



**R3D Resources Limited | ACN: 111 398 040 | ASX: R3D**

Level 5, 52 Phillip Street, Sydney NSW 2000 Australia | T +61 2 9251 7177 | F +61 2 9251 7500

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## Corporate Governance Plan

The Company is committed to implementing high standards of corporate governance. The Board of Directors is responsible for corporate governance and monitors the business and affairs of R3D Resources on behalf of the Shareholders by whom they are elected and to whom they are accountable.

The Board has endorsed most of the ASX Corporate Governance Council Principles and Recommendations (4th edition, amended on 27 February 2019) (**Principles and Recommendations**) and they will take effect from Completion. The Board's reasoning for any departure from the Principles and Recommendations is explained below in the Corporate Governance Statement that discloses the extent to which the Company has followed the recommendations, and to identify any recommendations that have not been followed, the period during which they were not followed, the reasons for not doing so and any alternative governance practices that have been adopted in lieu of the recommendation.

While R3D Resources is attempting to adhere to the principles proposed by ASX, it is mindful that there may be some instances where compliance is not practicable. Where the corporate practices of the Company do not correlate with the practices recommended by the Council, it is because R3D Resources considers that it is not necessary to implement these principles due to the size and the early stage of development of its operations and that it is the most practical and cost-effective manner to manage and direct the Company.

R3D Resources' Corporate Governance Committee and its Board of Directors approved R3D Resources' Corporate Governance Statement as at 2 February 2021. In many cases R3D Resources was already achieving the standards required. In other cases, the Company has considered other arrangements to enable compliance. In a number of instances, R3D Resources does not meet the standards set out in the Principles and Recommendations, largely due to the recommendation being considered by the Board to be unduly onerous and costly for a company of its size.

The responsibilities of the Board are set down in R3D Resources' Board Charter, which is available in R3D Resources' Corporate Governance Compliance - Policies booklet along with all of its Charters and Policies and is located in the About Us section of its website [r3d.com.au](http://r3d.com.au), where R3D Resources' Corporate Governance Statement can also be found under Corporate Governance.

### a) Board Responsibilities

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- maintain and increase Shareholder value
- ensure a prudential and ethical basis for the Company's conduct and activities
- ensure compliance with the Company's legal and regulatory objectives consistent with these goals, and to achieve this the Board assumes the following responsibilities:
- developing initiatives for profit and asset growth
- reviewing the corporate, commercial and financial performance of the Company on a regular basis



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- acting on behalf of, and being accountable to, the Shareholders
- identifying business risks and implementing actions to manage those risks and corporate systems to assure quality

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully informed basis.

#### **b) Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting.

However, subject thereto, the Company is committed to the following principles:

1. the Board is to comprise persons with a blend of skills, experience and attributes appropriate for the Company and its business; and
2. the principal criteria for the appointment of new Directors are their ability to add value to the Company and its business. All incumbent Directors bring an independent judgement to bear in deliberations and the current representation is considered adequate given the stage of the Company's development. The names, qualifications and relevant experience of each Director are set out in section **Error! Reference source not found..**

#### **c) Code of Conduct**

As part of its commitment to recognising the legitimate expectations of stakeholders and promoting practices necessary to maintain confidence in the Company's integrity, the Company has an established Code of Conduct (the Code) to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the responsibility and accountability required of R3D Resources personnel for reporting and investigating unethical practices or circumstances where there are breaches of the Code.

These stakeholders include employees, Channel Partners, customers, government authorities, creditors and the community as whole. This Code governs all of the Company's commercial operations and the conduct of Directors, employees, consultants, contactors and all other people when they represent the Company. This Code also governs the responsibility and accountability required of the Company's personnel for reporting and investigating unethical practices.

The Board, management and all employees of R3D Resources are committed to implementing this Code and each individual is accountable for such compliance. A copy of the Code is given to all employees, contractors and relevant personnel, including directors, and is available on the Company's website (under "Corporate Governance").

#### **d) Diversity Policy**

The Board has adopted a diversity policy which provides a framework for the Company to achieve, among other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.



**e) Continuous Disclosure**

The Board has designated R3D Resources' Company Secretary as the person responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX.

The Board has established a written policy for ensuring compliance with ASX Listing Rule disclosure requirements and accountability at senior executive level for that compliance. A copy of the Company's continuous disclosure policy can be found on the Company's web site (under "Corporate Governance").

**f) Audit Committee and Management of Risk**

The Company has established an Audit and Risk Committee. The Audit and Risk Committee is comprised of independent non-executive directors and is chaired by a director who is not the chair of the board.

**g) Remuneration Arrangements**

The Board will decide the remuneration of an executive Director, without the affected executive Director participating in that decision-making process.

The constitution of R3D Resources provides that Directors are entitled to remuneration as the Directors determine, but the remuneration of the non-executive Directors must not exceed, in aggregate, a maximum amount fixed by R3D Resources in general meeting of Shareholders for that purpose. The aggregate remuneration for Non-Executive Directors has been set at an amount not to exceed \$400,000 per annum.

This will allow the Company to attract and retain high-quality non-executive Directors with significant experience and expertise. It is not expected to pay the total approved pool but that the current allocation allows room for the board to move as necessary as the business grows profitably without the need to come back to shareholders.

A Director may be paid fees or other amounts (subject to any necessary Shareholder approval) (for example, non-cash performance incentives such as Options) as determined by the Board where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors. The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.



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#### **h) Shareholder Communications**

The Board tries to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and its Directors and to make well-informed investment decisions. Information is communicated to Shareholders through:

1. annual and half-yearly financial reports and quarterly reports
2. annual and other general meetings convened for Shareholder review and approval of Board proposals
3. continuous disclosure of material changes to ASX for open access to the public
4. the Company maintains a website where all ASX announcements, notices and financial reports are published as soon as possible after release to ASX

The auditor is invited to attend the annual general meeting of Shareholders. The Chairman of the meeting will permit Shareholders to ask questions about the conduct of the audit and the preparation and content of the audit report.

#### **i) Trading in the Company's Shares**

The Company's Share Trading Policy prohibits Directors from taking advantage of their position or information acquired, during their duties, and the misuse of information for personal gain or to cause detriment to of R3D Resources.

Directors, senior executives and employees are required to advise the Company Secretary of their intentions prior to undertaking any transaction in R3D Resources securities.

If an employee, officer or director is considered to possess material non-public information, they will be precluded from making a Security transaction until after the time of public release of that information.

A copy of the Company's Share Trading Policy is available on the Company's website (under "Corporate Governance").

#### **j) Corporate Social Responsibility**

The Company is committed to conducting its operations and activities in harmony with the environment and society, and wherever practicable to work in collaboration with communities and government institutions in decision-making and activities for effective, efficient and sustainable solutions.