Rules 4.7.3 and 4.10.3[1]

Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

TERRACOM LIMITED

ABN / ARBN	**Financial year ended:**
35 143 533 537	30 JUNE 2020

Our corporate governance statement[2] for the above period above can be found at:[3]

☐ These pages of our annual report:

☒ This URL on our website: http://investor.terracomresources.com/

The Corporate Governance Statement is accurate and up to date as at 28 October 2020 and has been approved by the board.

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

Date: 30 October 2020

Name of ~~Director or~~ Secretary authorising lodgement:

Megan Etcell

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[1] Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

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

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

[2] "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.

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

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

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
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.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] … and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

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

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
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 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.	… the fact that we have a diversity policy that complies with paragraph (a): ☐ in our Corporate Governance Statement OR ☐ at [*insert location*] … and a copy of our diversity policy or a summary of it: ☒ at http://terracomresources.com/wp-content/uploads/2016/04/Diversity-Policy-May-2012.pdf … and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☐ in our Corporate Governance Statement OR ☐ at [*insert location*] … and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement OR Diversity Policy: at http://terracomresources.com/wp-content/uploads/2016/04/Diversity-Policy-May-2012.pdf ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	… the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] … and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	… the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] … and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 2 - STRUCTURE THE BOARD TO 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.	[If the entity complies with paragraph (a):] … the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*] … and a copy of the charter of the committee: ☒ at http://terracomresources.com/wp-content/uploads/2016/04/Charter-Nomination-Committee-May-2015.pdf … and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*] [If the entity complies with paragraph (b):] … the fact that we do not have a nomination committee and the processes we employ 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: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	… our board skills matrix: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
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.	… the names of the directors considered by the board to be independent directors: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*] … and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*] … and the length of service of each director: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	… the fact that we follow this recommendation: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – 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 or a summary of it.	… our code of conduct or a summary of it: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	[If the entity complies with paragraph (a):] … the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*] … and a copy of the charter of the committee: ☒ at http://terracomresources.com/wp-content/uploads/2016/04/Audit-Committee-Charter-2014FinalTC.pdf … and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*] [If the entity complies with paragraph (b):] … the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so 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.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	… our continuous disclosure compliance policy or a summary of it: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
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.	… information about us and our governance on our website: ☒ at http://terracomresources.com	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	… our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
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.	[If the entity complies with paragraph (a):] … the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*] … and a copy of the charter of the committee: ☒ at http://terracomresources.com/wp-content/uploads/2016/04/Audit-Committee-Charter-2014FinalTC.pdf … and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*] [If the entity complies with paragraph (b):] … the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so 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 (b) disclose, in relation to each reporting period, whether such a review has taken place.	… the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*] … and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
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.	[If the entity complies with paragraph (a):] … how our internal audit function is structured and what role it performs: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] [If the entity complies with paragraph (b):] … 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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
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.	… whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
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.	[If the entity complies with paragraph (a):] … the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*] … and a copy of the charter of the committee: ☒ at http://terracomresources.com/wp-content/uploads/2016/04/Remuneration-Committee-Charter.pdf … and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*] [If the entity complies with paragraph (b):] … the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	… 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 <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	… our policy on this issue or a summary of it: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	*Alternative to Recommendation 1.1 for externally managed listed entities:* 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; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	… the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
-	*Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:* An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	… the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

TerraCom Limited
Blair Athol Mine Access Road
Clermont, Queensland, 4721
Australia
+61 7 4983 2038

terracomresources.com

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of TerraCom Limited (**TerraCom** or **Company**) is responsible for the corporate governance of the Company. The Directors guide and monitor the business and affairs of the Company, on behalf of shareholders by whom they are elected and to whom they are accountable.

This corporate governance statement reports on TerraCom's key governance principles and practices as at 30 June 2020; and is up to date as at 28 October 2020.

As a listed entity, TerraCom is required to comply with the Corporations Act 2001 (Cth) and the ASX Listing Rules. The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Recommendations published by the ASX Corporate Governance Council.

Principle 1: Lay solid foundations for management and oversight

No.	ASX Corporate Governance Principles and Recommendation	Company Response
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	The roles and functions must be flexible to deliver the Company's objectives. As at 30 June 2020 the Board consisted of seven directors (three independent non-executive directors and four non-executive directors). As at the date of this report, the Board consisted of six directors (two independent non-executive directors and three non-executive directors). Small corporate teams located in both Brisbane and Clermont plus operational management teams in Clermont and South Africa support the Board. The statement of Board and Management responsibilities is found within the Board Charter on the Company's website www.terracomresources.com.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	The Company reviews the qualifications and experience of all potential board candidates. Appropriate background checks are completed where deemed appropriate for the position, including speaking with personal and professional referees. The Company provides biographical details of proposed directors, as well as information relating to other directorships and interests which may reasonably be perceived to influence their ability to bring independent judgement to the Board. The Company includes this information, where appropriate, in an ASX announcement, Annual Report, Notice of Meeting and on the Company website.

<table>
<tr><th>No.</th><th>ASX Corporate Governance Principles and Recommendation</th><th>Company Response</th></tr>
<tr><td>1.3</td><td>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</td><td>Each director and senior executive has a written contract which sets out the terms of their appointment, including their responsibilities and remuneration.</td></tr>
<tr><td>1.4</td><td>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.</td><td>The company secretary is directly accountable to the board. Communication between the board and company secretary is imperative. The role of the Company Secretary is outlined in the Board Charter.</td></tr>
<tr><td>1.5</td><td>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 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.</td><td>The Company has a diversity policy. A copy of the policy can be found on the Company's website www.terracomresources.com.

The Company is an equal opportunity employer and strives to foster diversity across the organisation. The Company has not set measurable objectives due to the size of its current workforce. As the size and scale of the Company grows, the Board will consider setting gender diversity objectives.

As at 30 June 2020, the Company had the following proportion of men and women across the organisation:

<table><tr><th></th><th>Men</th><th>Women</th></tr><tr><td>Board</td><td>7</td><td>1</td></tr><tr><td>Senior Executives</td><td>2</td><td>1</td></tr><tr><td>Whole Organisation</td><td>160</td><td>88</td></tr></table>
Note: includes employees only, not contractors.</td></tr>
</table>

No.	ASX Corporate Governance Principles and Recommendation	Company Response
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.	The Board acknowledges the importance of regular review of its performance and the performance of its Committees against appropriate measures. The Board is committed to periodically reviewing the Board, its Committees and the Directors' performance and effectiveness. A formal board evaluation, completed by a third party, was conducted in June 2020. The board evaluation was an online survey and sought the views of each board member as to the Board's performance over the last 12 months. All directors completed the survey.
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.	The annual formal performance assessment of the Company's senior executives occurs in September each year. Further details of how the Company assesses performance are set out in the Remuneration Report.

Principle 2: Structure the board to add value

No.	ASX Corporate Governance Principles and Recommendation	Company Response
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	The Company has a Nomination Committee, but due to the size of the Company, the full Board participates in order to fulfil its corporate governance responsibilities. Responsibilities of the Nomination Committee are outlined in the Company's Nomination Committee Charter. No separate attendance is maintained for the Nomination committee as relevant responsibilities are

<table>
<tr><th>No.</th><th>ASX Corporate Governance Principles and Recommendation</th><th>Company Response</th></tr>
<tr><td></td><td>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.</td><td>completed as part of the board of director meetings.

If vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board seeks to achieve a balance of entrepreneurial, capital markets, technical, operational, commercial and financial skills from mining industry and broader business backgrounds.

As at 30 June 2020, the Nomination Committee, which comprises the full Board, had seven members in total. Five of the Committee members were independent and the Chair is also an independent non-executive director.

A copy of the Nomination Committee Charter can be found on the Company's website www.terracomresources.com.</td></tr>
<tr><td>2.2</td><td>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.</td><td>The current mix of board skills is as per the below matrix:

<table>
<tr><th>Skills & Experience</th><th></th></tr>
<tr><td>Mining, exploration and production</td><td>4</td></tr>
<tr><td>Engineering</td><td>2</td></tr>
<tr><td>Capital projects</td><td>4</td></tr>
<tr><td>Trading/ marketing</td><td>3</td></tr>
<tr><td>Strategy</td><td>6</td></tr>
<tr><td>Leadership</td><td>6</td></tr>
<tr><td>Board/ committee experience</td><td>6</td></tr>
<tr><td>Corporate governance</td><td>6</td></tr>
<tr><td>Accounting/ audit/ risk management</td><td>6</td></tr>
<tr><td>Government/ policy</td><td>4</td></tr>
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</table>

No.	ASX Corporate Governance Principles and Recommendation	Company Response
		Legal/ regulatory — 6 Health, safety and environment — 4 Human resources — 6 International business expertise — 6
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.	The independent Directors of the Company as at 30 June 2020 were Mr Wallace King, Mr Craig Wallace[1], and Mr James Soorley[2]. The length of service of each director (rounded to nearest month) as at 30 June 2020 is noted below: ▪ Mr Wallace King. Appointed: 17 May 2017. Length of Service: 3 years 1 month. ▪ Mr Craig Wallace[3]. Appointed: 12 December 2014. Length of Service: 5 years 7 months. ▪ Mr James Soorley[4]. Appointed: 8 March 2017. Length of Service: 3 years 4 months. ▪ Mr Matthew Hunter. Appointed 18 January 2018. Length of Service: 2 years 5 months. ▪ Mr Paul Anderson[5]. Appointed 16 May 2018. Length of Service: 2 year 1 month. The independent Directors of the Company as at 28 October 2020 were Mr Wallace King and Mr Craig Lyons. The length of service of each director (rounded to nearest month) as at 28 October 2020 is noted below: ▪ Mr Wallace King. Appointed: 17 May 2017. Length of Service: 3 years 5 months.

[1] Resigned 22 August 2020
[2] Resigned 13 July 2020
[3] Resigned 22 August 2020
[4] Resigned 13 July 2020
[5] Resigned 31 July 2020

No.	ASX Corporate Governance Principles and Recommendation	Company Response
		▪ Mr Matt Hunter. Appointed 18 January 2018. Length of Service: 2 years 9 months. ▪ Mr Craig Ransley. Appointed 21 February 2020. Length of Service: 8 months. ▪ Mr Glen Lewis. Appointed 23 December 2019. Length of Service: 10 months ▪ Mr Craig Lyons. Appointed 14 July 2020. Length of Service: 3 months. ▪ Mr Shane Kyriakou. Appointed 7 September 2020. Length of Service: 1 month.
2.4	A majority of the board of a listed entity should be independent directors.	As at 30 June 2020 the board of directors comprised seven directors, five of whom (majority) are deemed to be independent. As at 28 October 2020 the board of directors comprises six directors, two of whom are deemed to be independent. Mr Wallace King and Mr Craig Lyons are independent directors.
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.	Mr Wallace King, as Chairman, is an independent non-executive director. The role of Chair and CEO is not held by 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.	The Company has a program for inducting new directors and provides resources to directors to help develop and maintain the appropriate skills and knowledge needed to perform their role effectively. Prior to commencement, a letter of appointment is formalised, setting out the terms of appointment. As part of their appointment, directors are, provided with a copy of the Company's Constitution, relevant Company policies, and relevant insurance policies (namely Directors and Officers).

Principle 3: Act ethically and responsibly

No.	ASX Corporate Governance Principles and Recommendation	Company Response
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	The Company has adopted a code of conduct for its directors, senior executives and employees. A copy of this can be found on the Company's website www.terracomresources.com.

Principle 4: Safeguard integrity in corporate reporting

No.	ASX Corporate Governance Principles and Recommendation	Company Response
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.	As at 30 June 2020, the Company had an Audit Committee which comprised of three non-executive directors: 1. Mr Matt Hunter (Committee Chair): Non-Executive Director; 2. Mr Craig Wallace: Non-Executive, Independent Director; and 3. Mr James Soorley: Non-Executive, Independent Director. A copy of the Audit Committee Charter can be found on the Company's website www.terracomresources.com. The relevant qualifications and experience of the committee members can be found on pages 42 to 46 of the Company's 2020 Annual Report. The number of Audit Committee meetings held and attendances by committee members during the 2019 financial year can be found on page 47 of the Company's 2020 Annual Report.

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		Given the recent changes to the Board, the Company is currently in the process of re-setting its committee memberships. The Audit Committee meets as required, but at least twice per year. The Chief Executive Officer, Chief Financial Officer and the Company's external auditors are invited to attend the Audit Committee meetings.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	The Company obtains a declaration from the Chief Executive Officer and Chief Financial Officer (or the persons acting in those capacities) prior to the completion of its half year and annual financial statements.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	The external auditor attends the AGM and is available to answer questions in relation to the conduct of the audit.

Principle 5: Make timely and balanced disclosure

No.	ASX Corporate Governance Principles and Recommendation	Company Response
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.	The Company has a Continuous Disclosure Policy, which is available on the Company's website www.terracomresources.com.

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		JORC In accordance with Listing Rule 5.6 and the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), TerraCom has procedures in place to ensure it obtains the relevant Competent Person's signoff in relation to the disclosure of exploration results, mineral resources and ore reserves.

Principle 6: Respect the rights of security holders

No.	ASX Corporate Governance Principles and Recommendation	Company Response
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company's website (www.terracomresources.com) contains comprehensive information about the Company, its operations and exploration assets, its directors, senior management, and corporate governance. All Company announcements, including half year and annual financial statements, can be located on the Company's website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Board and Company Secretary are responsible for the Company's communication strategy. TerraCom adheres to best practice in its preparation of Notices of Meetings, and through its share registry, offers to members the option of receiving shareholder communications electronically.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and	Shareholders are encouraged to attend the Company's Annual General Meeting. Shareholders are given the opportunity to ask

No.	ASX Corporate Governance Principles and Recommendation	Company Response
	encourage participation at meetings of security holders.	questions at the Annual General Meeting and to vote.
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.	To the extent permissible by law, the Company sends all communications electronically in an effort to reduce its environmental footprint. The Company encourages shareholders to receive communication from and send communications to, the Company and its share registry, electronically. Communicating with shareholders by electronic means, particularly through the Company's website, is an efficient way of distributing information in a timely and convenient manner. As new shareholders join the register they are invited to communicate with the Company and share registry electronically.

Principle 7: Recognise and manage risk

No.	ASX Corporate Governance Principles and Recommendation	Company Response
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	As outlined in the Company's Board Charter, the Board is committed to ensuring that the risk associated with the Company's business activities are properly identified, monitored and managed. The Board is charged with implementing appropriate risk management systems to effectively manage risks identified by management. A copy of the Company's Board Charter can be found on the Company's website www.terracomresources.com.

No.	ASX Corporate Governance Principles and Recommendation	Company Response
	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.	The Company's Audit Committee assists the Board in discharging its duties with respect to risk management. As outlined in the Audit Committee Charter, the Audit Committee is to ensure the Company maintains an effective risk management framework. As at 30 June 2020, the Audit Committee comprised three non-executive directors: 1. Mr Matt Hunter (Committee Chair): Non-Executive, Director; 2. Mr Craig Wallace: Non-Executive, Independent Director; and 3. Mr James Soorley: Non-Executive, Independent Director. A copy of the Company's Audit Committee Charter can be found on the Company's website www.terracomresources.com . The relevant qualifications and experience of the committee members can be found on pages 42 to 46 of the Company's 2020 Annual Report. The number of Audit Committee meetings held and attendances by committee members during the 2020 financial year can be found on page 47 of the Company's 2020 Annual Report. Given the recent changes to the Board, the Company is currently in the process of re-setting its committee memberships.
7.2	The board or a committee of the board should:	The Company's risk management policy requires the inclusion of a comprehensive risk management report as part of the Company's Board Papers. The report covers

No.	ASX Corporate Governance Principles and Recommendation	Company Response
	(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.	material business risks in the sectors in which the Company operates, taking into account changing circumstances and emergent risk factors and weightings.
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.	The Group implemented an internal audit function in December 2019. The internal audit function is performed by a third party and the scope of work performed is set between management and the internal auditor, and agreed by the Audit Committee.
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.	The Company is a coal production, exploration and development company and is therefore inherently exposed to the economic, environment and social sustainability risks that are associated with its peers in the industry. The Company carefully considers its operations and their impact on the environment and local communities. The 2020 Annual Report includes disclosure on the risks relating to the Company. Refer to pages 51 to 54 of the Company's 2020 Annual Report.

Principle 8: Remunerate fairly and responsibly

No.	ASX Corporate Governance Principles and Recommendation	Company Response
8.1	The board of a listed entity should: (a) have a remuneration committee which:	As at 30 June 2020 the Company had a Remuneration Committee comprised of the following directors:

No.	ASX Corporate Governance Principles and Recommendation	Company Response
	(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.	1. Mr Wallace King (Committee Char): Non-Executive, Independent Director; 2. Mr James Soorley: Non-Executive, Independent Director; and 3. Mr Paul Anderson: Non-Executive Director. A copy of the Remuneration Committee Charter can be found on the Company's website www.terracomresources.com. The number of Remuneration Committee meetings held and attendances by committee members during the 2020 financial year can be found on page 47 of the Company's 2020 Annual Report. Given the recent changes to the Board, the Company is currently in the process of re-setting its committee memberships.
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.	The 2020 Annual Report includes disclosure on the remuneration structure of directors and senior management. Refer to pages 54 to 62 of the Company's 2020 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.	A long term equity based incentive scheme was approved by shareholders at the 2018 AGM. Further details regarding the scheme are included within the remuneration report of the Company's 2020 Annual Report. In respect of the Company's equity based remuneration scheme, directors and senior executives are not permitted to enter into transactions which limit the economic risk of participating in the scheme.