



## 2019 Corporate Governance Statement

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The Board of Copper Strike Limited (CSE or the **Company**) is responsible for the overall corporate governance of the Company. The Board believes that good corporate governance helps ensure the future success of the Company, adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council (**Recommendations**) during the reporting period. The Recommendations are not prescriptive, such that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Recommendations, it must identify which Recommendations have not been followed and provide reasons for not following them.

This Corporate Governance Statement (**Statement**) discloses the extent to which the Company has followed the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation. This Statement should be read in conjunction with the material on our website [www.copperstrike.com.au](http://www.copperstrike.com.au), including the 2019 Annual Report.

This Statement is current as at 26 September 2019 and has been approved by the Board of Directors of Copper Strike Limited.

### **PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

#### **Recommendation 1.1 - Role of the Board and Management**

The role of the Board is to provide overall strategic guidance and effective oversight of management.

The Board has a formal Board Charter which is available on our website at [www.copperstrike.com.au](http://www.copperstrike.com.au).

The Board Charter sets out the specific responsibilities of the Board including requirements as to the Board's responsibilities, functions and composition, the role of the Company Secretary and details of the Board's performance review.

The Board is supported by management and delegates authority to management for specific activities. The Board maintains ultimate responsibility for strategy, control and risk profile of the Company.

#### **Recommendation 1.2: Appointment of Directors**

The Company has guidelines for the appointment and selection of the Board which require the Board to undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a Director.

We provide our shareholders with all material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.

#### **Recommendation 1.3: Appointment Terms**

Each director and senior executive is party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. Details of executive contracts in place are detailed in the Company's Annual Remuneration Report in the 2019 Annual Report.

#### **Recommendation 1.4: Company Secretary**

The Board is supported by the Company Secretary, whose role includes supporting the Board on governance

matters, assisting the Board with meetings and directors' duties, and acting as an interface between the Board and senior executives across the Group. The Board and individual Directors have access to the Company Secretary.

Under the Company's governance framework, the Company Secretary is accountable to the Board, through the Chair, on all matters regarding the proper functioning of the Board. The Board is responsible for the appointment of the Company Secretary.

Details regarding our Company Secretaries, including experience and qualifications, is set out in the Directors' Report in our 2019 Annual Report.

#### **Recommendation 1.5: Diversity Policy**

The workforce of the Company comprises individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is valued and respected. The Company recognises the strategic and personal advantages that arise from a workplace where decisions are based on merit and where all employees are treated equally.

The Diversity Policy is available on the Company's website at [www.copperstrike.com.au](http://www.copperstrike.com.au).

The proportion of women on the Board, in senior executive positions and women across the entire organisation as at 30 June 2019 was as follows:

- Women on the Board – 0%
- Women in senior executive positions – 25%
- Women across the entire organisation – 25%

Due to the current size and composition of the organisation the Board does not consider it appropriate to provide measurable objectives in relation to gender. The Company is committed to ensuring that the appropriate mix of skills, expertise, and diversity are considered when employing staff at all levels of the organisation and when making new senior executive and Board appointments and is satisfied that the composition of employees, senior executives and members of the Board is appropriate.

#### **Recommendation 1.6: Board Performance Assessment**

The Board is committed to formally evaluating its performance, the performance of any Committees and individual Directors, as well as the governance processes supporting the Board. The Board completes this through an annual assessment process.

The review process involves:

- completion of a questionnaire/survey by each director, facilitated by the Company Secretary;
- the preparation and provision of a report to each director with feedback on the performance of the Board based on the survey results; and
- The Board meeting to discuss any areas and actions for improvement.

The Board is currently in the process of completing its annual performance assessment for FY2019. An analysis of the data will be collected with results discussed in due course.

#### **Recommendation 1.7: Senior Executive Performance Assessment**

Senior Executives are appointed by the Board and their Key Performance Indicators (KPI's) contain specific financial and non-financial objectives.

These KPI's are reviewed annually by the Board. The performance of each Senior Executive against these objectives is evaluated annually.

The Board does not currently have any Senior Executives. Therefore, there was no performance evaluation undertaken during the reporting period by the Company in accordance with the process.

## **PRINCIPLE 2 – BOARD STRUCTURE**

### **Recommendation 2.1: Nomination Committee**

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the establishment of a separate nominations committee. The Board fulfils the roles and responsibilities in relation to nomination. The duties of the Board in relation to nomination are the same that would otherwise be fulfilled by a Nomination Committee to address any issues and continuously review the range of skills, knowledge, experience, independence and diversity to ensure that the Board can discharge its duties and responsibilities effectively. The Board Charter sets out the procedures adopted by the Board to satisfy itself of the matters which may otherwise be dealt with by Committees. The Board Charter may be viewed at the Company's website at [www.copperstrike.com.au](http://www.copperstrike.com.au) in the Corporate Governance section.

### **Recommendation 2.2: Board Skills Matrix**

Our objective is to have an appropriate mix of expertise and experience on our Board so that it can effectively discharge its corporate governance and oversight responsibilities. It is the Board's view that the current directors possess an appropriate mix of relevant skills, experience, expertise and diversity to enable the Board to discharge its responsibilities and deliver the Company's strategic objectives, which include technical, legal, financial and commercial experience.

To the extent that any skills are not directly represented on the Board, they are augmented through management and external advisors.

Full details of each Directors' relevant skills and experience are set out in the 2019 Directors' Report.

### **Recommendation 2.3: Independent Directors**

An independent director is a Non-Executive Director who is not a member of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of judgement.

The Board regularly assesses the independence of each Non-Executive Director in light of the information which each Director is required to disclose in relation to any material contract or other relationship with the Company in accordance with the director's terms of appointment, the Corporations Act 2001, and the Board Charter.

When appointing an independent Director or reviewing the independence of its Directors, the Board will have regard to the definition of independent Director and the factors set out in the Recommendations, in particular the factors relevant to assessing the independence of a director set out in Recommendation 2.3.

The Board has two independent directors, Mr Mark Hanlon (Non-Executive Chairman) and Mr Brendan Jesser (Non-Executive Director).

Mr Harry Hatch is not considered by the Board to be independent on the basis that he is a substantial shareholder of the Company.

The Board considers Mr Hanlon and Mr Jesser to be independent having regard to the indicia in Box 2.3 in the ASX Recommendations. The Board has considered the holdings of shares in the Company by Mr Hanlon and Mr Jesser and is of the opinion that their respective interests in shares would not materially interfere with, or could be reasonably perceived to interfere with, the independent exercise of their judgement in their position as a Director. The Board also considers that they are otherwise free from any business or other relationship that could materially

interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgement, and that they are able to fulfil the role of independent Directors for the purposes of the ASX Recommendations.

The Board's assessment of each current Director is set out below.

<b>Name</b>	<b>Position</b>	<b>Appointment date</b>	<b>Status</b>
Mark Hanlon	Non-Executive Chairman	06/06/2014	Independent
Brendan Jesser	Non-Executive Director	06/06/2014	Independent
Harry Hatch	Non-Executive Director	06/09/2016	Non-Independent

#### **Recommendation 2.4: Majority Independence**

As at the date of this Statement, two of our three Directors are deemed independent and the Company does have a majority of independent directors.

Further information regarding our Directors, including their experience and qualifications, is set out in the Directors' Report of our 2019 Annual Report.

#### **Recommendation 2.5: Board Chair**

The Chair, Mark Hanlon is considered an independent Director. The Chair provides leadership to the Board in relation to all Board matters and is responsible for ensuring that the Board meets its responsibilities under the Board Charter. His role is set out in more detail in the Board Charter.

The roles of the Chair and Chief Executive Officer/Managing Director are anticipated to be exercised by different individual's if/when a Chief Executive Officer/Managing Director are appointed.

#### **Recommendation 2.6: Induction, Education and Training**

New Directors are provided with copies of all relevant documents and policies governing the Company's business, operations and management, at the time of joining the Board. All Directors are provided with ongoing professional development and training opportunities to enable them to develop and maintain their skills and knowledge. Directors are also encouraged to personally undertake appropriate training and refresher courses as appropriate to maintain the skills required to discharge their obligations to the Company.

### **PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY**

#### **Recommendation 3.1: Code of Conduct**

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct designed to ensure that:

- High standards of corporate and individual behaviour are observed by all Employees in the context of their employment or engagement with the Group;
- Employees are aware of their responsibilities to the Group under their contract of employment and always act in an ethical and professional manner; and
- All persons dealing with the Group, whether it be employees, shareholders, suppliers, can be guided by the stated values and practices of the Group.

The Code of Conduct can be found on our website at [www.copperstrike.com.au](http://www.copperstrike.com.au).

The Code of Conduct sets out the Company's policies on various matters including ethical conduct, business conduct, compliance, privacy and security of information.

## **PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

### **Recommendation 4.1: Audit Committee**

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the establishment of a separate audit committee. All matters which might otherwise be delegated to an audit committee are dealt with by the full Board. The Board Charter sets out the procedures adopted by the Board to satisfy itself of the matters which may otherwise be dealt with by Committees. The Board Charter may be viewed at the Company's website at [www.copperstrike.com.au](http://www.copperstrike.com.au) in the Corporate Governance section.

### **Recommendation 4.2: Assurances**

The Non-Executive Chairman and Company Secretary provide an annual declaration to the Board prior to the Board's approval of the Company's full year financial results. This process was followed for the 2019 full year financial results, where the Non-Executive Chairman and Company Secretary provided a declaration to the Board that, in their opinion, the financial records 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 Group, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. On this basis, the 2019 full year financial results were approved by the Board.

### **Recommendation 4.3: External Auditor**

Our external auditor, Grant Thornton Audit Pty Ltd (**Grant Thornton**) attends our AGM and a representative is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Grant Thornton's independence declaration is contained in the Directors' Report in our 2019 Annual Report.

The effectiveness, performance and independence of the external auditor is reviewed annually by the Board.

## **PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**

### **Recommendation 5.1: Continuous Disclosure Policy**

We are committed to providing information to shareholders and to the market in a manner that is consistent with the meaning and intention of the ASX Listing Rules and the Corporations Act.

To comply with these obligations, the Board has adopted a Continuous Disclosure Policy (**Policy**), which is available on our website at [www.copperstrike.com.au](http://www.copperstrike.com.au).

The Board has overarching responsibility for compliance with continuous disclosure obligations.

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market and in compliance with our Securities Trading Policy. In accordance with continuous disclosure obligations under the ASX Listing Rules, the Company has procedures in place to ensure that all price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely manner. The Company website includes a link to all information disclosed to the ASX.

## **PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS**

### **Recommendation 6.1: Information and Governance**

Information about the Company and its corporate governance policies is available on our website at [www.copperstrike.com.au](http://www.copperstrike.com.au).

The Company also maintains a separate investor page on our website to provide shareholders with links to ASX announcements and presentations.

### **Recommendation 6.2: Investor Relations**

We endeavour to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions.

Through its shareholder communications, we aim to provide information that will allow existing shareholders, potential shareholders and financial analysts to make informed decisions about the Group's intrinsic value and meet its obligations under the ASX's continuous disclosure regime.

Our investor relations program includes:

- issuing regular written shareholder communications such as quarterly financial reporting and an Annual Report to address the Company's strategy and performance;
- sending and receiving shareholder communications electronically;
- maintaining the Board and corporate governance and investor sections on our website including posting all announcements after they have been disclosed to the market;
- promoting two-way interaction with shareholders, by supporting shareholder participation at general meetings including encouraging shareholders to send their questions to the Company prior to the annual general meeting and responding to their questions and feedback; and
- ensuring that continuous disclosure obligations are understood and complied with throughout the Group.

### **Recommendation 6.3: Shareholder Meeting Participation**

Shareholders are forwarded the Company's Annual Report, if requested (it is otherwise made available on the Company's website), and documents relating to each general meeting, being the notice of meeting, any explanatory memorandum and a proxy form and shareholders are invited to attend these meetings.

The Board regards each general meeting as an important opportunity to communicate with shareholders and it provides a key forum for shareholders to ask questions about the Company, its strategy and performance. At shareholder meetings, the Company will provide an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and if applicable our external auditor.

### **Recommendation 6.4: Electronic Communication with Shareholders**

Shareholders are encouraged to take advantage of the benefits of electronic communications by electing to receive communication from the Company and its share registry, Security Transfer Australia, electronically.

Shareholders queries should be referred to the Company Secretary at first instance.

## **PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**

### **Recommendation 7.1: Risk Committee**

Due to the current size of the Company and the Board, the Board fulfils the roles and responsibilities in relation to risk. The duties of the Board in relation to risk are the same that would otherwise be fulfilled by a Risk Committee, including ensuring that the Company has an appropriate risk management framework and associated internal compliance and control procedures. The Board Charter sets out the procedures adopted by the Board to satisfy itself of the matters which may otherwise be dealt with by Committees. The Board Charter may be viewed at the Company's website at [www.copperstrike.com.au](http://www.copperstrike.com.au) in the Corporate Governance section.

### **Recommendation 7.2: Risk Management Framework**

The Group's risk management framework is supported by the Board of directors and management team. The Board is responsible for approving and reviewing the Company's risk management framework. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently

manage risk.

The Company regularly undertake reviews of its risk management framework to establish an effective and efficient system for:

- (i) identifying, assessing, monitoring and managing risk; and
- (ii) disclosing any material change to the Company's risk profile.

The Board continually monitors the Company's risk management framework.

#### **Recommendation 7.3: Internal Audit**

The Company did not have an internal audit function for the past financial year. Due to the size of the Company, the Board does not consider it necessary to have an internal audit function.

The Board monitors the need for an internal audit function having regard to the size, location and complexity of the Company's operations. The Board will periodically conduct an internal review of financial systems and recommended processes and systems are developed where they are considered to require improvement.

#### **Recommendation 7.4: Economic, Environmental and Social Sustainability Risk**

The Company considers that it does not currently have any material exposure to economic, environmental and social sustainability risks.

### **PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBILITY**

#### **Recommendation 8.1: Remuneration Committee**

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the establishment of a separate remuneration committee. The Board fulfils the roles and responsibilities in relation to remuneration. The duties of the Board in relation to remuneration are the same that would otherwise be fulfilled by a Remuneration Committee, including setting the level of Non-Executive Director fees and the level and nature of remuneration for Executive Directors and other Senior Executives (if applicable) of the Company. The Board Charter sets out the procedures adopted by the Board to satisfy itself of the matters which may otherwise be dealt with by Committees. The Board Charter may be viewed at the Company's website at [www.copperstrike.com.au](http://www.copperstrike.com.au) in the Corporate Governance section.

#### **Recommendation 8.2: Remuneration Policies and Practices**

Details of the Company's remuneration practices for its Directors and senior executives are disclosed in the Remuneration Report in the Company's Annual Report.

Separate disclosure regarding the remuneration of the Company's directors (executive and non-executive) is disclosed in the Company's Annual report, as lodged with the ASX and issued to shareholders.

#### **Recommendation 8.3: Equity Based Remuneration Scheme**

The Company does not have an equity-based remuneration scheme in place.