

# Magnis Energy Technologies Ltd

## CORPORATE GOVERNANCE STATEMENT

### 2021

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Magnis Energy Technologies Ltd (**Company** or **Magnis**) approach to corporate governance is more than merely one of compliance and more focused on striving for best industry practice and building excellent corporate governance which it believes is essential for long-term sustainability of its business and general performance and will assist in the protection of the interests of all stakeholders of the Company.

This Corporate Governance Statement (**CGS**) outlines the main corporate governance practices currently in place for Magnis and addresses the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**). The Company accords with most principles and recommendations of the ASX Corporate Governance Council.

All references to the Company's website are to: [www.magnis.com.au](http://www.magnis.com.au)

#### PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

##### Role of the Board and Governance Framework

The Board has a clear understanding that it is responsible for the Company's corporate governance and recognises the importance of this in establishing accountabilities, monitoring, and managing risks, guiding, and regulating activities and optimising the Company's overall performance. The Board also recognises the need for continuous improvement and to regularly review its system of corporate governance.

The Directors must act in the best interests of the Company and, in general, are responsible for, and have the authority to determine, all matters relating to the policies, management and operations of the Company.

The role and responsibilities of the board is detailed in the board charter available at: <https://www.magnis.com.au/corporate/corporate-governance>

The Board's responsibilities, in summary, include:

- providing strategic direction and reviewing and approving corporate strategic initiatives;
- overseeing and monitoring organizational performance and the achievement of the Company's strategic goals and objectives;
- appointing, monitoring the performance of, and, if necessary, removing the Chief Executive Officer and/or Managing Director;
- ratifying the appointment or removal, and contributing to the performance assessment of the members of the senior management team;
- planning for Board and executive succession;
- ensuring there are effective management processes in place and approving major corporate initiatives;
- adopting an annual budget and monitoring management and financial performance and plans;
- monitoring the adequacy, appropriateness and operation of internal controls;
- identifying significant business risks and reviewing how they are managed;

- considering and approving the Company's Annual Financial Report and the quarterly Cashflow and Activities reports;
- enhancing and protecting the reputation of the Company;
- reporting to, and communicating with, shareholders; and
- setting business standards and standards for social and ethical practices.

Day to day management of the Company and implementation of Board policies and strategies has been formally delegated to senior executives and management. It is the responsibility of the Board to oversee the activities of management in executing delegated tasks. In particular, the Board has delegated management responsibility for:

- delivering key objectives and milestones in accordance with market expectation as are set by the Company;
- developing project budgets for capital and operating expenditure for Board review and, if appropriate, approval;
- developing and maintaining an effective risk management framework and keeping the Board and the market fully informed about risk;
- the prudent management of the Company's cash reserves in accordance with the approved annual operating budget;
- regulatory compliance across all jurisdictions in which the Company undertakes business covering amongst other things health and safety, tax, accounting, and company reporting.

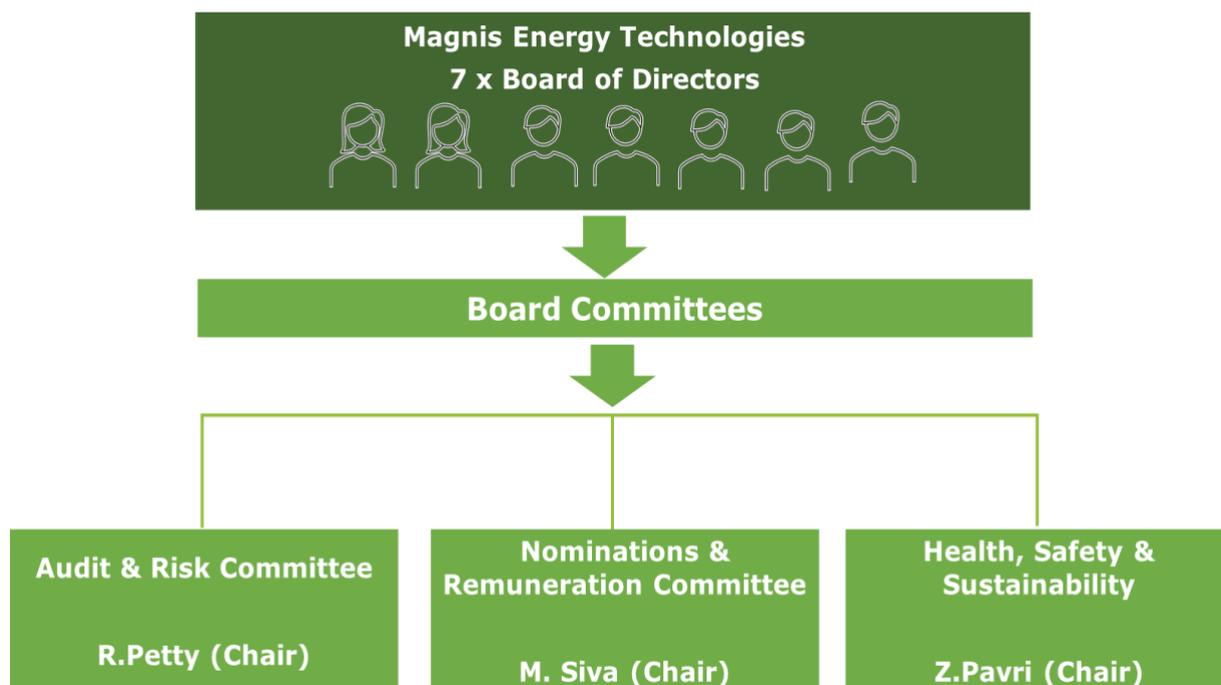
In making decisions regarding the appointment of Directors, the Board assesses the appropriate mix of skills, experience and expertise required by the Board and assesses the extent to which the required skills and experience are represented on the Board. When a vacancy exists, the Board determines the selection criteria based on the skills deemed necessary.

Directors, senior executives and employees work under employment contracts that provide accountability with respect to expected duties, rights, responsibilities, remuneration and entitlements such as superannuation, leave, annual reviews, performance KPIs and termination events.

### **Board Committees**

The Board generally operates across the range of its responsibilities and have ultimate responsibility. To increase its effectiveness, it uses Committees with closer attention to matters generally matched to the specific skills of their members to consider areas of the Company's operations using a policy and subject focused principled and methodical approach.

During the reporting period the Board had and reconstituted its three (3) separate Board Committees. Details regarding the number of Board meetings and committee meetings held during the year and the attendance of each member is set out in the 2021 Director's Report which forms part of the Annual Report. The Board held thirteen meetings during the year ended 30 June 2021. The Company Secretary is accountable to the Board through the Chairman with respect to corporate governance matters including the functioning of the Board, and in communications to the ASX, as required under Listing Rule.



#### Nominations & Remuneration Committee

The Nominations & Remuneration was reconstituted on 16 June 2021. It comprises of non-executive directors, having Mr. Mugunthan Siva as Chair, Ms. Mona Dajani and Ms. Zarmeen Pavri as members.

A copy of the Nominations & Remuneration Committee Charter is accessible from the Company's website: <https://www.magnis.com.au/corporate/corporate-governance>

The Committee advises the Board on remuneration and incentive policies and practices. It makes specific recommendations on remuneration packages and other terms of employment for senior executives and Non-Executive and Executive Directors.

Any increase in the maximum remuneration of Non-Executive and Executive Directors is the subject of shareholder resolution in accordance with the Company's Constitution, the Corporations Act and the ASX Listing Rules, as applicable.

The Board may award additional remuneration to Non-Executive and Executive Directors called upon to perform extra services or undertake special duties on behalf of the Company. The Nominations & Remuneration Committee also identifies potential candidates often with the use of external consultants for identifying potential candidates at both the Board and management level. Suitable candidates are usually based on recommendations from this Committee.

The Nominations & Remuneration Committee promotes screening checks and other tools prior to nominating candidate. Appointments to fill a casual vacancy are appointed until the subsequent Annual General Meeting. The Committee and Board and candidate themselves provide to shareholders with all material information for shareholders to make an informed decision to elect or re-elect directors in the explanatory notes that accompany the Annual General Notice of Meeting. The Committee is also charged to identify suitable candidates for filling Board vacancies and nominates candidates for the approval of the Board.

#### Audit & Risk Committee

Following the reconstitution of the Board, the Audit & Risk Committee was reconstituted on 16 June 2021. The Committee comprises of non-executive directors, with Dr. Richard Petty as the Chair, Ms. Mona Dajani, Mr. Mugunthan Siva, Ms. Zarmeen Pavri, Professor M Stanley Whittingham and Executive Chairman Frank Poullas. The latter two directors to remain on the Committee for 12 months for continuity purposes.

A copy of the Audit & Risk Committee Charter is accessible from the Company's website: <https://www.magnis.com.au/corporate/corporate-governance>

The main responsibilities of the Committee were, inter alia, to:

- review and report to the Board on the periodic reports and financial statements;
- provide assurance to the Board that it is receiving adequate, timely and reliable information;
- assist the Board in reviewing effectiveness of the Company's internal control environment;
- compliance with applicable laws such as the Corporations Act, the ASX Listing Rules, and other legislative and reporting requirements;
- reliability of financial reporting, including the review of significant accounting policies to ensure compliance with accounting standards;
- manage the performance of the external auditors and make recommendations in respect of the appointment of the external auditors;
- ensure that the annual audit and half-year review are conducted in an efficient manner;
- monitoring developments in corporate governance practices; and
- ensuring management has processes to manage and report on significant financial risks facing the business.

The Audit & Risk Committee reviews the performance of the external auditors on an annual basis. A representative of the Committee meets with the auditors during the year to discuss the external audit plan, any significant problems that may arise, and to review the fees proposed for the audit work to be performed.

Any written matters raised by the auditors are discussed and dealt with at full board meetings. The auditors, by request, may attend audit committee meetings and board meetings to discuss any matter that they believe warrants attention by the Board. The auditors also attend the Annual General Meeting of shareholders of the Company to answer questions in respect of the Company's Annual Financial Report and the conduct of the annual audit.

#### **Health, Safety and Sustainability Committee**

Following the reconstitution of the Board, the composition of the Committee changed on 16 June 2021 with Ms. Zarmeen Pavri as the Chair and Mr. Frank Poullas, Professor Stanley Whittingham, Mr. Peter Tsegas, Mr. Mugunthan Siva being members.

A copy of the Health, Safety and Sustainability Committee is accessible from the Company's website: <https://www.magnis.com.au/corporate/corporate-governance>

The responsibilities of the Committee include:

- monitoring of the Company's performance on health, safety, sustainability and corporate responsibility matters;
- monitoring the Company's compliance with Health, Safety and Environment legislation;
- review and oversee the development and implementation of policies and procedures that will allow the Company to operate its business in a safe, sustainable and ethical manner;
- review initiatives and practices in respect of the Company's community engagement and social responsibility; and
- reviewing and recommending to the Board any changes to be made to the Company's Code of Conduct and reviewing the effectiveness of the systems for monitoring compliance.

#### **Performance Evaluation and Remuneration**

In prior reporting periods, the Board has not undertaken any level of formal performance evaluation of Directors. At an informal level, however, the Chairman frequently consults in each reporting period with the other Directors seeking guidance on ways in which the Board as a whole, as well as each individual Director, can improve its contribution and performance to the execution by the Board of its responsibilities.

As the operations of the Company increase, it is proposed that a performance review will be annual and will involve all Directors completing a questionnaire including allowance for additional comments or raising any issues relating to the Board's or a Committee's operation. The results of the review will be compiled by the Chairman and discussed with Board members at an appropriate Board meeting and the Company will consider whether to disclose the board skills matrix in FY22.

The purpose of the review is to assess the strengths and weaknesses of the Board and Committees and identify areas that might be improved. The findings of the performance review will be considered by the Board and continue to be considered in identifying and nominating new candidates for appointment as Director, and in planning and conducting Board and committee matters. Directors can raise concerns regarding an individual Director’s performance with the Chairman at any time during the year.

The performance of the incumbents of the Chief Executive Officer (**CEO**) and Managing Director (**MD**) roles (when applicable) is reviewed by the Board periodically. The Chairman or Company Secretary co-ordinates the comments to Directors of written assessments about their Senior executive. Due to the turnover of senior officers and Directors in the prior period, a period performance did not occur. It is intended to implement this process as the Board shows stability.

Likewise, the performance of the Company’s senior executives would normally be reviewed by the MD annually however with the current Executive Chairman fulfilling this function, his role encompasses reviews around remuneration, performance, and reports his findings to the Remuneration Committee. These reviews are usually scheduled for May/April. Further details of the remuneration review procedure are provided in the Remuneration Report.

**Diversity**

The Company places great importance on its people and remains committed to promoting an inclusive workplace by applying policies and practices designed to improve both gender equality and diversity within the organisation. Having a diverse workplace, with varying skills, cultural backgrounds, ethnicity, and experience brings a range of benefits to the business, such as improved business decision making, wider range of skills, fosters innovation and ultimately better solutions for the customers.

**Company’s progress towards improving diversity**

Improving diversity requires cultural change driven by the leadership and commitment of the board and senior management. The Company has made a commitment to gender diversity at the board level and is very pleased to have two female Board directors that provide the Company with additional skills, depth, and diversity of thought to help grow the business and enhance its strong leadership and governance.

Female Participation – MNS	30th June 2021	30 June 2020
Board level	29%	0%

The Company is committed to creating an inclusive workplace where discrimination, harassment and inequity is not tolerated, and demeaning behaviour toward colleagues or management by Directors is managed by the Executive Chairman.

Diversity Policy adopted by the Board can be viewed on the Company’s website: <https://www.magnis.com.au/corporate/corporate-governance>

**PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE**

The composition of the board at the date of the Corporate Compliance Statement is shown as below:

	Name of director	Category	Date of appointment
1	Frank Poullas	Executive Chairman	9 Sep 2010
2	Peter Tsegas	Independent Director	16 June 2015
3	Prof. M. Stanley Whittingham	Independent Director	4 Nov 2016

4	Zarmeen Pavri	Independent Director	29 Mar 2021
5	Richard Petty	Independent Director	29 Mar 2021
6	Mugunthan Siva	Independent Director	29 Mar 2021
7	Mona Dajani	Independent Director	29 Mar 2021

The entire Board is currently constituted by seven Directors, comprising six Non-Executive Directors with a broad range of skills, expertise, and experience, and all of whom add value to the operation of the Board. The Board is comprised of six Independent Directors and an Executive Chairman who has a shareholder stake of 1.8% in the Company.

The independence of Directors is important to the Board. Independence is determined by objective criteria acknowledged as being desirable to protect investor interests and optimise value to investors. The Board regularly assesses the independence of its Directors. In determining the status of a Director, the Company considers that a Director is independent when he or she is independent of management and free of any business or other relationship (for example a significant shareholding) that could materially interfere with or could reasonably be perceived to interfere with the exercise of unfettered and independent judgement. The Company's criteria for assessing independence are in line with standards set by the Principles.

The appointment and removal of Directors is governed by Company's Constitution. Under the Constitution, the Board must comprise of a minimum of three Directors. Given the Board is considered majority Non-Executive, the Board does maintain a Nominations & Remuneration Committee (**Committee**). The Committee is responsible for selecting and recommending to the Board candidates to fill any casual vacancies that may arise on the Board from time to time. Directors who have been appointed to fill casual vacancies must offer themselves for election at the next Annual General Meeting of the Company (AGM). In addition, at each AGM, at least one Director must be a candidate for re-election and no Director shall serve more than three years without being a candidate for re-election (consistent with the requirements of the Company's Constitution).

- New Directors may participate in an induction program to assist them to understand the Company's business and the issues and are provided access to historical minutes and other items.
- The Board collectively has the right to seek independent professional advice as it sees fit. Each Director individually additionally enjoys the right to seek independent professional advice, subject to the approval of the Chairman.
- All Directors have direct access to the General Counsel & Company Secretary.
- Directors also have complete access to the senior management team. In addition to regular reports by senior management to the Board meetings, Directors may seek briefings from senior management on specific matters and Directors are entitled to request additional information and at any time they consider appropriate.

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

#### **Code of conduct and ethical behaviour**

The Company is committed to being a good corporate citizen within all jurisdictions that it undertakes its business activities, and the Board has undertaken to ensure that the Company implements:

- practices necessary to maintain confidence in the Company's integrity;
- practices necessary to consider their legal obligations and the reasonable expectations of their stakeholders; and,
- responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Company has adopted a Code of Conduct for its Directors and employees and it can be viewed at <https://www.magnis.com.au/corporate/corporate-governance>.

The Board is responsible for maintaining corporate integrity and ethical behaviour to the Board and seeks to set the standards for dealing ethically with employees, investors, customers, regulatory bodies and the financial and wider community, and the responsibility and accountability of individuals for reporting and investigating reports of unethical behaviour.

### **Whistleblower Policy**

Magnis seeks to identify and assess wrongdoing as early as possible. The Company values support a culture that encourages staff to speak up on matters or conduct that concerns them. This policy provides information to assist staff to make disclosures and sets out how the Company will protect them from retaliation for whistleblowing.

### **Anti-Bribery and Corruption Policy**

Magnis is committed to integrity. The Company has a policy for the reporting of material breaches of the Anti-Bribery and Corruption Policy, or material incidents reported under the Whistleblower Protection Policy to the Audit and Risk Committee or Board subject to safeguards of identity of whistleblowers.

### **Dealing in Securities**

The Company has in place a formal Securities Dealing Policy that regulates the way Directors, senior management and officers that are involved in the management of the Company deal with securities.

There is a Share Trading Policy with specific trading blackouts. Trading by directors is publicly disclosed under the Director Securities purchase and sale regime required under the Corporations Act and enforced by visible timely disclosures under the Listing Rules. Person in possession of non-public price sensitive information are required to be conscious of the legal consequence of insider trading. The Share Trading Policy is also available on the Company's website.

## **PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS**

The Audit and Risk Committee is responsible to assist the Board in discharging its responsibilities to safeguard the integrity of the Company's financial reporting and the system of internal control. The Committee's provides advice and recommendations to the Board to fulfil its responsibilities with respect to financial reporting, the setting and monitoring of internal controls, environment, and audit management where appropriate across the Company.

The Audit and Risk Committee Charter is available on the Company website. It considers the roles and responsibilities of the Committee and contemporary governance practices. The Audit and Risk Committee Charter also details processes around the appointment and oversight of external auditors. The external auditor is required to be available to shareholders at each Annual General Meeting to answer questions about the Company's external audit.

In accordance with the Company's legal obligations and Recommendation 4.2 of the ASX Recommendations, the Executive Chairman (in the absence of a Managing Director) and the CFO are required to provide certifications to the Board in relation to the Financial Statements.

Non-Audited Financials are released on a quarterly basis. These are prepared internally, and the CFO and Executive Chairman must agree to the release of the Appendix 5B and Quarterly Activities and information contained therein prior to their release, and after circulating these or drafts near finalization to the Board for comment.

In doing so, the relevant officers represent to the Board that the financial records have:

- been properly maintained
- the financial statements comply with the appropriate accounting standards,
- give a true and fair view of the financial position and performance of the entity
- based a sound system of risk management and internal controls
- their best belief and knowledge operates effectively.

The Audit Committee communicates with the Auditors on receipt of the Auditor recommendations and audited financials, and they in turn make recommendations to address any areas for improvement each audit cycle.

#### **PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE**

The Company is committed to complying with its continuous disclosure obligations under the ASX Listing Rules and Corporations Act and to ensuring that its shareholders are kept well-informed of all significant developments affecting the Company's circumstances to promote transparency and investor confidence.

Magnis has adopted a Continuous Disclosure Policy incorporates a continuous disclosure framework that is established by ASX Listing Rules Chapter 3, and ASX Listing Rules Guidance Note 8. This policy is available on the Group's website.

The Continuous Disclosure Policy provides a framework for compliance with relevant disclosure obligations and establishes the accountability of the Board for achieving compliance. Specifically, the policy:

- describes the Company's obligations under ASX Listing Rule 3.1 and the Corporations Act;
- establishes internal processes for reporting of information considered to be potentially price-sensitive and for consideration of information reported by the Board;
- establishes processes for the disclosure of price sensitive information, taking into account the clarification provided by ASX Guidance Note 8;
- establishes internal processes for briefing of analysts, investor, and media groups, responding to market speculation, leaks and rumours and calling trading halts where appropriate to avoid trading occurring in an uninformed market; and
- outlines authorisation procedures for ASX announcements, including their categories.

As recommended, by the relevant ASX Guidance Policy, Magnis ensures its Board receives market announcements promptly when made, in instances where members have not had the opportunity to scrutinise a market sensitive release because due to enforcement regulation around prompt releases of market sensitive information.

Before corporate presentations to substantive investors or analyst presentations, the Company releases the presentation on the ASX, unless entirely composed of abstracts of historical releases.

#### **PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS**

The Board strives to ensure that shareholders are informed of all major developments and business events likely to materially impact the Company's operations and financial standing, including the market price of securities. Information as communicated to shareholders via:

- The Company's ASX platform;
- The Company's website;
- Annual and Half Year audited financial reports released per above;
- Market-sensitive releases, including information that relates to strategy and milestone accomplishment; and
- Chairman or MD's addresses
- The results of General and Annual General Meetings.

Historical information retained on the Magnis website includes:

- ASX announcements;
- Company Presentations;
- Company Financials;
- Directors' details;
- Governance Announcements; and
- Charters and Policies

## Annual General Meetings

Shareholders have the right, and are encouraged, to attend the Company's Annual General Meeting, held in October/November each year, and are provided with explanatory notes on the resolutions proposed through the notice of meeting. A copy of the notice of meeting is also posted on the Company website and lodged with the ASX.

In addition, shareholders are invited to submit questions of the board, auditors, or management, which are addressed at the Annual General Meeting.

Shareholders are encouraged to vote on all resolutions and unless specifically stated otherwise in the notice of meeting, all shareholders are eligible to vote on all resolutions. Shareholders who cannot attend the Annual General Meeting may lodge a proxy in accordance with the Corporations Act. Proxy forms may be lodged with the share registry by mail, hand delivery, facsimile or electronically.

All resolutions at a meeting of shareholders are now decided by a poll rather than a show of hands.

Transcripts of the Chair and MD's presentations or speeches are released to the ASX prior to the Meeting. These transcripts, and the results of the meeting are posted on the ASX and the Company's website.

The Company's Continuous Disclosure Policy outlines the processes to be followed by the Company to ensure communication with shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure.

All shareholders are provided the option to receive communications from the Company and the share registry electronically and are encouraged to do so, with election documentation included in regular mail outs to shareholders.

## PRINCIPLE 7: RECOGNISE AND MANAGE RISK

The Company is undertaking to build a new risk management framework in the FY22 year that encompasses market, financial, insurance, liquidity, and corporate governance risk. The identification and effective management of risk, including calculated commercial risks are viewed as an essential part of the Company's approach for creating long-term shareholder value.

The Company does not have an independent internal audit function due to the size of the Company, however its risk management policies are being reviewed and monitored by the Audit and Risk Committee. The Committee is obligated to work within the mandate established by the Audit and Risk Committee's Charter, which is itself reviewed on an annual basis. The Company's risk management framework intends to integrate macro strategic goals with day-to-day business procedures and functional responsibilities.

A review of the Company's risk management framework has not been carried out during the 30 June 2021 year, however at the time of this review has commenced building out its priorities. The Committee intends to undertake the regulatory risk review throughout the FY22 year.

## Economic, environmental and social sustainability risks

### CORPORATE RESPONSIBILITY

Company acknowledges the importance of sustainability as a core foundation and part of its corporate responsibility for all stakeholders. The Company believes that sustainable conduct is a delivery driver of value for its shareholders and the broader community and external stakeholders in the long-term. Magnis' entities and investee companies are committed towards ensuring support to sustainable business practices. The impact of the Company's decision-making and operations all have an impact on the economy, society and the environment which forms part of its corporate responsibility.

## Environment

The Company's high quality green credentialed Lithium-ion batteries to be produced by iM3NY, using C4V's patented BM-LMP Technology leads to longer battery life, faster charging, and greater safety without the use of more environmentally impactful Nickel and Cobalt.

## Social

A key part of the Company's sustainability approach is based on proactively maintaining its social license to operate through greater interaction and positive impacts on the communities it operates in.

Our capital investments into the iM3NY operations in New York have created numerous new jobs and supported livelihoods in the local community we operate in. The iM3NY operations will be creating approximately 150 new jobs in Endicott, New York at the battery manufacturing plant in a revitalized area which was a former office and manufacturing site. There are also Future job creation opportunities being are also planned for each of the Townsville and Tanzania projects.

The Magnis group of companies is committed to complying with the laws, regulations and guidelines that govern the groups operations in the multiple jurisdictions in which it operates in across Australia, United States and Tanzania.

## Engagement with Local communities

In Tanzania, the Company has continued to partner with several organisation's in line with its commitment to operate in a sustainable manner. There have been four key areas where the Company has contributed and engaged with the local communities in Tanzania in relation to its Nachu Graphite Project:

1. Community Consultation: Engagement with the local communities and neighbors surrounding its site
2. Financial literacy and Education: The Company has ensured that financial literacy education has been rolled out to various communities
3. Product materials community support: whereby the Company has donated building materials and supplies for the construction of various community clinics and schools
4. Community Donation and Support Programs: The Company has provided various donations to support numerous charity and program campaigns during the year.

## People, Health and Safety

The Company has a focus on safety, health and providing an equal work environment to all its employees, regardless of their background and position. The focus is on maintaining safe working environments through strong, safety-first leadership and culture

The Sustainability, Health and Safety Committee's mandate includes the development, monitoring, and refining of safety performance indicators to better understand the processes and behaviours that are most effective in minimising safety incidents and serious harm. The recently reconstituted Committee will monitor and track any serious consequence-based injury, and other major incidents capable of causing or have caused serious or fatal harm with various measures. All incidents, injuries and near misses must be reported in accordance with incident management procedures to ensure measures can be taken to prevent reoccurrence.

The Company reports that there have been no safety incidents for the financial year end.

The Audit and Risk Committee is also evaluating the Company's material exposure to economic, environmental, and social sustainability risks. The results of these findings will shape strategy and resource allocation.

## PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

The Board has established a Nominations and Remuneration Committee, which in accordance with its Charter (available on the Company's website), is responsible for reviewing and making recommendations to the Board in respect of:

- Executive remuneration;
- Executive incentive plans;
- Remuneration of the Company's key management personnel;
- Equity based incentive plans;
- Recruitment, retention, performance measurement and termination policies and procedures for non-executive directors, the MD and any other executive director and all senior executives reporting directly to the MD; and
- The disclosure of remuneration in the Company's Annual Report.

Details of Remuneration and Nomination Committee are outlined earlier in the Corporate Governance Statement and in the Directors' Report as contained in the Annual Report.

Remuneration levels are set to attract and retain appropriately qualified and experienced personnel. Performance, duties and responsibilities, market comparison and independent advice are all considered as part of the remuneration process. The total remuneration paid to Directors and key management personnel for the reporting period are set out in the Remuneration Report.

Directors' fees are reviewed and intended to be benchmarked against fees paid to Directors of similar organisations, while noting that the Company's growth has been rapid in the past 24 months. Directors are not provided with retirement benefits other than statutory superannuation but are eligible for securities (subject to shareholder approvals), as described in the Directors Report.

To ensure that the Company's senior executives properly perform their duties, the following procedures are in place:

- Full year achievement reviews through the re-constituted remuneration and nomination committee.
- Senior management assessed in terms of their achievements against expectations.
- A link between the outcomes, market rates, and the performance review process which is outlined in the Remuneration Report.

## CONTINUOUS REVIEW OF CORPORATE GOVERNANCE

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Company. Such information must be sufficient from time to time considering changing circumstances and economic conditions. The Directors recognise that:

- mineral exploration and pre-development of off-takes of graphite, and the
- manufacture of lithium cells

each are areas that carries numerous risks.

Directors are committed and conscious of the role they play with respect to the oversight of these businesses and operational strategy and the adoption of skilled employees and contractors and adopting sound risk mitigation frameworks designed to manage and address particular and general risks relating to these businesses particularly and business generally, noting the multi-jurisdictional nature of the Company's interests.

**This Corporate Governance Statement was approved by a resolution of the Board on 1 November 2021.**