i></p> <p><i>(4) the members of the committee; and</i></p> <p><i>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;</i></p> <p><i>or</i></p>	<p>No</p> <p>The Company does not currently have a risk committee and the role of the risk committee is carried out by the full Board. The small size of the Company does not warrant establishment of a separate risk committee. The Board sets the framework for the Company's long term success, approving its annual budget, assessing business risks and providing overall risk management policy guidance.</p> <p>The Board monitors all aspects of the business from the operational level through to strategic level risks, including safety, ethical and environmental performance, on a continuing basis to ensure compliance with laws and ethical behaviour.</p>

	<i>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</i>		
7.2.	<i>The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose in relation to each reporting period, whether such a review has taken place.</i>	No	The managing director reports regularly to the Board on the effectiveness of the Company's management of its material business risk. The greatest risk, of course, is the low probability of success for minerals exploration. The managing director has advised the Board that he believes the company's management of its material business risks is effective.
7.3.	<i>A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</i>	Yes	The Company did not have an internal audit function during the reporting period and did not disclose the processes it used to improve risk management. Nonetheless, it remains committed to effective management and control of these factors. The effectiveness of the Company's risk management and internal control processes are subject to continual review by the Board.
7.4.	<i>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</i>	Yes	As the Company is a mining exploration company due to its highly technical operations there is inevitable exposure to economic, environmental and social sustainability risk. All material risks have been previously announced to the market, in accordance with its continuous and other disclosure obligations pursuant to the ASX Listing Rules and the Corporations Act 2001 (Cth).
8. Remunerate fairly and responsibly			
8.1.	<i>The Board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i>	No	The Company does not currently have a remuneration committee and the role of the remuneration committee is carried out by the full Board. The role of the Remuneration Committee has been assumed by the full Board. As noted previously, the Company is small and has only one permanent employee. Any increase in director's fees is subject to approval by security holders at the annual general meeting.

<p>(b) <i>if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</i></p>		
<p>8.2. <i>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</i></p>	<p>Yes</p>	<p>The Company provides disclosure of all Directors remuneration in its annual report.</p> <p>There are no documented agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation).</p> <p>The managing director is offered a competitive level of base pay at market rates and is reviewed annually to ensure market competitiveness. Long term performance incentives include performance bonus payments, rights and / or options granted at the discretion of the Board and subject to obtaining the relevant approvals.</p>
<p>8.3. <i>A listed entity which has an equity-based remuneration scheme should:</i></p> <p>(a) <i>have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</i></p> <p>(b) <i>disclose that policy or a summary of it.</i></p>	<p>N/A</p>	<p>The Company does not have a formal equity-based remuneration scheme.</p>

BOARD CHARTER

LAKE RESOURCES NL
ACN 079 471 980

27 October 2020

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BOARD CHARTER

1 INTRODUCTION AND PURPOSE

The purpose of this Board Charter (Charter) is to specify how Lake Resources NL (Company) is governed so as to promote the Company and protect the interests of shareholders.

The Board is responsible for the governance of the Company. This Charter sets out the role and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, as well as the membership and the operation of the Board.

2 ROLE AND RESPONSIBILITIES OF THE BOARD

2.1 Role

The role of the Board is to provide leadership, strategic guidance for the Company, delivery of the Company's purpose and effective oversight of management. The Board ensures that the activities of the Company comply with its constitution, from which the Board derives its authority to act, and with all legal and regulatory requirements.

To achieve this role, the Board has reserved to itself the following specific responsibilities.

2.2 Strategy

The Board is responsible for:

- (a) overseeing the development of the Company's corporate strategy through constructive engagement with senior management;
- (b) reviewing and approving strategy plans and performance objectives of the Company consistent with the corporate strategy and reviewing the assumptions and rationale underlying the strategy plans and performance objectives; and
- (c) monitoring implementation of the strategy plans.

2.3 Oversight of management

The Board is responsible for:

- (a) the appointment and if appropriate, removal of the Chief Executive Officer ("CEO"), the Chief Financial Officer and the Company Secretary;
- (b) approving succession plans for key individuals;
- (c) monitoring senior management's performance and implementation of strategy against measurable and qualitative indicators, encouraging enhanced effectiveness and ensuring that appropriate resources are available, including annually reporting the process and whether this process was undertaken in the reporting period;

- (d) approving senior management remuneration policies and practices;
- (e) providing advice and counsel to management;
- (f) whenever required, challenging management and holding it to account; and
- (g) ensuring that senior management supplies the Board with information that will help the Board discharge its duties.

2.4 Continuous Disclosure

The Board is responsible for overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

2.5 Shareholders

The Board is responsible for:

- (a) ensuring effective communication with shareholders, including convening shareholders' meetings, listening and responding to shareholders views of management and on the Company;
- (b) facilitating the effective exercise of shareholders' rights; and
- (c) reporting to shareholders and ensuring that all regulatory requirements are met.

2.6 Other stakeholders

The Board is responsible for:

- (a) establishing and monitoring policies governing the Company's relationship with other stakeholders and the broader community; and
- (b) establishing and maintaining environmental, employment and occupational, health and safety policies.

2.7 Ethics

The Board is responsible for:

- (a) actively promoting ethical and responsible decision-making;
- (b) establishing and maintaining the Company's Code of Conduct to guide its directors, management and employees in the practices necessary to maintain confidence in the Company's integrity; and
- (c) the system of accountability for unethical practices.

2.8 Oversight of financial management and capital management

The Board is responsible for:

- (a) reviewing and approving annual, interim, quarterly activity and cash flow reports;
- (b) monitoring financial results on an ongoing basis;
- (c) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (d) considering recommendations of the Audit Committee on seeking shareholders' approval for the appointment and removal of the Company's external auditor;
- (e) reviewing, approving and monitoring the Company's operating budgets, the progress of major capital expenditure, capital management, major acquisitions and divestitures and material commitments;
- (f) approving decisions affecting the capital of the Company, including capital structure or restructure and major financing arrangements; and
- (g) determining the dividend policy of the Company and declaring dividends.

2.9 Compliance and risk management

The Board is responsible for:

- (a) establishing and overseeing the integrity of the Company's control and accountability systems and reviewing reporting under those systems;
- (b) establishing, overseeing and regularly reviewing the Company's risk management framework for identifying, analysing, evaluating, treating and monitoring material risk throughout the Company, and informing investors of material changes to the Company's risk profile;
- (c) establishing, overseeing and regularly reviewing systems of internal compliance, risk management and control, and systems of legal compliance that govern the operations of the Company, and ensuring they are operating effectively; and
- (d) establishing, overseeing and regularly reviewing written policies, codes and procedures governing compliance, risk oversight and management.

3 ROLE AND RESPONSIBILITIES OF THE CHAIR

3.1 Chair

The Chair is a non-executive director appointed by the Board. The Chair is responsible for:

- (a) leading the Board and overseeing the processes for the Board's performance of its role in accordance with this Charter;

- (b) chairing Board meetings and shareholder meetings;
- (c) ensuring the efficient organisation and conduct of the Board's function;
- (d) liaising with the CEO in relation to the Board's information requirements to assist the Board with effective decision making;
- (e) setting the agenda together with the CEO and the Company Secretary, ensuring that appropriate time and attention is devoted to matters within the responsibilities of the Board;
- (f) facilitating effective contribution by all directors and monitoring Board performance;
- (g) overseeing that membership of the Board is skilled and appropriate for the Company's needs;
- (h) promoting constructive relations between Board members and between the Board and management; and
- (i) establishing and overseeing the implementation of policies and systems for Board performance review and renewal.

4 ROLE AND RESPONSIBILITIES OF THE COMPANY SECRETARY

4.1 Company Secretary

The Company Secretary acts as secretary of the Board, attending all meetings of the Board as required. The Company Secretary is accountable to the Board through the Chair on matters relating to the proper function of the Board.

The Company Secretary is responsible for but not limited to:

- (a) advising the Board and its committees on governance matters;
- (b) organising Board meetings and director attendance;
- (c) monitoring compliance with Board policy and procedures;
- (d) coordinating the timely completion and despatch of Board and committee papers;
- (e) ensuring that the business at Board and committee meetings is accurately captured in the minutes;
- (f) helping to organise and facilitate the induction and professional development of directors; and
- (g) ensuring the Company complies with its requirements under the Corporations Act regarding registered office, annual returns and notices to be lodged with the Australian Securities and Investments Commission.

All directors have direct access to the Company Secretary.

5 DELEGATION OF AUTHORITY

5.1 Delegations to committees

Under its constitution, the Board may delegate responsibility to committees to consider certain issues in further detail and then report back to and advise the Board.

Standing committees established by the Board will adopt charters setting out the authority, responsibilities, membership and operation of the committee.

Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The Chair of each committee will report back on committee meetings to the Board at the next full Board meeting.

5.2 Delegation to CEO and management

The Board has delegated to the CEO the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those responsibilities reserved to itself in this Charter.

The CEO is responsible for ensuring the timely preparation, presentation, adequacy and integrity of information provided to the Board, to enable the Board to carry out its responsibilities.

The Board may impose further specific limits on CEO delegations. This may be reviewed by the Board as appropriate from time to time.

The CEO has authority to sub-delegate to the senior management team.

6 MEMBERSHIP

6.1 Composition and size

The Board may consist of non-executive, executive, independent and non-independent directors. The Chair of the Board will be appointed by the directors.

The directors will determine the size of the Board, subject to the Company's constitution, which provides that there can be no less than three directors. The number of directors and the composition of the Board must at all times be appropriate to the Company to achieve efficient decision making.

The Company will seek to have directors with an appropriate range of skills, experience and expertise and an understanding of and competence to deal with current and emerging issues of the business. The Company's succession plans are designed to maintain an appropriate balance of skills, experience and expertise on the Board.

6.2 Appointment and re-election of directors

The process of selection and appointment of new directors to the Board is that when a vacancy arises, the Board identifies candidates with appropriate skills, experience and expertise. Candidates with the skills,

experience and expertise that best complement the Board's effectiveness will be recommended to the Board. When the Board considers that a suitable candidate has been found, that person is appointed by the Board to fill a casual vacancy in accordance with the Company's constitution, but must stand for election by shareholders at the next annual general meeting.

Non executive directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment.

All non executive directors must undertake an induction program upon joining the Board. This will include meeting with members of the existing Board, Company Secretary, management and other relevant executives to familiarise themselves with the Company, its procedures and prudential requirements, and Board practices and procedures.

Directors must retire from office in accordance with the Constitution. Retiring directors may be eligible for re-election.

6.3 Independence

A director is considered independent by the Company if the director is independent of management and free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgment or be perceived to do so.

The Board will regularly assess the independence of each director in light of the interests disclosed by them. Each independent director must provide the Board with all relevant information for this. The outcome of this assessment will be reflected in the corporate governance section of the annual report.

6.4 Conduct of individual directors

Directors must at all times act in accordance with legal and statutory requirements, and discharge all their duties as directors. Directors must:

- (a) discharge their duties in good faith and in the best interests of the Company and for a proper purpose;
- (b) act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a major company;
- (c) avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
- (d) not make improper use of information gained through their position as a director;
- (e) not take improper advantage of their position as a director;
- (f) notify other directors of a material personal interest when a conflict arises;
- (g) make reasonable enquiries if relying on information or advice provided by others;
- (h) undertake any necessary inquiries in respect of delegates;

- (i) give the Company or ASX Limited all the information required by the Corporations Act; and
- (j) not permit the Company to engage in insolvent trading.

7 BOARD PROCESS

7.1 Meetings

All Board meetings will be conducted in accordance with the Company's Constitution and the Corporations Act.

Directors are committed to collective decision making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.

Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.

All directors are generally expected to prepare adequately, attend and participate at each Board meeting. Non-executive directors will periodically meet without executive directors or management present.

The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable.

The Board may conduct meetings by telephone or video conference.

7.2 Independent professional advice

Following consultation with the Chair, directors may seek independent professional advice at the Company's expense when necessary to discharge their responsibilities as directors. Generally, this advice will be available to all directors.

7.3 Access to management

The directors have complete and open access to senior management and may make any enquiries to fulfil their responsibilities.

8 REVIEW AND PUBLICATION OF CHARTER

The Board is responsible for reviewing this Charter and the division of functions and responsibilities in the Company to determine its appropriateness to the needs of the Company from time to time. The Charter may be amended by resolution of the Board.

9 MATERIAL REVISIONS

Version	Approval Date	Effective Date	Details
1.0	27 Oct 2020	28 Oct 2020	