

Westar Resources Limited ACN 635 895 082 (**Company**)

Corporate Governance Statement

Overview

The Company's board of directors (**Board**) is responsible for the overall corporate governance of the Company, and it recognises the need for the highest standards of ethical behaviour and accountability. It is committed to administering its corporate governance structures to promote integrity and responsible decision making.

Accordingly, the Company has, where appropriate, sought to adopt the "Corporate Governance Principles and Recommendations" (Fourth Edition) (**ASX Recommendations**) published by the ASX Corporate Governance Council.

The corporate governance principles and practices adopted by the Company may differ from those set out in the ASX Recommendations where the Board considers that adherence is not appropriate, having regard to the nature, complexity and size of the Company's business.

The Company reports below on its compliance with the ASX Recommendations and those matters of corporate governance where the Company's practice departs from the ASX Recommendations to the extent that they are currently applicable to the Company. This statement is current as at 10 December 2020.

All references to Shareholders below are references to shareholders of the Company.

ASX Corporate Governance Principles and Recommendations

Principles and Recommendations	Compliance by the Company
Principle 1 – Lay solid foundations for management and oversight <i>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.</i>	
Recommendation 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 Company complies with this recommendation. The Board Charter sets out the principles for the operation of the Board and describes the functions of the Board and the functions delegated to management of the Company. Clause 3 of the Board Charter sets out the responsibilities reserved to the Board and matters capable of delegation. The Board is responsible for: (i) Overseeing and approving the Company's strategic and operating objectives; (ii) Reviewing and approving the Company's financial position, systems of risk management and internal compliance and control, codes of conduct and legal compliance; (iii) Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestments; (iv) Being responsible for the Company's senior management and personnel including appointing and, where appropriate, removing the Chairperson; (v) Ratifying the appointment, and where appropriate, the removal of the Managing Director or CEO (if applicable) and the Company Secretary; (vi) Evaluating the performance of the executive directors and the senior management and determining their remuneration; (vii) Delegating appropriate powers to the executive directors and senior management to ensure the effective day-to-day management of the business and monitoring the exercise of these powers; (viii) Ensuring that policies and procedures are in place consistent with the Company's objectives, and that the Company and its officers act legally, ethically and responsibly in all matters; and (ix) Ensuring corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy, encouraging effective participation at general meetings and, through the Chairperson, being the key interface between the Company and its shareholders.

Principles and Recommendations	Compliance by the Company
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director; and (b) provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	The Company complies with this recommendation. Clause 4 of the Board Charter provides that, where practical, the Board should be comprised of a majority of non-executive independent directors with a broad range of expertise, skills and experience. Particular candidates may also be considered where they hold particular experience in the various activities conducted by the Company. Clause 4 of the Board Charter further provides that once a potential candidate has been identified that candidate would be expected to provide a copy of their resume detailing their skills and experience. The Board, generally as part of a Board meeting, would interview the candidate and also explain details of the Company, its operations, policies and expectations. The Board, as a whole, will consider the appointment and the appointment is then subject to the directors' voting arrangements set out in the Company's Constitution. The Board will also carry out check's as to the person's character, experience, education, criminal record and bankruptcy, and as otherwise determined by the Board from time to time.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	The Company complies with this recommendation. The Company has and will continue to ensure that it has a written agreement with each director and senior executive setting out the terms of their appointment.
Recommendation 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 Company complies with this recommendation. Clause 9 of the Board Charter provides that the secretary is accountable to the Board, through the Chairperson, on all governance matters and reports directly to the Chairperson as the representative of the Board.
Recommendation 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	The Company does not comply with this recommendation. The Board values diversity (in its broader sense) and recognises the benefits it can bring to the Company's ability to achieve its goals. However, given the current stage of the Company's operations and number of employees, the Company has determined at this stage not to formally adopt a diversity policy. The Company will re-assess this as the Company grows.

Principles and Recommendations	Compliance by the Company
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: (i) 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 (ii) 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 the Act.	

Principles and Recommendations	Compliance by the Company
Recommendation 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.	The Company complies with this recommendation. Performance Evaluation Policy provides that the Board will carry out annual reviews of its performance, the performance of its committees and each director. The Board will disclose in relation to each reporting period whether a performance evaluation was undertaken.
Recommendation 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 Company complies with this recommendation. The Performance Evaluation Policy provides that the Board will carry out annual reviews of the performance of key executives. The Board will disclose in relation to each reporting period whether a performance evaluation was undertaken.
Principle 2 – Structure the board to add value <i>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</i>	

Principles and Recommendations	Compliance by the Company
Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director; and disclose: (iii) the charter of the committee; (iv) the members of the committee; (v) 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.	The Company does not comply with this Recommendation. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such, a nomination committee has not been formed. Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all Directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board is confident that this process for selection, (including undertaking appropriate checks before appointing a person or putting forward to Shareholders a candidate for election) and review is stringent and full details of all Directors will be provided to Shareholders in the annual report and on the Company's website.

Principles and Recommendations	Compliance by the Company
Recommendation 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.	The Company does not comply with this recommendation. The Board does not maintain a formal Board Matrix as the Board considers that such a matrix is not necessary given the current size and scale of the Company's operations. The Board may adopt such a matrix at a later time as the Company's operations grow and evolve.
Recommendation 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 Company complies with this recommendation. The Company will 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.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	The Company does not comply with this recommendation. Given the Company's present size and scope, it is currently not the Company's policy to have a majority of independent Directors. Directors have been selected to bring specific skills and industry experience to the Company. The Board has an expansive range of relevant industry experience, financial, legal and other skills and expertise critical to meeting its objectives. The Board currently has one independent Director.

Principles and Recommendations	Compliance by the Company
Recommendation 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 Company complies with this recommendation.
Recommendation 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 complies with this recommendation. Clause 10 of the Board Charter provides that directors appointed to the Board will be provided with access to the Company's Corporate Governance Statement, training (as required) and other relevant policies and procedures. Clause 10 of the Board Charter provides that the Company will develop an appropriate training and development program for directors.
Principle 3 – Promote ethical and responsible decision making <i>A listed entity should act ethically and responsibly.</i>	
Recommendation 3.1 A listed entity should articulate and disclose its values.	The Company complies with this recommendation. The Company has a Code of Conduct which applies to employees, directors and officers of the Company. The Code of Conduct addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is published on the Company's website.

Principles and Recommendations	Compliance by the Company
Recommendation 3.2 A listed entity should: (a) have 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.	The Company complies with this recommendation. The Company has a Code of Conduct which applies to employees, directors and officers of the Company. The Code of Conduct addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is published on the Company's website.
Recommendation 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	The Company complies with this recommendation. The Company has a Whistleblower Policy which applies to employees, directors and officers of the Company, and suppliers to, and associates of, the Company. It may be amended from time to time by the Board, and is published on the Company's website. Given the Company's present size and scope, it is currently not the Company's policy to have a separate committee and all whistleblower matters will be considered by the board (excluding any implicated board member in a report).
Recommendation 3.4 A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy	The Company complies with this recommendation. The Company has an Anti-bribery and anti-corruption policy which applies to all personnel, including directors, temporary staff and contractors, and business associates of the Company. It may be amended from time to time by the Board, and is published on the Company's website. Given the Company's present size and scope, it is currently not the Company's policy to have a separate committee and all anti-bribery and corruption matters will be considered by the board (excluding any implicated board member in a report).
Principle 4 – Safeguard integrity in corporate reporting <i>A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.</i>	

Principles and Recommendations	Compliance by the Company
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) 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 Company does not comply with this recommendation. The Board has not established a separate audit committee. The full Board carries out the duties that would ordinarily be assigned to the audit committee. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having, a separate audit committee.

Principles and Recommendations	Compliance by the Company
the appointment and removal of the external auditor and the rotation of the audit engagement partner.	
Recommendation 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 complies with this recommendation. The Audit and Risk Committee Charter provides that before the Board approves the Company's financial statements for a financial period, the Committee are to provide a report on whether the financial records of the Company 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 Company. The Company's Managing Director, or Chief Executive Officer if there is no Managing Director, and Chief Financial Officer (or equivalent) must report in writing to the Board that: (a) the financial statements of the Company and its controlled entities (where appropriate) for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards; (b) the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and (c) the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.
Recommendation 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	The Company complies with this recommendation. From time to time, the Company may release periodic corporate reports which are not subject to review or audit by external auditors. Where a periodic report is not subject to review/audit, the Company ensures it employs processes which minimise the chance of error in the report. The processes adopted depend to some extent on the nature of the report being issued. Generally, this involves engaging with relevant internal stakeholders throughout the report generation process from start to finish, culminating in internal sign-off by relevant stakeholders that the portion of the report to which they have contributed is accurate. All periodic reports are also subject to approval from the Board or a Board Committee before release and this approval process includes confirmation from management to the Directors that the relevant report has been reviewed and is accurate.

Principles and Recommendations	Compliance by the Company
Principle 5 – Make timely and balanced disclosure <i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i>	
Recommendation 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	The Company complies with this recommendation. The Company has in place a Continuous Disclosure Policy. This policy is designed to ensure that the Company, as an ASX Listed Public Company, complies with the continuous disclosure requirements of the ASX Listing Rules. It also aims to ensure that senior management are accountable for ensuring compliance with these requirements.
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	The Company complies with this recommendation. The Company has in place a Continuous Disclosure Policy. This policy provides that all members of the Board will receive copies of all material market announcements promptly after they have been made.
Recommendation 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.	The Company complies with this recommendation. The Company has in place a Continuous Disclosure Policy. This policy provides that any new and substantive investor or analyst presentation will be released on the ASX Market Announcements Platform ahead of the presentation

Principles and Recommendations	Compliance by the Company
Principle 6 – Respect the rights of security holders <i>A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.</i>	
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	The Company complies with this recommendation. The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by the ASX, the following will be posted to the Company website: (a) relevant announcements made to the market via the ASX; (b) media releases; (c) investment updates; (d) Company presentations and media briefings; (e) copies of press releases and announcements for the preceding three years; and (f) copies of annual and half yearly reports including financial statements for the preceding three years. This Policy will be formally reviewed by the Board each year.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company complies with this recommendation. The Company encourages two-way communication: (a) through the annual general meeting by providing shareholders a reasonable opportunity to ask questions of the Board and to otherwise participate in the meeting; and (b) by providing shareholders with information via the Company's website and its facility to receive email communications from shareholders.

Principles and Recommendations	Compliance by the Company
Recommendation 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.	The Company complies with this recommendation. The Company has disclosed its Shareholder Communications Policy on its website.
Recommendation 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.	The Company complies with this recommendation. The Shareholder Communications Policy requires all substantive resolutions at shareholder meetings to be decided by a poll rather than a show of hands.

Principles and Recommendations	Compliance by the Company
Recommendation 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.	The Company complies with this recommendation. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and email addresses of the Company and all directors (via the website) for shareholders to make their enquiries. The Company, where appropriate, after confirmation of receipt by the ASX, will post the following to the Company website: (a) relevant announcements made to the market via the ASX; (b) media releases; (c) investment updates; (d) Company presentations and media briefings; (e) copies of press releases and announcements for the preceding three years; and (f) copies of annual and half yearly reports including financial statements for the preceding three years. This Policy will be formally reviewed by the Board each year.
Principle 7 - Recognise and manage risk <i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</i>	
Recommendation 7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director,	The Company does not comply with this recommendation. The Board has not established a separate Risk Management Committee. The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are considered by the Board. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate risk committee.

Principles and Recommendations	Compliance by the Company
and disclose (iii) the charter of the committee; (iv) the members of the committee; and (v) 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.	
Recommendation 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 Company complies with this recommendation. The Audit and Risk Committee is responsible for the oversight of the Company's risk management and control framework. The Audit and Risk Committee Charter provides that the Committee's duties include: (a) To oversee the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material risk throughout the Company. This system will include the Company's internal compliance and control systems. (b) To review at least annually the Company's risk management systems to ensure the exposure to the various categories of risk are minimised prior to endorsement by the Board. (c) To determine the Company's risk profile describing the material risks, including both financial and non-financial matters, facing the Company. (d) To regularly review and update the risk profile. The Board will disclose in relation to each reporting period whether a review was undertaken.

Principles and Recommendations	Compliance by the Company
Recommendation 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 Company complies with this recommendation. The Company does not currently have an internal audit function, but may establish and announce its establishment, in future. Until that time, the Company's process for evaluating and continually improving the effectiveness of its risk management and internal control processes is a matter for the Audit and Risk Committee.
Recommendation 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 complies with this recommendation. The Company will 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.
Principle 8 – Remunerate fairly and responsibly <i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retrain and motivate high quality senior executives and to align their interests with the creation of value for security holders.</i>	
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are	The Company does not comply with this recommendation. The Board as a whole performs the function of the Remuneration Committee, which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board. The Board may obtain external advice from independent consultants in determining the Company's remuneration practices, including remuneration levels, where considered appropriate. The Board considers that the Company is not currently of a size, nor

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independent directors; and (ii) is chaired by an independent director. and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) 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.	are its affairs of such complexity to justify having a separate Remuneration Committee.
Recommendation 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 Company complies with this recommendation. The Remuneration Committee Charter provides that in determining competitive remuneration rates, the Board seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice will be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Principles and Recommendations	Compliance by the Company
Recommendation 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.	The Company complies with this recommendation. The Company's Securities Trading Policy disclosed on its website prohibits Designated Personnel from trading in financial products that limit the economic risk of security holdings in the Company.