



## Bounty Mining Limited: Corporate Governance Statement

### COMPLIANCE WITH ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The ASX Corporate Governance Council 'Principles of Good Corporate Governance and Best Practice Recommendations' sets out current ideals of good governance for listed companies. Bounty's corporate governance policies and procedures have been developed considering these principles and recommendations. The Board has assessed Bounty's current practice against these guidelines and outlines its assessment below.

#### Principle 1 – Lay solid foundations for management and oversight

##### 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.

Bounty has adopted this recommendation. A board charter containing these details is available on the Bounty website: [www.bounty.com.au](http://www.bounty.com.au).

##### 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.

Bounty has adopted this recommendation – it is contained in the Company's the board recruitment and selection processes. Security holders will be provided with the information in:

- the disclosures in our notice of meeting when recommending directors for appointment; and
- the annual report for information about ongoing directors

##### 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Bounty has adopted this recommendation. A summary of these agreements is set out in the 2018 prospectus and will be included in each subsequent annual report.

##### 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.

Bounty has adopted this recommendation – however the Company has increased the role of the Audit Committee Chair (it is more extensive than most companies given the non-independent Chair of the Board), Bounty's Company Secretary has discretion to approach either one depending on her perception of the circumstances.

##### 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 and the entity's progress in achieving them;



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- (b) disclose that policy or a summary of it; and
- (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:
  - (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
  - (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.

Bounty has a diversity policy.

Bounty recruits on merit. The diversity policy is available on Bounty's website: [www.bounty.com.au](http://www.bounty.com.au). Bounty's policy does not include any measurable objectives for achieving gender diversity. Bounty will disclose the workforce composition in its annual report. Bounty is not a 'relevant employer' as defined.

**1.6** A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Bounty has adopted this recommendation. The process for evaluating the performance of the board, its committees and individual directors is available on the Bounty website: [www.bounty.com.au](http://www.bounty.com.au). The relevant periodic disclosures will be included in Bounty's annual report.

**1.7** A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Bounty has adopted this recommendation. The process for evaluating the performance of senior executives is available on the Bounty website: [www.bounty.com.au](http://www.bounty.com.au). The relevant periodic disclosures will be included in Bounty's annual report.

### **Principle 2 – Structure the board to add value**

**2.1** The board of a listed entity should have a nomination committee 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



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- (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.

Bounty has adopted this recommendation. The nomination committee charter is available on the Bounty website: [www.bounty.com.au](http://www.bounty.com.au). The current members of the nomination committee are set out in the 2018 Prospectus. The relevant disclosures will be included in Bounty's annual report.

**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.

Bounty has adopted this recommendation. The relevant disclosures will be included in Bounty's annual report.

**2.3** A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (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 (c) the length of service of each director.

Bounty has adopted this recommendation. The names of the independent directors are set out in the 2018 prospectus. The relevant disclosures are also available on the Bounty website: [www.bounty.com.au](http://www.bounty.com.au)

**2.4** A majority of the board of a listed entity should be independent directors.

Bounty has adopted this recommendation. The names of the independent directors are set out in the 2018 prospectus. The relevant disclosures are also available on the Bounty website: [www.bounty.com.au](http://www.bounty.com.au)

**2.5** 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.

Bounty has chosen not to adopt this recommendation – the chair is an executive and acts as chief executive officer. He is also a major shareholder. Bounty's board believes that the chair's knowledge and alignment with shareholder interests is valuable and has instigated other measures (such as having the chair not a member of any board committees) plus enforces a conflict of interest policy that excludes the chair from decisions where he has a material personal interest.

**2.6** 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.

Bounty has adopted this recommendation.

### Principle 3 – Act ethically and responsibly

**3.1** A listed entity should:



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- (a) have a code of conduct for its directors, senior executives and employees; and
- (b) disclose that code or a summary of it.

Bounty has adopted this recommendation. The Code of Conduct is available on the Bounty website: [www.bounty.com.au](http://www.bounty.com.au). A summary of the code is set out in the 2018 prospectus.

### 4.1 The board of a listed entity should 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.

Bounty has adopted this recommendation. The current members of the audit committee are set out on the Bounty website: [www.bounty.com.au](http://www.bounty.com.au). Audit committee members' qualifications are set out in the 2018 prospectus and will be included in each subsequent annual report. The audit committee charter is also available on the Bounty website: [www.bounty.com.au](http://www.bounty.com.au).

**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.

Bounty has adopted this recommendation.

**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.

Bounty has adopted this recommendation.

### 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.

Bounty has adopted this recommendation. A summary of the policy is set out in the 2018 prospectus. The policy is available on Bounty's website: [www.bounty.com.au](http://www.bounty.com.au)

## Principle 6 – Respect the rights of security holders



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**6.1** A listed entity should provide information about itself and its governance to investors via its website.

Bounty has adopted this recommendation.

**6.2** A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

Bounty has adopted this recommendation. Bounty does not currently have an investor relations policy. The Directors intend to develop a policy. The policy will be available on the Bounty website: [www.bounty.com.au](http://www.bounty.com.au).

**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.

Bounty has adopted this recommendation. Bounty does not currently have a specific policy. The Directors intend to develop a policy after listing and may include this in the Investor Relations Policy mentioned above. The policy will be available on the Bounty website: [www.bounty.com.au](http://www.bounty.com.au).

**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.

Bounty has adopted this recommendation.

**7.1** The board of a listed entity should 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.

Bounty has adopted this recommendation. The risk committee charter is available on the Bounty website: [www.bounty.com.au](http://www.bounty.com.au). Bounty will include the relevant disclosures in its annual report.

**7.2** The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

Bounty has adopted this recommendation. Bounty is considering recommendations to revise its risk management framework to one more appropriate to a mine operator. Bounty will include the relevant disclosures in its annual report.



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**7.3** A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (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.

Bounty has chosen not to adopt 7.3 a) and instead we have adopted 7.3 b), we do not have an internal audit function. The relevant process is currently being developed will be posted on the website following listing.

**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.

Bounty has adopted this recommendation. Bounty is currently undertaking a risk management review. The relevant disclosures will be posted on the website when recommendations of the risk management review are complete.

### **Principle 8 – Remunerate fairly and responsibly**

**8.1** The board of a listed entity should:

- (a) have a remuneration committee 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;<sup>43</sup> or
- (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.

Bounty has adopted this recommendation. Members of the Remuneration Committee are set out on the Company website: [www.bounty.com.au](http://www.bounty.com.au). A copy of the charter is available on the Bounty website: [www.bounty.com.au](http://www.bounty.com.au).

Bounty will include the relevant disclosures in its annual report.

**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.

Bounty has adopted this recommendation. Bounty is in the process of further developing these policies and the relevant disclosures will be posted on the Bounty website: [www.bounty.com.au](http://www.bounty.com.au), when finalised.

**8.3** A listed entity which has an equity-based remuneration scheme should:



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(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.

The Company does not currently have an equity-based remuneration scheme. A scheme may be implemented in the future. If a scheme is introduced the relevant disclosures will be made on the company website: [www.bounty.com.au](http://www.bounty.com.au).

### **Review and revision**

The Company will review this statement at least annually. As changes to the governance are effected the relevant disclosures will be made on the company website: [www.bounty.com.au](http://www.bounty.com.au).

Date of next review: 30 July 2018



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