

ASX APPENDIX 4G AND CORPORATE GOVERNANCE STATEMENT

Authorised for release by the Board of Eastern Iron Limited.



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Ian K White
Company Secretary

ASX: EFE

For enquiries on your shareholding or change of address please contact:

Boardroom Limited GPO Box 3993, Sydney NSW 2001 Phone: (02) 9290 9600



Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Eastern Iron Limited

ABN/ARBN

126 678 037

Financial year ended:

30 June 2021

Our corporate governance statement¹ for the period above can be found at:²

☐ These pages of our annual report:

☒ This URL on our website:

www.easterniron.com.au/company-profile/corporate-governance

The Corporate Governance Statement is accurate and up to date as at 23 September 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 24 September 2021

Name of authorised officer
authorising lodgement:

Ian K White



¹ "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.

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 Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ 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.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	☒ and we have disclosed a copy of our Board Charter at: https://www.easterniron.com.au/company-profile/corporate-governance	
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward 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.	☒	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	☒	
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.	☒	

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “insert location” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ 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.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.5 A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) 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. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	☒ and we have disclosed a copy of our Diversity Policy at: https://www.easterniron.com.au/company-profile/corporate-governance and we have disclosed the information referred to in paragraph (c) in our Corporate Governance Statement.	
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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☒ and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement, and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☒ and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement and our Annual Report at page 12. and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
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 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 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.	☐ and we have disclosed a copy of the charter of the committee at: https://www.easterniron.com.au/company-profile/corporate-governance and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement and Annual Report pages 9 and 14. * 2.1 (a) (1) We have disclosed in our Corporate Governance Statement that our Remuneration and Nomination Committee consists of 2 members only but otherwise complies with all of Recommendation 2.1.	☒ set out in our Corporate Governance Statement. *
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	☒ and we have disclosed our board skills matrix in our Corporate Governance Statement.	
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, affiliation 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 or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	☒ and we have disclosed the names of the directors considered by the board to be independent directors in our Corporate Governance Statement. and the length of service of each director in our Corporate Governance Statement.	
2.4	A majority of the board of a listed entity should be independent directors.	☒	

Key to Disclosures Corporate Governance Council Principles and Recommendations

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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.	☒	
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	☒	
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	☒ and we have disclosed our values in our Code of Ethics and Code of Conduct at: https://www.easterniron.com.au/company-profile/corporate-governance	
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	☒ and we have disclosed our code of conduct in our Code of Ethics and Code of Conduct at: https://www.easterniron.com.au/company-profile/corporate-governance	
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	☐	☒ set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	☐	☒ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
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.	☐ and we have disclosed a copy of the charter of the committee at: https://www.easterniron.com.au/company-profile/corporate-governance and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement and Annual Report pages 9 and 14. * 4.1 (a) (1) We have disclosed in our Corporate Governance Statement that our Audit Committee consists of 2 members only but otherwise complies with all of Recommendation 4.1.	☒ set out in our Corporate Governance Statement *
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.	☒	
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	☒	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	☒ and we have disclosed our Continuous Disclosure Policy at: https://www.easterniron.com.au/company-profile/corporate-governance	
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	☒	
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	☒	
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	☒ and we have disclosed information about us and our governance on our website at: https://www.easterniron.com.au/company-profile/corporate-governance	
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	☒	
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	☒ and we have disclosed how we facilitate and encourage participation at meetings of security holders in our Corporate Governance Statement and our Shareholder Communication Policy at: https://www.easterniron.com.au/company-profile/corporate-governance	
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	☒	
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	☒	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
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.		☒ set out in our Corporate Governance Statement
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 that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	☒ and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our Corporate Governance Statement. and our Summary of Risk Management Policy can be found at: https://www.easterniron.com.au/company-profile/corporate-governance	
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 governance, risk management and internal control processes.	☒ we have disclosed 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 in our Corporate Governance Statement.	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	☒ and we have disclosed whether we have any material exposure to environmental and social risks in our Corporate Governance Statement and our Annual Report at page 11. and, if we do, how we manage or intend to manage those risks at: NA.....	

Key to Disclosures Corporate Governance Council Principles and Recommendations

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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; 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.	☐ <i>[If the entity complies with paragraph (a).]</i> and we have disclosed a copy of the charter of the committee at: https://www.easterniron.com.au/company-profile/corporate-governance and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement and Annual Report pages 9 and 14. * 8.1 (a) (1) We have disclosed in our Corporate Governance Statement that our Remuneration and Nomination Committee consists of 2 members only but otherwise complies with all of Recommendation 8.1.	☒ set out in our Corporate Governance Statement *
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.	☒ and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in our Corporate Governance Statement and Annual Report pages 11 to 14.	
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.	☒ and we have disclosed a summary of our policy on this issue in our Corporate Governance Statement and have disclosed a copy of our Security Trading Policy at: https://www.easterniron.com.au/company-profile/corporate-governance	

Key to Disclosures Corporate Governance Council Principles and Recommendations

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ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	☐ and we have disclosed information about the processes in place at: <i>[insert location]</i>	☐ set out in our Corporate Governance Statement OR ☐ we do not have a director in this position and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	☐	☐ set out in our Corporate Governance Statement OR ☐ we are established in Australia and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed 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.	☐	☐ set out in our Corporate Governance Statement OR ☐ we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable ☐ we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	☐ and we have disclosed the information referred to in paragraphs (a) and (b) at: <i>[insert location]</i>	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	☐ and we have disclosed the terms governing our remuneration as manager of the entity at: <i>[insert location]</i>	☐ set out in our Corporate Governance Statement



The Board has adopted a corporate framework for the Company which is underpinned by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4rd Edition) ("the Recommendations") applicable to ASX-listed entities.

This Corporate Governance Statement has been approved by the Board of Eastern Iron Limited for publication and the framework it represents is current as at 23 September 2021 and has been approved of the Board on this date.

The Statement addresses each of the Corporate Governance Principles and, where the Company has not followed a Recommendation, provides the reasons for not following the Recommendation.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 – Delineate the respective roles and responsibilities of its Board and Management and regularly review their performance

The Company has defined the role of the Board through its Board Charter, and established functions reserved to the Board and functions delegated to senior executives.

a) Roles of the Board and management:

The role and responsibility of the Board is set out in the Board Charter which is available on the Company's web-site.

b) Functions of the Board and management:

The functions reserved to the Board include:

- Oversight of the Company, including its control and accountability systems;
- Appointing and removing the Managing Director and or Chief Executive Officer (or equivalent), including approving the remuneration of that person and the remuneration policy and succession plans for that person;
- Appointing and removing the Chief Financial Officer (or equivalent) and the Company Secretary;
- Input to, and the final approval of management's corporate strategy and performance objectives;
- Reviewing and ratifying systems of risk management, internal control, compliance, code of conduct and legal compliance;
- Monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- Approving and monitoring financial and other reporting;
- Appointment and composition of committees of the Board;
- On recommendation of the Audit Committee, appointment of external auditors; and
- On recommendation of the Remuneration and Nomination Committee, initiating Board and director evaluation.

The functions that may be delegated to senior executives include:

- Implementing the Company's vision, values and business plan;
- Managing the business to agreed capital and operating expenditure budgets;
- Identifying and exploring opportunities to build and sustain the business;
- Allocating resources to achieve desired business outcomes;
- Sharing knowledge and experience to enhance success;

- Facilitating and monitoring the potential and career development of the Company's people resources;
- Identifying and mitigating areas of risk within the business;
- Managing effectively the internal and external stakeholder relationships and engagement strategies;
- Sharing information and making decisions across functional areas;
- Determining the senior executives' position on strategic and operational issues; and
- Determining the senior executives' position on matters that will be referred to the Board.

At the present the Company has no senior executives and the Board undertakes all of these tasks itself although various tasks may be assigned to individual Directors. These Directors report their activities to the Board at its regular meetings and their performance in regard to these activities is appraised at this time. The Board as a whole undertakes a self-appraisal review on an annual basis.

Recommendation 1.2 – Appointment, election and re-election of Directors

a) Director background checks

The Board, through the Remuneration and Nominations Committee checks character, experience, education, criminal record and bankruptcy history of potential Directors. This is done informally through reference and background checks with mutually known persons and would be undertaken on a more formal basis if these checks suggested that this was required. Appointments for a company the size of Eastern Iron generally come from a pool of potential directors well known in the industry.

b) On election, or re-election of any Director, shareholders are provided with;

- Biographical details, including the Director's relevant qualifications and experience and the skills they bring to the Board;
- Details of any other material directorships currently held by the candidate;
- In the case of a candidate standing for election as a director for the first time:
 - Confirmation that the entity has conducted appropriate checks into the candidate's background and experience;
 - any material adverse information revealed by the checks the entity has performed about the Director;
 - details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally; and
 - if the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect.
- In the case of a candidate standing for re-election as a Director:
 - the term of office currently served by the Director;
 - if the Board considers the Director to be an independent director, a statement to that effect; and
- a statement by the Board as to whether it supports the election or re-election of the candidate and a summary of the reasons why.

All Directors on appointment provide the Company with a Consent to Act form that includes sufficient information to satisfy all of the points above. The form also requires the Director to provide information on the Director's other commitments. Details of the time involved with each of these commitments and an acknowledgement by the Director he or she will have sufficient time to fulfill his or her responsibilities is informally determined by the Chairman through an interview process.

Recommendation 1.3 – Written agreements with Directors

The Company has a written personal agreement with each Director and senior executive, and in the case of the Company Secretary, a written agreement with the professional services firm providing these services. These agreements set out the terms of appointment including:

- The term of appointment;
- The time commitment envisaged, including any expectations regarding involvement with committee work and any other special duties attaching to the position;
- Remuneration, including superannuation entitlements;
- The requirement to disclose directors' interests and any matters which may affect the Director's independence;

- The requirement to comply with key corporate policies, including the entity's code of conduct and its trading policy;
- The Company's policy on when directors may seek independent professional advice at the expense of the Company;
- The circumstances in which the Director's office becomes vacant;
- Indemnity and insurance arrangements;
- Ongoing rights of access to corporate information; and
- Ongoing confidentiality obligations.

Recommendation 1.4 – Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary's role includes:

- Advising the Board and its committees on governance matters;
- Monitoring that Board and Committee policy and procedures are followed;
- Coordinating the timely completion and despatch of Board and Committee papers;
- Ensuring that the business at Board and Committee meetings is accurately captured in the minutes; and
- Helping to organise and facilitate the induction and professional development of Directors.

Each Director is able to communicate directly with the Company Secretary and vice versa.

The decision to appoint or remove a Company Secretary is a matter reserved for the Board.

Recommendation 1.5 – Diversity policy

- a) The has a Company's Diversity Policy that is available on its web-site.
- b) The Policy includes requirements for the Board, at the appropriate stage of its development, to establish measurable objectives for achieving gender diversity and for the Board to assess annually thereafter both the objectives and progress in achieving them. The Company acknowledges the benefits of diversity in a competitive labour market and intends to implement its Diversity Policy in the event that the Company's employee numbers grow to a level where implementation becomes practicable.
- c) With regard to the current reporting period:
 - 1) The Company has no full-time permanent employees and at this stage, the Board does not consider it practicable to set measurable gender diversity objectives.
 - 2) The Company has one female Director and one part-time female administration clerk. This is unchanged from the prior year.
 - 3) One third of the Company's Directors are female. The Company is not a "relevant employer" under the Workplace Gender Equality Act.

Recommendation 1.6 – Evaluation of the performance of the Board

- a) In accordance with its Charter, the Remuneration and Nomination Committee is responsible for the:
 - Annual evaluation and review of the performance of the Board against both measurable and qualitative indicators established by the Committee;
 - Evaluation and review of the performance of individual Directors against both measurable and qualitative indicators established by the Committee;
 - Review of and making of recommendations on the size and structure of the Board; and
 - Review of the effectiveness and programme of Board meetings.
- b) An evaluation of the performance of the Board, its committees and individual Directors took place in July 2020 and June 2021. That evaluation was conducted by the Board as a whole, and otherwise in accordance with the process disclosed above. An evaluation of the Chairman was undertaken by the other two directors. The evaluation determined that the Board was satisfied with the performance of each Director and itself as a whole.

Recommendation 1.7 – Evaluation of the performance of senior executives

- a) The Company has a process for periodically evaluating the performance of its senior executives and this is undertaken through the Remuneration and Nomination Committee.
- b) At present the Company has no full time senior executive staff.

Principle 2: Structure the Board be effective and add value

Recommendation 2.1 – Remuneration and Nomination Committee

- a) The Company has established a two member Remuneration and Nomination Committee which otherwise complies with Recommendation 2.1.
- 1) The Remuneration and Nomination Committee consist of two non-executive Directors both of whom are independent Directors. The members of the Remuneration and Nomination Committee are Mr King and Ms Taylor.
 - 2) The Chairman of the Committee is Mr King who is an independent director.
 - 3) A copy of the Charter of the Remuneration and Nomination Committee is available on the Company's website.
 - 4) The members of the Remuneration and Nomination Committee are Mr King and Ms Taylor.
 - 5) The Remuneration and Nomination Committee held one meeting during the 2021 financial year which was attended by Mr King and chaired by Ms Taylor's alternate Director.
- b) Directors consider that a two-member Committee is sufficient for a three-member Board.

Recommendation 2.2 – Director skills

A skills matrix for the Board follows:

Director	Accounting	Finance	Mining	M & A	Capital Raising	International	Geology	General Management	Risk Management	Legal & Governance	Technology	Corporate Strategy
E King		✓	✓	✓	✓		✓		✓	✓	✓	✓
T Taylor	✓	✓										
M Fang			✓	✓	✓	✓	✓	✓				

The Directors have determined that the composition of the current Board represents the best mix of directors that have an appropriate range of qualifications and expertise and that can understand and competently deal with current and emerging business issues.

Recommendation 2.3 – Director independence

- a) Using the ASX Corporate Governance Council independence factor guidelines, the Board has determined that Mr King, Ms Taylor and Mr Fang are independent.
- b) The Company has no Directors that are not independent in terms of the ASX Corporate Governance Council's independence factors, but which it considers to be independent by the Company.
- c) The length of service of each Director is shown below.

Name	Term in office
E King (appointed 10 July 2017)	4.25 years
T Taylor (appointed 10 July 2017)	4.25 years
M Fang (appointed 12 March 2018)	3.50 years

Recommendation 2.4 – A majority of the Board should be independent directors.

The majority of the Board are independent directors.

Recommendation 2.5 – The chair should be an independent director

The Company's Chairman, Mr King, is an independent director and is not the CEO of the Company.

Recommendation 2.6 – Programme for inducting directors

All new directors receive an induction into the Company and its activities by the Chairman and the Company Secretary. The Company Secretary provides details of all of the Company's Charters and Policies, and the Company's Board reporting practices. The Chairman provides background and details on the Company's projects and strategy.

There are procedures in place and included in the Board Charter, to enable Directors in furtherance of their duties, to seek independent professional advice at the Company's expense, subject to the approval of the Chairman.

As part of the process for the annual review of the Company's Corporate Governance Statement and Board and Company Policies, the Company Secretary appraises Directors of any new developments in these areas.

As part of its annual self-appraisal process, the Board determines and addresses the ongoing educational needs of Directors.

Principle 3: Act lawfully, ethically and responsibly

Recommendation 3.1 – Corporate Values

The Company's Corporate values are included in its code of conduct.

Recommendation 3.2 – Code of conduct

- a) The Company has established a Code of Conduct which is available on its website covering:
- Practices necessary to maintain confidence in the Company's integrity;
 - Practices necessary to take into account the Company's legal obligations and the expectations of stakeholders; and
 - Responsibility and accountability of individuals for reporting and investigating reports of unethical practices.
- b) There have been no breaches of this Code for the 2021 financial year.

Recommendation 3.3 – Whistle-blower policy

The Company does not currently have a whistle-blower policy as it does not have any full-time employees. At an appropriate stage in the Company's development, the Company will develop a whistle-blower policy.

Recommendation 3.4 – Anti-bribery and corruption policy

The Company does not currently have an anti-bribery and corruption policy as it does not have any full-time employees. The Conduct of Directors is subject to the Company's code of conduct which covers this area of behaviour.

At an appropriate stage in the Company's development, the Company will develop a whistle-blower policy.

The Board is not aware of any instances of bribery or corruption during the 2021 financial year.

Principle 4: Safeguard the integrity of corporate reports

Recommendation 4.1 – Audit Committee

- a) The Company has established a two member Audit Committee which otherwise complies with Recommendation 4.1.
- 1) The Audit Committee consist of two non-executive Directors both of whom are independent Directors. The members of the Audit Committee are Ms Taylor and Mr King.

- 2) The Chairman of the Committee is Ms Taylor who is an independent director and not the Chairman of the Board.
- 3) A copy of the Charter of the Audit Committee is available on the Company's website.
- 4) The relevant qualifications and experience of each Audit Committee member are shown in the Directors' Report which is included in the Company's Annual Report.
- 5) The number of meetings and attendance by each Committee member is included in the Directors' Report which is included in the Company's Annual Report.

(b) Directors consider that a two-member Committee is sufficient for a three-member Board.

Recommendation 4.2 – Chairman and CFO declarations

When considering the Audit Committee's review of half-year and full-year financial reports the Board receives a signed statement from each of the Chairman (the Company currently does not have a Managing Director or CEO) and the Financial Controller in accordance with section 295A of the Corporations Act. This statement also confirms that the Company's financial reports are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial risks and that nothing has occurred since the period-end that would materially change that position.

Recommendation 4.3 – Integrity of periodic financial information released to ASX

The Company's unaudited annual Directors' Report is reviewed by the Audit Committee before being approved by the Board.

Company releases its unaudited quarterly ASX Appendix 5B quarterly cash flow report to the ASX. This report is prepared by the company's part-time financial controller and reviewed by the Company Secretary who is a qualified accountant. The report is then approved by all directors by email before release to the market.

The Company's annual financial report is audited, and its half-yearly financial report is reviewed, by its external auditor.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 – Continuous Disclosure Compliance

The Company has established a Continuous Disclosure Policy which sets out the key obligations of Directors and employees in relation to continuous disclosure as well as the Company's obligations under the Listing Rules and the Corporations Act. The Policy also provides procedures for internal notification and external disclosures, as well as procedures for promoting understanding of compliance with disclosure requirements. A copy of the Company's Continuous Disclosure Policy is available on the Company's website.

Recommendation 5.2 – Distribution to Directors of all ASX announcements

The Company has established an electronic procedure to distribute all ASX announcements to all Directors.

Recommendation 5.3 – Disclosure of investor and analyst presentations

It is a requirement of the Company's Continuous Disclosure Policy that any new and substantive investor or analyst presentations are released to the market prior to any presentations.

Principle 6: Respect the rights of security holders

Recommendation 6.1 – Corporate and governance communication

The Company has a corporate governance landing page on its web-site. This page includes the Company's Board Charter, Audit Committee Charter and Remuneration and Nominations Committee Charter as well as the Company's corporate governance policies. The web-site also includes ASX releases, financial reports, details on the Company's projects, biographical details for the Board and senior management and other relevant details broadly consistent with Recommendation 6.1.

Recommendation 6.2 – Investor relations program

The Company has adopted a Shareholder Communications Policy for promoting effective communication with shareholders and encouraging shareholder participation at annual and other general meetings. A copy of this Policy is available on the Company's web-site. The Company also invites enquiries from investors and provides contact details at the foot of each ASX release.

Recommendation 6.3 – Shareholder participation at general meetings

The Company holds its general meetings in capital city CBD locations. Shareholders may submit proxy votes electronically for general meetings. At all general meetings, shareholders are encouraged to comment on all resolutions and ask questions of the Auditor at AGMs. Shareholders may ask questions at any general meeting by emailing these questions to the Company Secretary.

The Company will at an appropriate time in the future, investigate the electronic participation of shareholders at general meetings.

Recommendation 6.4 – Resolutions at general meetings

All resolutions at general meetings are conducted on Polls.

Recommendation 6.5 – Electronic communication with security holders

Security holders are encouraged to make enquiries of the Company ad its share registry electronically, and contact details for this purpose are included at the foot of each ASX release. All shareholders have the option to receive their Annual Report electronically.

Principle 7: Recognise and manage risk

Recommendation 7.1 – Risk Management Committee

- a) The Company does not have a Risk Management Committee.
- b) The Audit Committee oversees financial risks pursuant to the Audit Committee Charter. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

Operational risks are considered by the Chairman and the Board as a whole. For development projects the Company undertakes an in-house risk analysis, utilising the skills and experience of its Directors and staff. For large projects, external consultants may be engaged to provide assistance in this process.

A Risk Management Committee would be considered if the Company's activities were to significantly expand and additional Directors were appointed to the Board.

Recommendation 7.2 – Risk management framework review

- a) The Company's financial risk management framework is included in its Audit Committee Charter which is reviewed annually by the Board.
- b) A review of this Charter was undertaken during the 2021 financial year.

Recommendation 7.3 – Internal audit function

- a) The Company does not have an internal audit function.
- b) The Company's financial risk management and internal control framework is included in its Audit Committee Charter which is reviewed annually by the Board. Governance matters are reviewed annually with the Company Secretary as part of the process of reviewing the Company's Corporate Governance Statement and Board and Committee charters and corporate policies. This process is undertaken at a Board meeting once per year.

Recommendation 7.4 – Exposure to environmental or social risk

At its current stage of development, the Company does not have any exposure to material environmental or social risks.

The Company is exposed to the market for iron ore and could be adversely impacted by any alternative sourcing of this commodity by Australia's major trading partner.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 – Remuneration Committee

- a) The Company has established a two member Remuneration and Nomination Committee which otherwise complies with Recommendation 8.1.
 - 1) The Remuneration and Nomination Committee consist of two non-executive Directors both of whom are independent Directors. The members of the Remuneration and Nomination Committee are Mr King and Ms Taylor.
 - 2) The Chairman of the Committee is Mr King who is an independent director.
 - 3) A copy of the Charter of the Remuneration and Nomination Committee is available on the Company's website.
 - 4) The members of the Remuneration and Nomination Committee are Mr King and Ms Taylor.
 - 5) The Remuneration and Nomination Committee did not meet during the 2021 financial year as remuneration matters were handled by the Board as a whole.

The skills and experience of each member of the Remuneration and Nomination Committee is set out in the Directors' Report which is included in the Company's Annual Report.

- b) Directors consider that a two member Committee is sufficient for a three member Board.

Recommendation 8.2 – Remuneration of executive directors, executives and non-executive directors

Details of the Company's policies and practices regarding the remuneration of non-executive directors and senior executives is included in the Remuneration Report in the Directors' Report which is included in the Company's Annual Report.

The aggregate remuneration of the non-executive Directors has been fixed at a maximum of \$250,000 per annum to be apportioned among the non-executive Directors in such a manner as the Board determines.

All issues of securities to Directors are made in accordance with the Listing Rules.

Neither the non-executive Directors nor the executives of the Company receive any retirement benefits, other than superannuation.

Recommendation 8.3 – Equity based remuneration scheme

The Company has issued share options as remuneration to its Directors.

- a) The Company's Share Trading Policy prohibits the hedging of options.
- b) The Company's Share Trading Policy is available on its web-site.