

Tawana Resources NL  
(Incorporated in Australia)  
(Registration number ACN 085 166 721)  
Share code on the JSE Limited: TAW  
JSE ISIN: AU0000TAWDA9  
Share code on the Australian Securities Exchange Limited: TAW  
ASX ISIN: AU000000TAW7  
("the Company" or "Tawana")

Appendix 4G and 2018 Corporate Governance Statement

Rules 4.7.3 and 4.10.3<sup>1</sup>

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

TAWANA RESOURCES NL

ABN / ARBN:

69 085 166 721

Financial year ended:

31 DECEMBER 2017

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

These pages of our annual report:

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

This URL on our website: [www.tawana.com.au/corporate-governance](http://www.tawana.com.au/corporate-governance)

The Corporate Governance Statement is accurate and up to date as at 26 March 2018 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 28 March 2018

Name of Company Secretary authorising  
lodgement: Alexei Fedotov

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (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 fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in our Corporate Governance Statement	Not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) 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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	Not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	Not applicable
1.4	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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	Not applicable
1.5	A listed entity should: (a) 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	... the fact that we have a diversity policy that complies with paragraph (a): <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and a copy of our diversity policy or a summary of it: <input checked="" type="checkbox"/> at <a href="http://www.tawana.com.au/corporate-governance">www.tawana.com.au/corporate-governance</a> ... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<p>and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) 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:</p> <p>(1) 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</p> <p>(2) 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.</p>	<p>board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in the Board and Executive Charter at <a href="http://www.tawana.com.au/corporate-governance">www.tawana.com.au/corporate-governance</a></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p>Not applicable</p>
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p>	<p>If the entity complies with paragraph (a):</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.tawana.com.au/corporate-governance">www.tawana.com.au/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at page 41 of The Company's Annual Report</p>	<p>Not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<p>(4) the members of the committee; and</p> <p>(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</p> <p>(b) 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.</p>		
2.2	<p>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.</p> <p>... our board skills matrix:  <input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	Not applicable
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) 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</p> <p>(c) the length of service of each director.</p> <p>... the names of the directors considered by the board to be independent directors:  <input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and, where applicable, the information referred to in paragraph (b):  <input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the length of service of each director:  <input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	Not applicable
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	<input checked="" type="checkbox"/> an explanation for non-compliance for the full year in our Corporate Governance Statement
2.5	<p>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.</p> <p>... the fact that we follow this recommendation:  <input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	Not applicable
2.6	<p>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.</p> <p>... the fact that we follow this recommendation:  <input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	Not applicable

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> at <a href="http://www.tawana.com.au/corporate-governance">www.tawana.com.au/corporate-governance</a>	Not applicable
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) 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 (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.	If the entity complies with paragraph (a): ... the fact that we have an audit committee that complies with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at <a href="http://www.tawana.com.au/corporate-governance">www.tawana.com.au/corporate-governance</a> ... and the information referred to in paragraphs (4) and (5): <input checked="" type="checkbox"/> at pages 8-11 and 41 of the Company's Annual Report	Not applicable
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	Not applicable
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	Not applicable

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary <input checked="" type="checkbox"/> at www.tawana.com.au/corporate-governance	Not applicable
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at www.tawana.com.au/corporate-governance	Not applicable
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	Not applicable
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.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> at www.tawana.com.au/corporate-governance	Not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	Not applicable
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of 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 (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.	If the entity complies with paragraph (a): ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at www.tawana.com.au/corporate-governance ... and the information referred to in paragraphs (4) and (5): <input checked="" type="checkbox"/> at page 41 of The Company's Annual Report	Not applicable
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least	... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:	Not applicable

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
	<p>annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/> in our Corporate Governance Statement ... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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.</p>	<p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	Not applicable
7.4	<p>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.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	Not applicable

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(b) 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.</p>	<p>If the entity complies with paragraph (a):</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.tawana.com.au/corporate-governance">www.tawana.com.au/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at page 41 of The Company's Annual Report</p>	Not applicable
8.2	<p>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.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> on pages 27-39 of the 2017 Annual Report</p>	Not applicable
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) 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</p> <p>(b) disclose that policy or a summary of it.</p>		<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement outlines the governance processes and procedures of Tawana Resources NL (the "Company") as at 28 March 2018 and has been approved by the Board of the Company as at that date.

A copy of this Corporate Governance Statement is available in the Corporate Governance section of our website at [www.tawana.com.au/corporate-governance](http://www.tawana.com.au/corporate-governance), together with copies of our Board and Board Committee Charters and Company's key policies referred to in this Corporate Governance Statement. The ASX Appendix 4G, which is a checklist cross-referencing the third edition of the ASX Corporate

Governance Principles and Recommendations (“ASX Recommendations”) to the relevant disclosures in the Corporate Governance Statement and the 2017 Annual Report is also provided on that webpage.

### Commitment to good governance

The Directors believe that effective corporate governance improves company performance, enhances corporate social responsibility and benefits all stakeholders. Governance practices are not a static set of principles and the Company assesses its governance practices on an annual basis. Changes and improvements are made in a substance over form manner, which appropriately reflect the changing circumstances of the Company as it grows and evolves. Accordingly, the Board has established a number of practices and policies to ensure that these intentions are met and that all shareholders are fully informed about the affairs of the Company.

### ASX Recommendations

The Company complies with all relevant ASX Recommendations other than as set out in the table below. Reasons for non-compliance are explained in this Corporate Governance Statement.

ASX Recommendation	Description
1.5	A listed entity should 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.
1.6	A listed entity should have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) 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 (b) disclose that policy or a summary of it.

### BOARD STRUCTURE AND COMPOSITION

The Board currently comprises five Directors listed below. Four are Non-Executive Directors and two are independent Directors. ASX recommendation 2.4 suggests a majority of the board of a listed entity should be comprised of independent directors. Since August 2017, the majority of the Board comprises of independent Non-Executive Directors including an independent Non-Executive Chairman.

Directors’ qualifications, experience, special responsibilities and directorships held in other companies are set out on pages 8 to 11 of the 2017 Annual Report.

<b>Director</b>	<b>Term</b>	<b>Classification</b>
Robert Benussi (Chairman)	Director since 4 December 2015	Independent
Mark Calderwood (Managing Director)	Director since 21 October 2016	Executive
Robert (Bob) Vassie	Director since 1 August 2017	Independent
Mark Turner	Director since 1 August 2017	Independent
Wei Xie	Director since 22 November 2017	Non-Independent

Michael Naylor was also an Executive Director of the Company since 1 January 2015. He resigned on 31 October 2017 but continued to provide consulting services to the Company.

### **Role and responsibilities of the Board**

The Board is collectively responsible for the success of the Company. In order to achieve this objective, the Board must promote and protect the interests of all shareholders as a whole and other stakeholders. The Board must also ensure that the Company complies with all of its contractual, statutory and legal obligations.

The conduct of the Board is regulated by the Company's constitution, Code of Conduct and other Company policies.

The roles and responsibilities of the Board and the Senior Management ("Executives") are set out in the Company's Board and Executive Charter.

Under the Board and Executive Charter the Board has the following key responsibilities:

- leading and setting the strategic direction/objectives of the Company
- appointing the Chairman of the Board
- appointing, and when necessary replacing, the Managing Director
- approving the appointment, and when necessary replacement, of Executives and the Company Secretary
- overseeing the Executives' implementation of the Company's strategic objectives and the Executives' performance generally
- approving operating budgets, major capital expenditure and significant acquisitions and divestitures
- overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit, satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance
- overseeing the Company's processes and procedures for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities
- reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance
- approving the Company's remuneration framework

The Board has delegated responsibility for the day to day management of the Company to the Managing Director who is supported by the Executives. However, the Board remains ultimately responsible for the strategic direction of the Company.

The Board and Executive Charter provides that the Managing Director has the following key responsibilities:

- overseeing the day-to-day operations and administration of the Company
- leading and supervising the Executives
- keeping the Board informed of any material issues or developments within the Company

The Managing Director is supported by other Executives in respect of:

- implementing the strategic direction/objectives provided by the Board
- developing control and accountability systems in respect of compliance, risk management and corporate governance
- operating within the risk appetite set by the Board
- maintaining accurate financial and other reports

### Directors' skills

As detailed on pages 8 to 11 of the 2017 Annual Report, the Directors are all professionals with a wealth of experience in different areas relevant to the Company's business. The Company is committed to ensuring the Board is comprised of directors who possess the appropriate mix of skills, expertise and diversity to adequately discharge its responsibilities and duties.

The Board is looking to maintain and build on the following skills that the Board collectively has:

<b>Resources</b> Former or current executive/management role or long term Board experience in the resources sector. Expertise in exploration, development, processing, production and distribution of minerals	90%
<b>Technical</b> Relevant technical qualifications or experience in metallurgy, geology, engineering, exploration and mining operations, accounting or legal fields	85%
<b>Governance and risk management</b> Experience in an organisation with similar rigorous governance standards. Experience in implementing effective risk management controls, experience as risk or audit committee chairman	65%
<b>Capital markets</b> Current or former role in investment banking, funds management or corporate advisory. Proven experience with M&A or equity and debt capital raisings	85%
<b>Business acumen</b> Proven track record in business at a senior executive. Listed company experience. Experience in business analysis	90%
<b>Team orientated behavioural characteristics</b> Proven leadership characteristics in other executive or Board roles. Investor relations or community liaison experience. Commitment to health and safety. Former or current role in HR	85%

The Board structure and composition will be reviewed as and when the Company's strategic direction and activities change. The Company will only recommend the appointment of additional directors to the Board where it believes the expertise and value added outweighs the additional cost.

### Director appointments

As stipulated in the ASX Recommendations, background checks are carried out on all new director candidates prior to their appointment or submission to shareholders for election. These checks include character references, confirmations of experience and education, criminal record and bankruptcy history checks.

When deciding to appoint a new director or renew an existing director's tenure, the Board takes into account: the number of directors necessary to add value to the Company, the specific skills sets or experience required by the Company at its current stage, the decision-making and judgment skills a director might bring to the Board and a director's capacity to commit adequate time to the role.

Each Director and Executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities and (to the extent applicable) the matters referred to in the commentary to Recommendation 1.3.

The Company ensures that all material information in its possession relevant to a shareholders' decision whether to elect or re-elect a Director is provided to shareholders in the Notice of Annual General Meeting.

### Company Secretaries

The Company Secretaries have a direct line of reporting to the Chairman and are responsible for the proper functioning of the Board including advising on governance matters and supporting the Chairman and the Board.

The responsibilities of the Company Secretaries are set out in the Board and Executive Charter.

### Board, Committee, Director and Executive evaluation

The Board and Executive Charter requires that the Board undertakes an annual performance evaluation of the Board and individual directors in such a manner as the Board deems appropriate. The Board is in the process of developing formal evaluation guidelines.

There was no formal assessment of the performance of individual Directors and the Board as a whole during the reporting period, because of the changes to the Board composition in the second half of 2017.

The Company's process for evaluating the performance of the Executives is stated in the Board and Executive Charter. The evaluation assesses the performance of the Executives against their responsibilities and previously agreed key performance indicators.

An informal review of the performance of the Managing Director was carried out during the reporting period. The review was conducted by the Chairman through discussions. The performance of other Executives is evaluated by the Managing Director. Due to the changes in those Executives in 2017, no formal review has been undertaken.

### Board committees

To assist the Board to discharge its responsibilities, in 2017 the Board has established the Audit and Risk Committee and the Nomination and Remuneration Committee. Each Committee operates in accordance with its Charter which are available in the Corporate Governance section of our website. Prior to establishment of the Committees, their functions were performed by the full Board in accordance with the relevant Committee Charter.

The Board is required to undertake a performance evaluation of the relevant Committees in such a manner as the Board deems appropriate.

Committee	Members	Responsibilities
Audit and Risk Management Committee	Robert Vassie (Chairman) Robert Benussi Mark Turner All are non-executive independent directors	The Committee is responsible for ensuring that the Board is kept regularly informed on all matters relating to audit, financial reporting and risk management that might significantly impact upon the Company, in a timely manner.  The Committee reviews and makes recommendations to the Board in relation to: <ul style="list-style-type: none"> <li>• the Company's financial statements</li> <li>• the integrity, adequacy and effectiveness of the Company's financial reporting and risk management processes</li> <li>• the scope, adequacy and quality of audits</li> <li>• appointment of Company auditors</li> <li>• the Company's insurance program</li> </ul>

<b>Committee</b>	<b>Members</b>	<b>Responsibilities</b>
Nomination and Remuneration Committee	Mark Turner (Chairman) Robert Benussi Bob Vassie All are non-executive independent directors	The role of the Committee is broadly to consider and make recommendations to the Board with regards to: <ul style="list-style-type: none"> <li>• Board and senior management succession</li> <li>• the development and implementation of a process for evaluating the performance of the board, its committees and directors</li> <li>• the Company's remuneration policies, to ensure that remuneration is sufficient and reasonable and that its relationship with performance is clear</li> </ul>

The details regarding the number of Committee meetings held and Director attendance at those meetings is set out on page 41 of the 2017 Annual Report. Details of relevant qualifications and experience for all Committee members are set out on pages 8 to 11 of the 2017 Annual Report.

### **Independence**

Throughout the year, the Company had independent Non-Executive Chairman. Since August 2017, the Board comprises of the majority of the independent Non-Executive Directors with the independent Non-Executive Chairman. Before August 2017 the Company had one independent director and two executive directors.

The independence of Directors is assessed according to the policy on the independence set out in the Board and Executive Charter, which has regard to Box 2.3 of the ASX Recommendations. Their independence is assessed on appointment, annually and when Director's circumstances change such that an assessment may be required. Directors are required to inform the Board if there is a change in the Director's interests, positions, or associations that could bear upon their independence.

Ms Xie is not considered independent as she has an association with the Company's major shareholder Weier Antriebe und Energietechnik GmbH.

To assist the directors of the Board with their independent decision making, the Board collectively, and each Director, has, subject to prior consultation with the Chairman, the right to seek independent professional advice at the Company's expense. A copy of such advice is required to be made available to all members of the Board.

### **Director induction and development**

In order for the new Director to participate fully and actively in Board decision-making at the earliest opportunity, an induction process is carried out immediately after appointment. This induction is facilitated by the Company Secretary and involves meeting with other members of the Board, the Managing Director and the Executives and being provided with a pack of relevant documents and information.

All directors are expected to maintain skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education which is paid for by the Company where appropriate.

### **Promoting ethical and responsible decision making**

The Company has a Code of Conduct, Continuous Disclosure Policy, Diversity Policy and Security Trading Policy which set out the standards of behaviour expected of all its employees, Directors, officers, contractors and consultants. Copies of these documents are available at [www.tawana.com.au/corporate-governance](http://www.tawana.com.au/corporate-governance).

## **DISCLOSURES AND COMMUNICATIONS WITH SHAREHOLDERS**

## **Market disclosures**

The Company is committed to transparent and effective communication with its shareholders and disclosures to the market.

The Company has a Continuous Disclosure Policy which is available from the Corporate Governance section of the Company's website. This policy is designed to ensure that Tawana complies with its continuous disclosure obligations under the *Corporations Act 2001* (Cwlth) ("Corporations Act") and the ASX Listing Rules such that:

- all investors have equal and timely access to material information
- Company announcements are factual and presented in a clear and balanced manner

The purpose of the policy is to:

- summarise the Company's disclosure obligations in accordance with the ASX Listing Rules and the Corporations Act
- explain what type of information needs to be disclosed
- identify who is responsible for disclosure
- explain how individuals at the Company can assist to ensure the Company meets its disclosure obligations

The requirements set out in this policy apply to all directors, officers and employees of the Company and its subsidiaries.

The Company Secretary is responsible for ensuring disclosure of information to the ASX.

## **Communications with shareholders**

The Company respects the rights of its shareholders and is committed to communicating effectively with them. The Company has a Shareholder Communications Policy which sets out how the Company communicates with shareholders and the market effectively and is designed to promote a two-way dialogue.

The Chairman, the Managing Director and the Company Secretary have the primary responsibility for communication with shareholders. Information is communicated through:

- continuous disclosure to relevant security exchanges of all material information
- periodic disclosure through the annual, half year and quarterly financial reports
- notices of meetings and explanatory material
- investor presentations
- the annual general meeting (AGM)
- the Company's website [www.tawana.com.au](http://www.tawana.com.au)

The Company's website contains information about the Company and its operations and is updated with material announcements released to the ASX as soon as practicable after confirmation of release by the ASX. In addition, shareholders' can be notified by email of all material announcements by subscribing to the Company's mailing list.

The Company makes available a telephone number and email address for shareholders to make enquiries. Upon admission onto the Company's share register the Company's security registry provides shareholders with the option to receive communications from, and send communications to, the Company's security registry electronically including the Annual Report and Notice of Meeting and electronic voting.

Tawana shareholders are provided an opportunity to ask questions at the Company's AGM, which is also attended by the Company's external auditor (who can answer questions about the annual audit).

## **RISK MANAGEMENT AND INTERNAL CONTROLS**

## **Risk management**

The Board is ultimately responsible for overseeing the risk management framework and setting the Company's risk appetite. The Board is assisted by the Audit and Risk Committee.

Financial and operating risks are addressed through individual approved policies and procedures covering financial, contract management, safety and environmental activities of the Company.

The Company also engages an insurance broking firm as part of its annual assessment of the coverage for insured assets and risks.

The results of all the various reviews and insurances are reported to the Board at least annually.

Reporting on Company risk management occurs on an ongoing basis and reported to the Board (by the Managing Director and the CFO). Business risks are continually assessed (at least annually) by the Board in accordance with the Company's risk management and internal compliance and control policy. A Risk management workshop was held in July 2017 and its outcomes were reviewed and assessed by the Audit and Risk Management Committee in September 2017.

The Board believes that it has a thorough understanding of the Company's key risks and is managing them appropriately.

## **MD and CFO certifications**

The integrity of the Company's financial reporting relies upon a sound system of risk management and control. Before approving the financial statements each year and half year, the Managing Director and Chief Financial Officer provide the Board with a declaration in accordance with s295A of the Corporations Act stating that:

- in their opinion, the Group's financial records have been properly maintained and that the financial statements comply with the relevant accounting standards and give a true and fair view of the consolidated Group's financial position and performance
- the opinion has been formed on a sound system of risk management and internal control which is operating effectively

## **Risk and assurance**

Given the Company's current size and level of activity, the Board does not deem it appropriate to create an internal audit function or engage an external advisor to complete this function. Through external audit procedures and internal risk management policies and procedures the Board considers there to be sufficient processes in place for evaluating and continually improving the effectiveness of its risk management and internal control processes. Copies of the Company's Audit and Risk Management Committee Charter are available on the Company's website.

## **Economic, environmental and social sustainability risks**

The Company, as an exploration and junior production company, faces inherent risks in its activities, including economic, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term.

The Company has procedures in place for reporting on significant risks (as described above), which are continually being developed and updated to help manage these risks.

## **REMUNERATION POLICIES**

The Nomination and Remuneration Committee reviews and recommends to the Board remuneration arrangements for directors and senior executives, having regard to market conditions and the performance of individuals and the consolidated entity.

In December 2017, the Board adopted the Non-Executive Remuneration Policy and the Executive and Employee Remuneration Policy. Details of the Company's remuneration framework for Non-Executive Directors, Managing Director and other senior Executives are set out on pages 27 to 39 of the 2017 Annual Report.

## **SECURITIES DEALING POLICY**

The Company has the Securities Trading Policy available in the Corporate Governance section of our website. The purpose of the policy is to ensure that employee in possession of inside information concerning the Company do not engage in insider trading. The policy applies to directors, officers, employees and contractors of the Company.

The Company does not have a formal policy on restricting directors and employees from entering into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested incentive. The Corporations Act already prohibits the Company's key management personnel or their closely related parties from hedging unvested incentives. The Company will update its Securities Trading Policy in 2018 to extend this restriction to employees who have been issued incentives.

## **DIVERSITY**

The Company is committed to workplace diversity through acting in fairness and without prejudice. The Company believes that decision-making is enhanced through diversity and supports and encourages diversity at all levels of the organisation in accordance with the Company's Diversity Policy.

Under the principles outlined in the Company's Nomination and Remuneration Committee Charter the Board is responsible for setting measurable objectives for achieving gender diversity and annually reviewing any such objectives and the Company's progress towards achieving them.

Given the small number of employees the Company had to date, the Nomination and Remuneration Committee has not yet set measurable objectives in relation to diversity. However, with increasing workforce, the Nomination and Remuneration Committee intends to set measurable objectives for 2018.

In any event, the Company strives to provide the best possible opportunities for current and prospective employees of all backgrounds in such a manner that best adds to overall shareholder value and which reflects the values, principles and spirit of the Company's Diversity Policy.

As at the end of the 2017 financial year the Company had:

- one female Director
- a total of 17 female employees out of a total of 50 employees, with no women in senior management positions

Senior management positions for these purposes are the roles of the Managing Director, CFO, Chief Technical Officers and General Manager.

28 March 2018

Sponsor

PricewaterhouseCoopers Corporate Finance (Pty) Ltd