



PALADIN ENERGY LTD

ACN 061 681 098

CORPORATE GOVERNANCE STATEMENT 2020

The Board of Directors of Paladin Energy Ltd (**Paladin**) and the entities it controlled (Consolidated Entity or Group) is responsible for the corporate governance of the Group.

Paladin has adopted systems of control and accountability as the basis for the administration of corporate governance.

This Corporate Governance Statement dated 30 June 2020 and approved by the Board on 26 August 2020, outlines the key principles and practices of the Company which, taken as a whole, is the system of governance. Paladin's Corporate Governance Statement can be found in the Corporate Governance section of the Investor Centre on its website at www.paladinenergy.com.au.

The Company reviews and amends its corporate governance policies as appropriate to reflect the growth of the Company, current legislation and good practice. The Company's website (www.paladinenergy.com.au) includes copies or summaries of key corporate governance policy documents.

COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

Recommendations	Commentary
Principle 1: Lay solid foundations for management oversight: A listed entity should establish the respective roles and responsibilities for its Board and management and how their performance is monitored and evaluated.	
1.1 Listed Entity should disclose: (a) respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the Board and those delegated to management.	Adopted. This is contained within the Company's Board Charter, a copy of which is available on the company website at www.paladinenergy.com.au on the Corporate Governance Page.

1.2 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.	Adopted. The Company undertakes appropriate checks before any director appointments. Upon rotation of directors at each Annual General Meeting, all relevant information is provided to security holders within the Notice of Meeting including biographical details, other material directorships, term of office and independence of directors.
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Adopted. All directors are appointed under an engagement letter or contract which details the terms of their appointment. All senior executives have a written employment agreement detailing roles and responsibilities.
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.	Adopted. The company secretary is accountable directly to the Board. The company secretary duties include the following: - Advising the Board and/or Committees on corporate governance matters - Monitoring that the Board follows policy and procedure - Coordinating the timely completion and despatch of board and committee papers - Ensuring that business at meetings is accurately captured in minutes - Helping to organise and facilitate induction and professional development of directors
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; (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	Adopted. The Company has a diversity policy, which can be found on its website www.paladinenergy.com.au on the Corporate Governance Page which documents the Company's commitment to workplace diversity and recognises the benefits arising from the recruitment, development and retention of a talented, diverse and motivated workforce. Responsibility for review of all matters contained within the Diversity Policy rests with the Board as a whole and is reflected accordingly in its Charter.

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; 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.

2020 – Proportion of women in roles in the Paladin Group

	Perth	LHM	Aurora	Group
Board	0%	0%	-	0%
Senior Management	33%	50%	0%	33%
Management	17%	0%	0%	10%
Professional	75%	0%	0%	75%
Other	100%	13%	0%	36%
Total	42%	15%	0%	26%

2019 - Proportion of women in roles in the Paladin Group

	Perth	LHM	KM		Aurora	Group
			Nationals	Expats		
Board	0%	-	-	-	-	0%
Senior Mgmt	0%	25%	0%	0%	0%	9%
Management	14%	0%	17%	0%	0%	13%
Professional	75%	0%	21%	0%	0%	33%
Other	100%	23%	7%	0%	0%	11%
Total	33%	16%	9%	0%	0%	13%

Measurable Objectives

- Review Diversity Policy annually.
- Undertake an annual gender pay audit to ensure equity in remuneration practices.
- Report annual data across the Group on diversity in the workforce.
- Encourage training and development to assist in furthering career goals.
- Develop and implement flexible working arrangements to support employees’ personal or family commitments whilst continuing in employment.
- When the Board next recruits for an independent non-executive director, at least one woman must be included in the list of potential candidates.
- Initiate diversity training and awareness across the Group.

1.6 A listed entity should:

Adopted.

(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.	Improvement in Board processes and effectiveness is a continuing objective and the primary purpose of annual Board evaluation is to identify ways to improve performance. Evaluations of the performance of the Board, individual Directors, the Chairman of the Board and the Board Committees have not been carried out during the reporting period, due to the restructure of the Board in late 2019. It is intended that these evaluations will occur later in the year. The process involved completion of individual questionnaires focused on process, structure, effectiveness and contributions. Responses to the questionnaires are then collated and discussed by the Board and Committees in an open forum and recommendations for improvement considered.
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.	Adopted. The Company reviews the performance of the CEO each year. Due to the recent appointment of the current CEO, an evaluation has not been conducted during the reporting period. It is intended that a performance review of the CEO and CFO will occur later in the year. Open discussion on management performance takes place at Board level.
Principle 2 Structure the Board to add value: A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.	
2.1 The Board of a listed entity should: (a) Have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by a independent director; and disclose: (3) the charter of the committee; (4) the members of the committee; and	Adopted. The Company has a Remuneration, Nomination and Governance Committee. The responsibilities of this Committee include: • reviewing the size and composition of the Board, taking into account director independence, • reviewing directors' outside directorships and time commitments, and making recommendations to the Board on any appropriate changes;

(5) as at the end of each reporting period, the number of times the committee met through the period and the individual attendances of the members at those meetings; or (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.	• developing a board skills matrix to assist in identifying any gaps in the collective skills of the Board for professional development, and succession planning purposes; • making recommendations on the appointment and removal of directors; • establishing evaluation methods for rating the performance of the Board and committees on an annual basis; and, • providing new directors with an induction into the Company and providing all directors with access to ongoing education relevant to their position. Mr Cliff Lawrenson chairs this Committee. The Board considers that, given the importance of board composition, it is appropriate that all members of the Board are members of the Committee. The number of meetings of this Committee during the reporting period and the names on the attendance record is set out in the Directors' Report of the Paladin Energy Ltd Annual Report 2020. A copy of the Company's Remuneration, Nomination and Governance Committee Charter can be found on the Company's website www.paladinenergy.com.au on the Corporate Governance Page.
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.	Adopted. Skill sets represented at Board level include managerial, technical, financial, corporate, legal and commercial. Particularly, members have a broad range of experience and expertise in the uranium business. The Board matrix is currently being updated due to the recent changes in the Board. During 2014, the Board developed a skills matrix and undertook a formal assessment via the Committee. As the current Board has only recently been appointed, a review of the skills matrix for the current Board will not occur until later in the year. To assist directors in maintaining an appropriate level of knowledge, skill and experience in the operations of the Company, directors

	have the opportunity to undertake site visits to familiarise themselves with the Company's operations. Directors are encouraged to undertake continuing education relevant to the discharge of their obligations as directors of the Company. Subject to prior approval by the Company Secretary, the reasonable cost of such education is met by the Company. Directors are also regularly briefed on any changes to legislation and practices relevant to the business.
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.	Adopted. The Independent Directors are: - Mr Cliff Lawrenson, appointed to the Board on 29 October 2019, serving eight months. - Mr Peter Main, appointed to the Board on 11 December 2019, serving six months; - Mr Peter Watson, appointed to the Board on 11 December 2019, serving six months. The Board does not believe that any director has served on the Board for a period which could, or be perceived to, materially interfere with his ability to act in the best interests of the Company.
2.4 A majority of the Board of a listed entity should be independent directors.	Adopted. The entire Board is independent.
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.	Adopted. The Chairman of the Board is Cliff Lawrenson, and he has been determined as an independent director. The Chair of the Board and the CEO are not the same person.
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.	Adopted. There is an induction program in place for any new directors which includes the commitment of the Company to provide and support any required professional development.

Principle 3 Act Ethically and Responsibly: A listed entity should act ethically and responsibly.	
3.1 A listed entity should: (a) Have a code of conduct for its directors, senior executives and employees; and (b) disclose that code of conduct or a summary of it.	Adopted. The Company has a Directors' Code of Conduct and a Code of Business Conduct and Ethics, copies of which can be found on the Company website www.paladinenergy.com.au on the Corporate Governance Page.
Principle 4 Safeguard Integrity in corporate reporting: A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.	
4.1 The Board of a listed entity should: (a) have an audit committee which: (1) has at least 3 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 member 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.	Adopted. The Audit and Risk Committee assists the Board in discharging its responsibilities to ensure that the Company complies with appropriate and effective accounting, auditing, internal control and compliance and reporting practices in accordance with the Audit and Risk Committee Charter. Details of the Risk responsibilities are in section 7.1 The audit role of the Audit and Risk Committee is detailed in the Audit and Risk Committee Charter. The Audit and Risk Committee comprises three members, all of whom are independent Non-executive Directors. The current members of the Audit and Risk Committee are: • Peter Main – Committee Chairman, Non-executive, Independent Director • Peter Watson, Non-executive, Independent Director • Cliff Lawrenson, Non-executive, Independent Company Chairman The relevant qualifications and experience of the members of the Audit and Risk Committee can be found in their biographical information, which is included in the Directors' Report. The Audit and Risk Committee meets at least twice a year and at any other time requested by a Board member, Company Secretary or external auditor.

	The external auditors attend each meeting and on other occasions where circumstances warrant. At the discretion of the Chairman, having regard to the nature of the agenda, relevant members of management may be invited to attend meetings. The number of meetings of the Audit and Risk Committee during the reporting period and the names on the attendance record is set out in the Directors' Report of the Paladin Energy Ltd Annual Report 2020. The external auditors can meet with the Audit and Risk Committee without management present at any meeting and as a standing agenda item at the August meeting. The charter of the Audit and Risk Committee is published on the Company's website www.paladinenergy.com.au and is available on the Corporate Governance page.
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.	Adopted. Upon approval of all financial statements, the Board receives a copy of the CEO and CFO declaration which covers the items required in principle 4.2
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	Adopted. The external auditors are required to attend the AGM and be available to answer any shareholder questions relevant to the audit.

Principle 5 Make Timely and Balanced Disclosure: A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.	
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	Adopted. Paladin is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal and timely access to material information concerning the Company. The Company understands and respects that timely disclosure of price sensitive information is central to the efficient operation of the ASX's securities market and has adopted a Continuous Disclosure & Communication Policy with underlying procedures covering public announcements, the prevention of selective or inadvertent disclosure, conduct of investor and analysts briefings, and media communications. Directors and management are committed to promoting consistent disclosure practices aimed at accurate, timely and broadly disseminated disclosure of material information to the market. The Company has published its continuous disclosure policy on its website www.paladinenergy.com.au on the corporate governance page. This policy is regularly reviewed and updated.
Principle 6 Respect the Rights of Security Holders: A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.	
6.1 A listed entity should provide information about itself and its governance to investors via its website.	Adopted. The Company currently has a Corporate Governance page on its website providing links to constitution, charters, and corporate governance policies. Details of directors can be found on the corporate directory web page.

6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Adopted. The Company places a high priority on communications with, and accountability to, shareholders. The Board recognises that shareholders, as the ultimate owners of the Company, are entitled to receive timely and relevant high quality information about their investment. Similarly, prospective investors should be able to make an informed decision when considering the purchase of shares in Paladin. Information is communicated to shareholders by: • ensuring the disclosure of full and timely information about the Company's activities in accordance with the general and continuous disclosure principles in the ASX Listing Rules, the Corporations Act in Australia; • providing detailed reports from the Chairman, the CEO and other senior executives at the Annual General Meeting (AGM); • placing all material information released to the market (including notices of meeting and explanatory materials) on the Company's website as soon as practical following release; • placing the Company's market announcements and financial data on its website. • Holding regular investor conference calls and webcasts where investors are encouraged to dial in and ask questions. In addition, the website includes a facility to allow interested parties to subscribe to receive electronically, public releases and other relevant material concerning the Company. There are also contact details if shareholders wish to contact the Company or its security registry with any queries. The Company's communications policy is contained within its Continuous Disclosure policy, a copy of which on its website www.paladinenergy.com.au on the corporate governance page.
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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.	Adopted. Shareholders are encouraged to attend AGMs and ask questions of directors, senior management and the Company's external auditors, who are required to be in attendance. In the event that shareholders are unable to attend meetings, they are encouraged to lodge proxies signifying their approval or otherwise of the business to be considered. Shareholders are able to directly lodge their votes online via the Computershare investor portal (the Company's share registry) voting platform.
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.	Adopted. Welcome pack to all new shareholders provides these options to receive communications electronically. This option is also available to existing shareholders upon contacting the share registry, Computershare.
Principle 7 Recognise and Manage Risk: A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.	
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.	Adopted. The Company has broadened the scope of its Audit Committee to specifically cover risk and become an Audit and Risk Committee. The Audit and Risk Committee comprises three members, the majority of whom are independent Non-executive Directors. The current members of the Audit and Risk Committee are: • Peter Main – Committee Chairman, Non-executive, Independent Director • Peter Watson, Non-executive, Independent Director • Cliff Lawrenson, Non-executive, Independent Company Chairman A copy of the Audit and Risk Committee Charter is available on the Company's website www.paladinenergy.com.au in the Corporate Governance Section. The Company has established policies on risk oversight and management and has a risk management and internal control system to manage the Company's material business risks. The Company has developed its risk management

	policy in line with the implementation of the risk management system and a risk management framework. The Company's Risk Management Policy is to identify, assess, evaluate, monitor and mitigate risks which are considered unacceptable to the Company. The Company had adopted a Risk Management Framework that conforms to Australian Standards ISO 31000:2009. Whilst all personnel have a responsibility to identify and report to management risks which may materially affect the Company, the CEO has the overall responsibility for the management of risk in the Company.
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.	Adopted. The risk management system is designed and implemented by the CEO, with assistance from senior executives, and is subject to review by the Risk Committee on a regular basis. A report is also provided annually to the Board of Directors detailing the management process in relation to the Group's material business risks.
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.	Adopted. The Company has previously had an internal audit function which was carried out by Deloitte Australia specifically covering payroll and payments and processes. The Company has not undertaken an internal audit for the last three years, due to the reduced operations and employee numbers within operations. It is the Company's intention to recommence internal audits once it returns to production and increases its workforce. Whilst no internal audit function has been carried out within the last four years, the Company continues to review and assess its policies and procedures to ensure effective internal control processes and risk management controls as part of the annual audit.
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.	Adopted. The Company has established an Operations & Sustainability Committee (previously named Sustainability Committee) and the role of that committee is to provide the Board with an overview of Paladin's performance in the

	areas of health, safety, environment, social responsibility and sustainability and to provide the Board with advice and recommendations where relevant significant incidents occur. The Board also commenced formal sustainability reporting in FY2012 and produces an annual Environment, Society and Governance (ESG) Report (previously named the <i>Sustainability Report</i>). The Company has exposure to economic, environmental and social sustainability risks. Details of Paladin's sustainability aspects and how they are managed are contained within the Company's published ESG Reports. The Company is currently in the process of completing the 2020 ESG Report, which is expected to be published on the Paladin website by the end of October 2020. The Operations & Sustainability Committee's Charter, which sets out further details on the role and duties of the Committee, is available in the corporate governance section of Paladin's website.
Principle 8 Remunerate Fairly and Responsibly: A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.	
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; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and	Adopted. Paladin has a Remuneration, Nomination and Governance Committee. The Remuneration responsibility of the Committee is to assist the Board with respect to remuneration by reviewing and making appropriate recommendations on: • remuneration packages of executive Directors, Non-executive Directors and senior executives; and, • employee incentive and equity based plans including the appropriateness of performance hurdles and total payments proposed. The policies and practices regarding remuneration and the remuneration paid to directors and senior executives are shown in the Remuneration Report, forming part of the Directors' Report of the Paladin Energy Ltd Annual Report 2020.

composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	The Remuneration, Nomination and Governance Committee comprises three members, all of whom are Independent Non-Executive Directors. The current members of the Committee are: • Cliff Lawrenson – Committee Chairman, Non-executive Independent Chairman • Peter Main, Non-executive, Independent Director • Peter Watson, Non-executive, Independent Director The number of meetings of the Committee during the reporting period and the names on the attendance record are set out in the Directors' Report of the Paladin Energy Ltd Annual Report 2020.
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.	Adopted. This is contained within the remuneration report of the Annual Report.
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.	Adopted. The Policy for Trading in Company Securities prohibits entering into transactions which limit the economic risk of participating in the scheme. A copy of the policy is available on the company's website www.paladinenergy.com.au

Corporate Governance Statement date: 30 June 2020

Approved by the Board on: 26 August 2020