



## PROVINCE RESOURCES LTD

### Corporate Governance Statement FY22

The Board of Directors of Province Resources Ltd (the “Company”) is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

This statement sets out the main corporate governance practices in place throughout the financial year in accordance with 4th edition of the ASX Principles of Good Corporate Governance and Best Practice Recommendations.

Further information about the Company's corporate governance practices is set out on the Company's website at [www.provinceresources.com](http://www.provinceresources.com)

This Statement was approved by the Board of Directors and is applicable for the year ended 30 June 2022.

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

**ASX Recommendation 1.1: A listed entity should have and disclose a board charter setting out:**

- (a) the respective roles and responsibilities of its board and management; and**
- (b) those matters expressly reserved to the board and those delegated to management.**

The Board has adopted a formal charter that details the respective board and management functions and responsibilities. A copy of this board charter is available in the corporate governance section of the Company's website at [www.provinceresources.com](http://www.provinceresources.com)

**ASX Recommendation 1.2: a listed entity should undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election as a director and provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.**

The Company considers the character, industry and relevant experience, education and skill set, as well as interests and associations of candidates for appointment to the Board and conducts appropriate checks to verify the suitability of the candidate.

Information in relation to Directors seeking reappointment is set out in the Directors report and notice of Annual General Meeting.

The Company will also require its directors acquire their unique Director Identification Number (DIN) as soon as the process is made available by the Australian Business Registry Services (ABRS).

**ASX Recommendation 1.3: a listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.**

This practice is in place.

**ASX Recommendation 1.4: the company secretary of a listed company should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.**

The Board Charter provides for the Company Secretary to be accountable directly to the board through the Chair.

**ASX Recommendation 1.5: a listed entity should:**

- **have and disclose a diversity policy which includes the requirement for the board to set measurable objectives for achieving gender diversity;**
- **disclose the measurable objectives and the entity's progress to achieving them;**
- **disclose the measurable objectives and progress towards achieving them; and**
- **disclose the respective proportions of men and women on the board and at each level of management and the company as a whole.**

The Company has adopted a Diversity Policy which is available in the corporate governance section of the Company's website at [www.provinceresources.com](http://www.provinceresources.com)

The Company's Diversity Policy reflects the commitment from Directors and Senior Management to workplace diversity. Diversity includes but is not limited to acknowledging and celebrating the different knowledge, skills, backgrounds and perspectives that people bring to their work. Differences can be based on age, gender, ethnicity, sexual orientation, disability, family responsibilities, social or cultural background.

The measurable objectives have been set for FY22 onwards at a 5-year company-wide target of 30% female representation and a long-term target of 40% female / 40% male / 20% unallocated to allow flexibility for Board renewal. The Company's employment policy is to employ based on merit using fair and equitable recruitment processes.

As at 30 June 2022:

Board – 25% women; Senior Executives – 17% women; whole organisation – 17% women.

**ASX Recommendation 1.6: a listed entity should have and disclose the process for evaluating the performance of the board, its committees and individual directors and whether a performance evaluation was carried out during the reporting period in accordance with that process.**

The Chair has the overall responsibility for evaluating the Board, any committees established and, when appropriate, individual directors on an annual basis.

The method and scope of the performance evaluation will be set by the Chair and which may include a Board self-assessment checklist to be completed by each Director. The Chair may also use an independent adviser to assist in the review if deemed appropriate.

No board review was undertaken during the year.

**ASX Recommendation 1.7: a listed entity should have and disclose a process for periodically evaluating the performance of its senior executives and disclose in relation to each reporting period where a performance evaluation was undertaken in accordance with a process.**

Performance evaluations of senior executives were undertaken during the year.

The performance of Managing Director is to be reviewed by the Board of the Company as part of the annual Board performance evaluation.

The performance of the management staff is to be reviewed by the Managing Director on an ongoing basis since appointment.

## **PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE**

**ASX Recommendation 2.1: The board of a listed entity should establish a nomination committee:**

- **with at least three members the majority of which are independent directors**
- **chaired by an independent Director; and**

- **disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings.**

Given the present size and complexity of the Company the Board has not constituted a Nomination Committee with the full Board carrying out the role of a Nomination Committee. The Board considers succession issues and the requirements 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 regularly at Board meetings.

**ASX Recommendation 2.2: 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.**

On a collective basis the Board's skills indicates the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. The matrix reflects the Board's objective to have an appropriate mix of industry and professional experience including skills such as leadership, governance, strategy, finance, risk management and international business operations.

The Board skills matrix is located on the Company's website at [www.provinceresources.com](http://www.provinceresources.com).

**ASX Recommendation 2.3: a listed entity should disclose the names of the directors considered by the board to be independent directors and provide details in relation to the length of service of each Director.**

There was one board change during the year, being the appointment of Mr Roger Martin.

The current independent directors are:

1. Mr Patrick Burke – Non-executive Chairman (appointed 9 November 2020)
2. Ms Kylah Morrison – Non-executive Director (appointed 22 March 2021)
3. Mr Roger Martin – Non-executive Director (appointed 27 July 2021)

Mr David Frances (appointed 3 August 2020) is an Executive Director and is therefore not considered to be an independent Director.

**ASX Recommendation 2.4: the majority of the board of a listed entity should be independent directors.**

A majority of the Board are considered independent directors.

The Board will review its composition as the Company's circumstances change.

**ASX Recommendation 2.5: The Chair of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.**

The Chairperson, Mr Patrick Burke is considered to be an independent Director.

Mr David Frances is the Managing Director.

**ASX Recommendation 2.6: a listed entity should have a program for inducting new directors and provide appropriate professional development opportunities.**

The Board is responsible for providing new directors with an induction to the Company and for the program for providing adequate professional development opportunities for directors and management.

## PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

**ASX Recommendation 3.1: a listed entity should articulate and disclose its values.**

A copy of the Company's Values Statement is available in the corporate governance section of the Company's website at [www.provinceresources.com](http://www.provinceresources.com)

**ASX Recommendation 3.2: a listed entity should establish a code of conduct and disclose the code or a summary of the code.**

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

A copy of the Company's code of conduct is available in the corporate governance section of the Company's website at [www.provinceresources.com](http://www.provinceresources.com)

**ASX Recommendation 3.3: a listed entity should have and disclose a Whistleblower policy and ensure the board is informed of any material incidents.**

A copy of the Company's Whistleblower Policy is available in the corporate governance section of the Company's website at [www.provinceresources.com](http://www.provinceresources.com) .

**ASX Recommendation 3.4: a listed entity should have and disclose an Anti-Bribery and Anti-Corruption policy and ensure the board is informed of any material incidents.**

A copy of the Company's Anti-Bribery and Anti-Corruption policy is available in the corporate governance section of the Company's website at [www.provinceresources.com](http://www.provinceresources.com)

## **PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING**

**ASX Recommendation 4.1: The Board of a listed entity should establish an audit committee:**

- **with at least three members, all of whom are non-executive directors and a majority of which are independent directors**
- **chaired by an independent Director; and**
- **disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings.**

Given the present size and recent board changes of the Company, the Board has not constituted an Audit Committee with the full Board carrying out the role of an Audit Committee. The Board considers the appointment and removal of the Auditor and auditor rotation annually.

**ASX Recommendation 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.**

This practice is in place with respect to half year and full year financial statements.

Given the size and nature of the Company's operations the Board obtains assurance from its CEO and CFO in respect of the quarterly cash flow statements as well.

**ASX Recommendation 4.3: a listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.**

The external auditor attends the Annual General Meeting and is available to answer questions from shareholders relevant to the audit and financial statements. The external auditor will also be allowed a reasonable opportunity to answer written questions submitted by shareholders to the auditor as permitted under the Corporations Act.

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

**ASX Recommendation 5.1: a listed entity should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.**

The Company has established a continuous disclosure policy which is designed to guide compliance with ASX Listing Rule disclosure requirements and to ensure that all Directors, senior executives and employees of the Company understand their responsibilities under the policy. The Company Secretary acts as the Company's Disclosure Officer and is responsible for implementing and administering this policy. The Disclosure Officer is responsible for all communication with ASX and for making decisions on what should be disclosed publicly under this policy.

In accordance with the Company's continuous disclosure policy, all information provided to ASX for release to the market is posted to its website at [www.provinceresources.com](http://www.provinceresources.com) after ASX confirms an announcement has been made.

**ASX Recommendation 5.2: a listed entity should ensure that its board receives copies of all material market announcements**

This practice is in place.

**ASX Recommendation 5.3: Investor presentations should be released on the ASX Announcements Platform prior to any presentation.**

This practice is in place.

## **PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS**

**ASX Recommendation 6.1: a listed entity should provide information about itself and its governance to investors via its website.**

The Company's website at [www.provinceresources.com](http://www.provinceresources.com) contains information about the Company, Directors and management and the Company's corporate governance practices, policies and charters. All ASX announcements made to the market, including annual and half year financial results are posted on the website as soon as they have been released by the ASX. The full text of all notices of meetings and explanatory material, the Company's Annual Report and copies of all investor presentations are posted on the website.

**ASX Recommendation 6.2: a listed entity should have an investor relations program that facilitates effective two-way communication with investors.**

The Managing Director is the main contact for investors and potential investors and makes himself available to discuss the Company's activities when requested together with other Directors as required. In addition to announcements made in accordance with its continuous disclosure obligations the Company, from time to time, prepares and releases general investor updates about the Company.

Contact with the Company can be made via email addresses provided on the website.

**ASX Recommendation 6.3: a listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.**

The Company encourages participation of shareholders at any general meetings and its Annual General Meeting each year. Shareholders are encouraged to lodge direct votes or



proxies subject to the adoption of satisfactory authentication procedures if they are unable to attend the meeting.

The full text of all notices of meetings and explanatory material are posted on the Company's website at [www.provinceresources.com](http://www.provinceresources.com)

**ASX Recommendation 6.4: a listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.**

Practice is in place.

**ASX Recommendation 6.5: a listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security register electronically.**

Contact with the Company can be made via email addresses provided on the website.

The Company's share register provides a facility whereby investors can provide email addresses to receive correspondence from the Company electronically and investors can contact the share register via telephone, facsimile or email.

## PRINCIPLE 7: RECOGNISE AND MANAGE RISK

**ASX Recommendation 7.1: The Board of a listed entity should have a committee to oversee risk:**

- **with at least three members, all of whom are non-executive directors and a majority of which are independent directors**
- **chaired by an independent Director; and**
- **disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings.**

Given the present size and complexity of the Company the Board has not constituted a Risk Committee with the full Board responsible for risk management. Management report to the Board on the risk management framework on a regular basis.

**ASX Recommendation 7.2: The Board or a committee of the Board, of a listed entity should review the entity's risk management framework at least annually to satisfy**

**itself that it continues to be sound and disclose in relation to each reporting period whether such a review was undertaken.**

The Board is responsible for the oversight of the Company's risk management and control framework. The Board has conducted a review during the year.

**ASX Recommendation 7.3: a listed entity should disclose if it has an internal audit function and if it does not have an internal audit function that fact and the processes it employs for evaluating and continually improving the effectiveness of risk management and internal control processes.**

Given the Company's current size and level of operations it does not have an internal audit function.

The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and design of risk management is delegated to the appropriate level of management within the Company, and the Board being responsible for the risk management and control framework. Company risks are reviewed at each board meeting. Mitigation and controls are revised as needed by the Board and management staff.

**ASX Recommendation 7.4: 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.**

- a) The Company has exposure to economic risks, including general economy wide economic risks and risks associated with the economic cycle.
- b) There may be a requirement in the future for the Company to raise additional funding to pursue its business objectives. The Company's ability to raise capital may be affected by these economic risks.
- c) The Company has in place risk management procedures and processes to identify, manage, and minimise its exposure to these economic risks where appropriate.
- d) The operations and proposed activities of the Company are subject to state and federal laws and regulations concerning the environment and social sustainability. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceed. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

- e) The Company takes social license to operate seriously and as such reports quarterly on its Environmental, Social and Governance (ESG) performance.
- f) The Company's projects cover a large area of land with a significant population. The Company will continue to engage with the traditional owners, landholders, municipalities, local communities, and other stakeholders through the life of the project and ensure that they are dealt with fairly and are understanding and supportive of the project. Engagement with stakeholders has been via direct meetings and correspondence by Company executives and the use of appropriately experienced consultants and public relations firms.
- g) The Company's Corporate Code of Conduct outlines the Company's commitment to integrity and fair dealing in its business affairs. The code sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behavior expected from employees when dealing with stakeholders.

## **PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY**

**ASX Recommendation 8.1: The board of a listed entity should establish a remuneration committee:**

- **with at least three members the majority of which are independent directors**
- **chaired by an independent Director; and**
- **disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings.**

Given the present size and complexity of the Company, the Board has not constituted a Remuneration Committee with the full Board responsible for remuneration role and responsibilities. The Board sets the level and composition of remuneration for directors and senior executives and ensures that such remuneration is appropriate and not excessive by comparison to market levels.

**ASX Recommendation 8.2: 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.**

The Company's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives are set out in the Remuneration Report included in the Directors Report of the Financial Statements.

**ASX Recommendation 8.3: a listed entity which has an equity based remuneration scheme should have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme and disclose the policy or a summary of that policy.**

A participant in an equity based remuneration plan operated by the Company must not enter into a transaction (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the equity based remuneration plan.