

**CORPORATE GOVERNANCE STATEMENT – YEAR ENDED 30 JUNE 2023**

In February 2019, the Australian Securities Exchange (ASX) Corporate Governance Council (Council) published revised Corporate Governance Principles and Recommendations (ASX Recommendations). The Listing Rules of ASX require Australian-listed companies to report on the extent to which they have complied with the ASX Recommendations during the reporting period. Where a company has not followed all of the ASX Recommendations, it must identify the ASX Recommendations that have not been followed and give reasons for not adhering to them. If a recommendation has been followed for only part of the period, the company must state the period during which it has been followed.

The ASX Recommendations are structured around and seek to provide 8 central principles

1. Lay solid foundations for management and oversight
2. Structure the Board to be effective and add value
3. Instil a culture of acting lawfully, ethically and responsibly
4. Safeguard the integrity of corporate reports
5. Make timely and balanced disclosure
6. Respect the rights of security holders
7. Recognise and manage risk; and
8. Remunerate fairly and responsibly.

As recognised by the Council, corporate governance is “the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations. It encompasses the mechanisms by which companies, and those in control, are held to account. Corporate governance influences how the objectives of the Company are set and achieved, how risk is monitored and assessed and how performance is optimised. There is no single model of good corporate governance. Corporate governance practices will evolve in the light of the changing circumstances of a company and must be tailored to meet those circumstances.

This Statement outlines the main corporate governance practices of the Company applicable at 29 September 2023 and is approved by the Board of Reedy Lagoon Corporation Limited. The governance practices implemented by the Company have regard to the ASX Recommendations and the available resources and nature of the Company’s operations.

**1. MANAGEMENT AND OVERSIGHT**

The Company has a Board Charter setting out:

- (a) the respective role and responsibilities of the Board and management; and
- (b) those matters expressly reserved to the Board and those delegated to management.

The Charter outlines details of:

- (c) the role and responsibilities of the Board of directors;
- (d) the role and responsibilities of the Chairman and the Company Secretary;
- (e) delegations of authority;
- (f) membership; and
- (g) Board processes.

The Board Charter is available on the Company’s website ([www.reedylagoon.com.au](http://www.reedylagoon.com.au)) and specifically at ([www.reedylagoon.com.au/about-us/corporate-governance/](http://www.reedylagoon.com.au/about-us/corporate-governance/)). The Company has followed recommendation 1.1 of the ASX Recommendations in full for the whole report period.

The Board is responsible to shareholders for the overall corporate governance of the Company. This responsibility includes:

- determining and periodically reviewing the Company’s strategic direction and operational policies;
- establishing goals for management and tracking the roll-out and achievements of these goals;

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- reviewing and approving the Company's Business Plan and complementary annual/revised budgets prepared by management;
- approving all significant business transactions including any acquisitions, divestments, resource development and significant capital expenditure;
- approving capital raisings in any form;
- monitoring business risk exposures and risk management systems;
- considering and approving financial and other obligatory reporting, including continuous disclosure reporting;
- timely reporting to shareholders and other stakeholders.

The Board has responsibility for protecting, guiding and monitoring the business affairs of the Company in the interests and for the benefit of stakeholders.

To fulfil this role, the Board is responsible for the strategic direction of the business, establishing goals for management and monitoring the achievement of goals. Responsibility for day-to-day activities of the entity is delegated to the Managing Director. The Company's Board and management jointly strive to achieve best practice in meeting their responsibilities for the business and affairs of the Company. A strategic balance is maintained between the responsibilities of the Chairman (in his non-executive capacity), the Managing Director and the other Director.

As Non-Executive Chairman, the specific responsibilities of Mr J M Hamer are:

- ensuring the efficient organisation and conduct of the Board's function,
- overseeing the Company's strategy in relation to exploration,
- evaluating, in conjunction with the Managing Director, opportunities that may arise in the minerals industry from time to time,
- considering exploration and development orientated capital expenditure and recommend appropriate courses of action; and
- overseeing that membership of the Board is skilled and appropriate for the Company's needs.

The Managing Director, (being Mr G Fethers during the whole reporting period), is accountable to the Board for the management of the Company within the policies and authority levels prescribed by the Board from time to time. He is responsible for the day-to-day management of the Company's principal business operations and elsewhere and has the authority to approve non-planned capital expenditure, business transactions and personnel appointments within predetermined limits set by the Board.

The Managing Director's specific responsibilities include:

- preparing the Company's strategic and quarterly operating plan and, following its adoption by the Board, ensuring that business development is in accordance with that plan,
- evaluating mining projects and formulating strategies to acquire, farm-in or obtain interests in suitable projects and divest non-essential projects in which the Company has an interest,
- engaging appropriately qualified contractors to undertake exploration programmes approved by the Board,
- interfacing with analysts, brokers, investors and the Company's appointed advisers regarding the Company's performance, a role shared with the Non-Executive Chairman,
- responding to written or telephonic shareholder enquiries, and
- maintaining overall management of the Company's reporting, statutory accounting, auditing, treasury, taxation and insurance covers with his specific responsibilities including:

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- preparing program and other expenditure budgets for the approval of the Board and monitoring the financial performance of the Company against approved budgets,
- ensuring that appropriate financial reports are provided to the Board at each of its meetings and, on a quarterly, biannual and annual basis, to the Board and, in conjunction with the Company Secretary, also to the ASX, and
- monitoring the Company's risk management framework to ensure that established policies, guidelines, procedures and controls are implemented.

In the capacity of Company Secretary, Mr G Fethers is responsible for ensuring that the Board also receives relevant information and reports (notably on auditing, taxation and legal matters) at its regular meetings and otherwise as appropriate. The Company Secretary is responsible for the lodgement of statutory financial statements and ASX/ASIC reporting, including any correspondence in relation to ASX reporting and of a non-routine nature from ASIC.

The names, qualifications and periods of office of the current directors of the Company as at the date of this statement are set out in the Directors Report in the 2023 Annual Report. No senior executives have been appointed during the report period and no new directors have been appointed or elected. When a person stands for election or re-election as a director, the Company provides security holders all material information in its possession relevant to a decision on whether or not to elect or re-elect. The Company has followed recommendation 1.2 of the ASX Recommendations in full for the whole of the reporting period.

The Company has a written agreement with each director and senior executive setting out the terms of their appointment. The Company has followed recommendation 1.3 of the ASX Recommendations in full for the whole report period.

The Company Secretary is accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board. The Company has followed recommendation 1.4 of the ASX Recommendations in full for the whole report period.

The Company has a policy of no discrimination including on the basis of gender, age, ethnicity or cultural background. However, the Company does not have a policy for actively achieving gender diversity among its directors and officers and has not followed recommendation 1.5 of the ASX Recommendations. The Company currently has only one employee, being the Managing Director. Directors consider the number of people within the Company to be too small to benefit from such a policy.

The Board is responsible for the appointment of the Managing Director and conducts an ongoing review of his performance. The Chairman is responsible for collating the views of the other directors for the purposes of reviewing the performance of the Board. The Company has followed recommendations 1.6 and 1.7 of the ASX Recommendations in full for the whole report period. However, a formal performance evaluation of the Board and its members has not taken place during the reporting period.

**2. STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE**

The Board believes three directors are adequate given the size, nature and scope of the Company's current operations but intends to appoint a fourth and independent director when activities increase. The Company does not have a nomination committee and so does not follow recommendation 2.1 of the ASX Recommendations. Instead, the process of selection and appointment of new directors to the Board is for the Board to identify candidates with appropriate skills, experience and expertise.

The Company does not have a board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership and consequently does not comply with recommendation 2.2 of the ASX Recommendations. Instead, the skills and experience of the Directors is set out in the Annual Report. The Board is of a size and composition which is conducive to making the decisions relevant to its current operations efficiently and expeditiously.

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The Board comprises two non-executive directors (Mr J Hamer and Mr A Griffin) who are considered by the Board to be independent in terms of the ASX Recommendations' definition of an independent director, and one executive director (Mr G Fethers) who is not considered by the Board to be independent in terms of ASX Recommendations' definition of an independent director. It is noted that all of the directors hold material shareholdings in the Company but such interests are not reasonably to be seen to interfere with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally. It is also noted that both non-executive directors have been directors for more than 10 years, but they remain independent of management. The Chairman has a casting vote. The Company has followed recommendations 2.3 and 2.4 and 2.5 of the ASX Recommendations in full for the whole of the reporting period.

The Board has adopted and implemented a number of measures to ensure that independent judgement is achieved and maintained in respect of its decision-making processes, which include the following:

- directors are entitled to seek independent professional advice at the Company's expense, subject to the prior approval of the non-executive Chairman; and
- directors having a conflict of interest in relation to a particular item of business must absent themselves from the board meeting before commencement of discussion and the taking of a vote on the matter.

There is no formal program for inducting new directors which does not comply with recommendation 2.6 of the ASX Recommendations, again due to the size of the Board and the current size of the Company's operations. The Board does encourage the Managing Director to attend conferences for professional development and directors are kept informed of legislative and regulatory changes relevant to the operation of the Company's business.

The Board does not presently intend to establish an audit committee (recommendation 4.1 of the ASX Recommendations) or a risk committee (recommendation 7.1 of the ASX Recommendations) or a remuneration committee (recommendation 8.1 of the ASX Recommendations). Instead the Board itself will discharge its responsibilities in respect of audit, risk management and remuneration of directors and senior executives (see further below under "Recognise and Manage Risk"). The Board is of a size, composition and physical location which is conducive to making the relevant decisions itself efficiently and expeditiously.

### **3. INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY**

#### **(a) Statement of Values and Code of Conduct**

Reedy Lagoon values honesty, integrity and quality. These values are to be observed by officers and employees in all of the Company's activities.

Directors, officers and employees of the Company must observe high standards of conduct and ethical behaviour in all of the Company's activities. This includes dealings with suppliers, business partners, regulatory authorities and the general communities in which it operates. Officers and employees of the Company are expected to:

- comply with the law,
- act honestly and with integrity and objectivity,
- not place themselves in situations which result in divided loyalties,
- use the Company's assets responsibly and in the interests of the Company, and
- be responsible and accountable for their actions.

The Statement of Values and Code of Conduct was established on 30 September 2022. The Statement of Values and Code of Conduct incorporates and expands the Company's previous policy relating to ethical and responsible decision making. The Statement is available on the Company's website ([www.reedylagoon.com.au/about-us/corporate-governance/](http://www.reedylagoon.com.au/about-us/corporate-governance/)), A copy will be provided to any shareholder on request to the Company Secretary.

By reason of oversight the Company did not have a Statement of Values or Code of Conduct available on its website until 30 September 2022 and therefore did not follow recommendations 3.1 & 3.2 of the ASX Recommendations in full for the first 3 months of the period ended 30 June 2023, but has followed those recommendations in full for the period after 30 September 2022.

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**(b) Trading Policy**

The Company established a trading policy in 2007 which all directors, officers and employees are required to observe and is available on the Company's website ([www.reedylagoon.com.au/about-us/corporate-governance/](http://www.reedylagoon.com.au/about-us/corporate-governance/)). A copy will be provided to any shareholder on request to the Company Secretary.

**(c) Whistleblower Policy**

The Whistleblower Policy, established on 30 September 2022, is available on the Company's website ([www.reedylagoon.com.au/about-us/corporate-governance/](http://www.reedylagoon.com.au/about-us/corporate-governance/)). A copy will be provided to any shareholder on request to the Company Secretary.

By reason of oversight the Company did not have a Whistleblower Policy until 30 September 2022 and therefore did not follow recommendation 3.3 of the ASX Recommendations in full for the first 3 months of the period ended 30 June 2023, but has followed that recommendation in full for the period after 30 September 2022.

**(d) Anti-bribery and Corruption Policy**

The Antibribery and Corruption Policy, established on 30 September 2022, is available on the Company's website ([www.reedylagoon.com.au/about-us/corporate-governance/](http://www.reedylagoon.com.au/about-us/corporate-governance/)). A copy will be provided to any shareholder on request to the Company Secretary.

By reason of oversight the Company did not have an Anti-bribery and Corruption Policy until 30 September 2022 and therefore did not follow recommendation 3.3 of the ASX Recommendations in full for the first 3 months of the period ended 30 June 2023, but has followed that recommendation in full for the period after 30 September 2022.

**4. INTEGRITY OF FINANCIAL REPORTING**

As noted above, the Company does not have an audit committee and does not follow recommendation 4.1 of the ASX Recommendations. Instead the Board undertakes processes which seek to independently verify and safeguard the integrity of the Company's financial reporting.

The objectives of the Board are to:

- ensure the integrity of external financial reporting,
- ensure that controls are established, maintained and adhered to in order to safeguard the Company's financial and physical resources,
- ensure that systems or procedures are in place and operational so that the Company complies with relevant statutory and regulatory requirements,
- assess financial risks arising from the Company's operations, and consider the adequacy of measures taken to moderate those risks, and
- liaise with external auditors periodically.

The appointment of an external auditor is subject to ratification by shareholders at an Annual General Meeting. The Board:

- reviews the performance of the external auditor on an ongoing basis;
- ensures the external auditor has arrangements in place for the rotation of the audit engagement partner including that the audit engagement partner must rotate every five years; and
- ensures any non-audit services provided by the external auditor do not compromise the independence of the external audit function.

The Company's Managing Director declares in writing to the Board that, in his opinion, the consolidated financial statements of RLC and its controlled entities for each half and full financial year have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the Company's financial position and performance and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. The Company has followed recommendation 4.2 of the ASX Recommendations in full for the whole of the report period.

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The Company makes periodic reports (Quarterly Reports to ASX with Appendix 5B). Where the financial content of such reports are not audited or reviewed by an external auditor, the financial content is prepared by a qualified external accountant from management records and reviewed by the Board with a declaration by the managing director (as CEO and CFO) in accordance with recommendation 4.2 of the ASX Recommendations (see further under “Recognise and Manage Risk” below). The other content of these reports is compiled from information about the operations of the Company during the relevant period, including information disclosed under the Company’s continuous disclosure requirements. (see below under “Continuous Disclosure to ASX”). All such reports require board approval before lodgement with ASX.

### **5. MAKE TIMELY AND BALANCED DISCLOSURE**

The Company’s Disclosure and Communications Policy is available on the Company’s website ([www.reedylagoon.com.au/about-us/corporate-governance/](http://www.reedylagoon.com.au/about-us/corporate-governance/)) and will be provided to any shareholder on request to the Company Secretary. The Company has followed recommendation 5.1 of the ASX Recommendations in full for the whole of the report period.

The Board is responsible for monitoring compliance with ASX Listing Rule disclosure requirements and approves each proposed announcement to ASX before it is released. All members of the Board receive a copy of all material released to the market promptly following notification from ASX of release. The Company has followed recommendations 4.3 and 5.2 of the ASX Recommendations in full for the whole reporting period.

The Company Secretary is responsible, under the ASX Listing Rules, for all communications with ASX. The Non-Executive Chairman, Managing Director and Company Secretary periodically discuss issues relating to the Company’s continuous disclosure obligations.

It is the policy of the Company to ensure that all shareholders have equal and timely access to material information concerning the Company, consequently presentations to a new and substantive investor or analyst presentation are released to the ASX Market Announcements Platform prior to the presentation. The Company has followed recommendation 5.3 of the ASX Recommendations in full for the whole reporting period.

### **RESPECT THE RIGHTS OF SHAREHOLDERS.**

The Company has followed recommendations 6.1, 6.2, 6.3, 6.4 and 6.5 of the ASX Recommendations in full for the whole of the reporting period.

It is the policy of the Company to ensure that shareholders have equal and timely access to material information concerning the Company.

All documents which are released publicly are made available on the Company’s website ([www.reedylagoon.com.au/investors/asx-announcements/](http://www.reedylagoon.com.au/investors/asx-announcements/)). The website provides information on the Company’s mineral projects as well as ASX releases and audited financial statements. The website is continually updated and has been maintained for the whole report period.

Information about the Company and its governance is provided on Company’s website at ([www.reedylagoon.com.au](http://www.reedylagoon.com.au)).

Information about the options available to security holders for receiving communications from, and send communications to, the Company and its security registry is provided on the CONTACT page of the Company’s website ([www.reedylagoon.com.au/contact/](http://www.reedylagoon.com.au/contact/)). Electronic communication options are provided and encouraged.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company’s strategy and goals. General meetings are held so as to permit attendance in person, and where attendance in person is not permitted (for example by Covid regulations). The Company uses technology to enable participation by shareholders at virtual or hybrid meetings. All substantive resolutions at a meeting of shareholders are decided by a poll rather than a show of hands.



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RLC's external auditor is required by law to attend the AGM to answer questions relevant to, inter alia, the conduct of the audit and the preparation and content of the auditor's report and does attend.

**RECOGNISE AND MANAGE RISK**

The Company does not have a risk committee or a committee which satisfies paragraph (a) of recommendation 7.1 of the ASX Recommendations nor does the Company have an internal audit committee. Instead, the Board is responsible for the oversight of the Company's risk management and control framework. The Company has implemented a policy framework designed to ensure that the Company's risks are identified and that controls are adequate, in place and functioning effectively. Responsibility for aspects of control and risk management is delegated to the Managing Director who is responsible to the Board for such risk management and control.

Areas of significant business risk are highlighted to the Board by the Managing Director.

The Company evaluates and continually improves the effectiveness of its risk management and internal control processes through arrangements put in place by the Board to monitor risk management which include reporting to each board meeting in respect of operations and the financial position of the Company. The Board has set monetary limits on the authority of the Managing Director to cause the Company to enter commitments or make payments without prior board approval.

The Company's Managing Director declares in writing to the Board that, in his opinion, the consolidated financial statements of RLC and its controlled entities for each half and full financial year have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the Company's financial position and performance and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. The Company has followed recommendation 4.2 of the ASX Recommendations in full for the whole of the report period.

The Board has reviewed the Company's risk management framework and is satisfied that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board. The issue of risk is a topic addressed at each meeting of the Board and the Company's Managing Director provides a declaration as to risks for the Company at each board meeting. Risks are reviewed by the Board as part of the preparation and approval of documentation for capital raising and similar transactions. The Company has followed recommendation 7.2 of the ASX Recommendations in full for the whole of the reporting period.

The Board has considered whether it has any material exposure to environmental or social risks and has concluded that it presently has no material exposure to environmental or social risks over and above the risks created by the need to obtain approvals and consents for mining activities under legislation or from third parties such as Native Title Holders. The Company manages these risks by maintaining its reputation as an ethical and law abiding operator and by maintaining good relations with those third parties.

**REMUNERATE FAIRLY AND RESPONSIBLY**

The Company does not have a remuneration committee and therefore does not follow recommendation 8.1 of the ASX Recommendations. The process for setting the level and composition for remuneration for directors and senior executives that the Company employs is to have regard to market rates and to set a level of cash remuneration which is below market for similar roles in similar companies plus a directors' share scheme providing for the annual issue to each Director of options to subscribe for ordinary shares in the Company at a premium to the then market price. The issue of options to Directors is subject to obtaining shareholder approval at an AGM

Details of the remuneration of the directors are disclosed in the Remuneration Report set out in the 2023 Annual Report.

The Company's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives are provided in the Company's Corporate Governance Policies available on the Company's website at [www.reedyagoon.com.au/about-us/corporate-governance/](http://www.reedyagoon.com.au/about-us/corporate-governance/). The Company has followed recommendation 8.2 of the ASX Recommendations in full for the whole report period.

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To the extent the directors' share scheme (issue of options) is an equity-based remuneration scheme, the Company does not have a policy on whether directors are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Company's equity based remuneration scheme and consequently does not comply with recommendation 8.3 of the ASX Recommendations. This is because the equity based remuneration scheme offered to directors takes the form of options over unissued shares with an exercise price in excess of the current market price.

There is no scheme for retirement benefits for non-executive directors other than payments for superannuation where required by law.