

## Corporate Governance Statement

This corporate governance statement sets out Alma Metals Limited (“Alma” or the “Company”) compliance with the ASX Corporate Governance Council Principles and Recommendations (“Recommendations”). The Recommendations are not mandatory however, this corporate governance statement discloses the extent to which the Company has followed the Recommendations.

This statement has been approved by the Board and generally covers the period 1 July 2021 to 30 June 2022. It is current as at 30 September 2022.

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

#### 1.1 Disclose the respective roles and responsibilities of board and management and those matters expressly reserved to the board and those delegated to management

The Board is committed to acting responsibly, ethically and with high standards of integrity as the Company strives to create shareholder value. The Board is responsible for the strategic direction of the Company with oversight and review of the management and administration of the Company. It is the role of Executive Directors to manage the Company in accordance with the direction and delegation of the Board with the responsibility of the Board to provide leadership to, and oversee the activities of Executive Directors in carrying out these delegated duties. The respective roles and responsibilities of the Board, its Committees and CEO are set out in the Board and Committee Charters. These Charters are available on the Company’s website. Details on the number of meetings held throughout the year and attendance at those meetings can be found on page 12 of the 2022 Annual Report.

#### 1.2 Companies should carry out appropriate checks of Board candidates and provide information to shareholders that is material to their candidacy

The Board has established policies and procedures that apply to the appointment of new Directors, which include checks as to the person’s character, experience, education and appropriate background checks. At any AGM the Company provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

#### 1.3 Companies should have a written agreement with each director and executive setting out the terms of their appointment

Non-executive Directors are provided a formal letter of appointment which sets out their duties and responsibilities, rights and remuneration entitlements. Executive Directors are employed under executive service agreements which set out their terms

of employment including details of their duties, responsibilities, rights and remuneration entitlements.

**1.4 The company secretary of a listed entity should be accountable directly to the Chair of the Board for matters relevant to the Board**

The appointment and removal of a Company Secretary is a matter reserved for decision by the Board.

The company secretary has a direct line of communication with all directors, and is responsible for supporting the proper functioning of the Board which includes providing advice on governance and procedural issues, the preparation of Board papers and minutes, attendance at Board meetings and maintaining policies and procedures.

**1.5 Companies should have a policy concerning diversity and disclose that policy, together with measurable objectives for achieving gender diversity and its progress towards achieving those objectives**

The Company has not established a formal policy in relation to diversity. The board believes that given the size and nature of the Company's activities, and the existing diversity profile of the organisation, that an informal approach is appropriate at this time. Senior management roles and positions are filled by the best candidates available without discrimination. The Company aims to increase diversity in senior appointments as positions and appropriate candidates become available.

The Company is committed to a workplace environment that promotes diversity and recognises the key competitive benefits of recruiting, developing and retaining a talented, diverse and motivated workforce. The board recognises the benefits of diversity at board level, senior management level and within the organisation generally and recognises the organisational strengths, deeper problem solving ability and opportunity for innovation that diversity may bring.

The Company will review this position annually and, as activities expand, plans to establish a formal diversity policy and set measurable objectives for achieving diversity in relation to gender.

The proportion of women employees in the organisation as of 30 June 2022 is:

In whole organisation	25%
In senior executive positions	0%
On the Board	0%

**1.6 Companies should disclose the process for evaluating the performance of the Board, its committees and individual Directors**

The performance of all Directors is reviewed by the Chairman on an ongoing basis and any director whose performance is considered unsatisfactory is asked to retire. The Chairman's performance is reviewed by the other board members.

The Company has established guidelines to identify the measurable and qualitative indicators of the Director's performance during the course of the year. Those guidelines include:

- Attendance at all board meetings. Missing more than three consecutive meetings without reasonable excuse will result in that Director's position being reviewed; and
- Attendance at the Company's Shareholder Meetings. Non-attendance without reasonable excuse will result in that Director's position being reviewed.

The performance review for the year was conducted on an informal basis.

### **1.7 Companies should disclose the process for evaluating the performance of senior executives**

Senior executives are subject to annual performance evaluations carried out by the Chairman. Due to the small number of executives the performance review was conducted on an informal basis.

## **PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE**

At the date of this report, the Board had five Directors comprising two Executive Directors and three Non-Executive Directors, two of whom were independent. The Board met once during the 2020/21 financial year. Director attendances are set out on page 12 of the Company's 2022 Annual Report.

<b>Name</b>	<b>Position</b>	<b>Term in Office</b>	<b>Non-Executive</b>	<b>Independent</b>
Mr Alasdair Cooke	Executive Chairman	16 years	No	No
Dr Charles Tabcart	Executive Director/CEO	15 years	No	No
Mr Valentine Chitalu	Non-Executive Director	16 years	Yes	Yes
Mr Vincent Masterton-Hume	Non-Executive Director	8 years	Yes	Yes
Mr John Dean	Non-Executive Director	7 years	Yes	No

### **2.1 The Board should establish an appropriately structured nomination committee**

The Company does not currently have a separate Nomination Committee. The duties and responsibilities typically delegated to such a committee are considered to be the responsibility of the full Board, given the size and nature of the Company's activities and as such, the Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of a separate Nomination Committee.

### **2.2 The Board should establish and disclose a board skills matrix on the skills and diversity for Board membership**

The Company seeks to maintain a Board of Directors with a broad range of financial, industry and other relevant skills, experience and knowledge. The Board considers that there is currently an appropriate mix of skills, diversity and experience on the Board, taking into account the size of the Company, the stage of its development and the nature of its operations.

The Directors of Alma during the financial year are listed with a brief description of their qualifications, appointment date, experience and special responsibilities are listed on the Company's website as well as on pages 11 to 12 of the 2022 Annual Report.

The Board believes this current structure is best suited to enable the Company to deliver shareholder value and manage the operations for a company of its size. The Company will continue to review its Board structure in light of these recommendations as it continues to grow to ensure that it is in the best position to deliver value to its shareholders, key stakeholders and the communities in which it operates.

### **2.3 The Company should disclose whether its Directors are independent**

Alma considers a Director to be independent where they are free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interest of the entity and its security holders generally.

### **2.4 The majority of the Board should be comprised of independent Directors**

At the date of this report, two of the six Directors were independent. The Board does not have a majority of independent directors but believes it is structured to act in the best interests of its security holders as the reasons for non-independence are distributed such that no individual or small group is able to dominate decision making.

### **2.5 The Chair should be an independent Director and should not be the same person as the CEO**

The role of the Chairman and CEO has been performed by two separate individuals for the entire year.

The Chairman, Mr Alasdair Cooke, is not an independent director as he is an executive and has a substantial shareholding in the Company. The Board believes director and executive shareholdings assist in aligning the Group's objectives with the interests of its shareholders.

### **2.6 The Board should establish a program for inducting new directors and provide appropriate professional development opportunities for Directors**

The Company has a formal process to educate new Directors about the nature of the business, current issues, the corporate strategy and the Company's expectations concerning the performance of Directors. Directors are given access to, and

encouraged to participate in, continuing education opportunities to update and enhance their skills and knowledge.

Each Director has the right of access to all relevant company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified advisor at the consolidated entity's expense. The Director must consult with an advisor suitably qualified in the relevant field and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation.

## **PRINCIPLE 3: ACT ETHICALLY & RESPONSIBLY**

### **3.1 Companies should establish a Code of Conduct**

The Company has established a Code of Conduct, that outlines how Directors, senior executives and employees of the Company to behave when conducting business. A full copy of this Code of Conduct is available on the Company's website.

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### **3.3 Whistleblower Policy**

The Company has a formal Whistleblower Policy available on the Company's website. The policy outlines reportable conduct and procedures including the fair treatment of all stakeholders in the process. The policy applies to all of the Company's officers and employees. Recommendation 3.4

### **3.4 Anti-Bribery and Corruption Policy**

The Company does not currently in place a formal Anti-Bribery and Corruption Policy. The Company expects that its other actions in this area such as the Code of Conduct and Whistleblower Policy sufficiently cover the Company's requirements in this area at this stage.

## **PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING**

### **4.1 The Board should establish an appropriately structured audit committee**

Given the present size and complexity of the Company the Board has not constituted an audit committee with the full Board carrying out the role of an audit committee.

The Board imposes stringent policies and standards to ensure compliance with all corporate financial and accounting standards. Where considered appropriate, the Company's external auditors, professional advisors and management are invited to advise the Board on these issues.

The Company requires that its auditors must not carry out any other major area of service to the Company and should have expert knowledge of both Australian and International jurisdictions.

#### **4.2 CEO and CFO certification of financial statements**

Prior to Board approval of the Company's half year and annual financial reports, the CEO and CFO declared in writing to the Board that the Company's financial reports for the year ended 30 June 2022 present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

#### **4.3 External auditor availability at AGM**

The external auditor attends Alma's Annual General Meeting and is available to answer shareholder questions about the conduct of the audit and preparation and conduct of the Independent Auditor's Report. Shareholders are also given the opportunity to submit written questions prior to the meeting. The Company considers that this is important in promoting and encouraging shareholder participation and reflects and supports the roles of the auditor and the auditor's accountability to shareholders.

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

#### **5.1 Companies should establish continuous disclosure policies and ensure compliance with those policies**

The Company has a formal Continuous Disclosure Policy, to ensure the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules. A full copy of this policy can be found on the Company's website.

The Company is required to immediately tell the ASX once it becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

Therefore to meet this obligation the Company undertakes to:

- Notify the ASX immediately it becomes aware of any information that a reasonable person would expect to have a material effect on the price and value of the Company's securities, unless that information is not required to be disclosed under the listing rules;
- Disclose notifications to the ASX on the Company's website following confirmation of the publishing of the information by the ASX; and
- Not respond to market speculation or rumour unless the ASX considers it necessary due to there being, or likely to be, a false market in the Company's securities.

The Company Secretary is responsible for co-ordinating the disclosure requirements. To ensure appropriate procedure all Directors, officers and employees of the Company coordinate disclosures through the Company Secretary, including:

- Media releases;
- Analyst briefings and presentations; and
- The release of reports and operational results.

## **5.2 Distribution of Material Market Announcements to the Board**

The Company requires that copies are provided to the Board by the Company Secretary of all material market announcements promptly after they made.

## **5.3 Release of Presentation Materials Continuous Disclosure Policy**

The Company has a policy of providing access to balanced and understandable information on the Company's performance, this includes providing access to presentation material through the ASX platform.

# **PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS**

## **6.1 The Company should provide information about itself and its governance to shareholders on its website**

The Company's website [www.almametals.com.au](http://www.almametals.com.au) provides detailed information about the Company, including its background, objectives, projects, contact details and all key corporate policies and statements. ASX announcements, Company Reports and presentations are uploaded to the website following release to the ASX. Shareholders can find information about the Company's corporate governance practices on the website within the Corporate Governance section under About Us.

This includes the Company's Constitution, Board and Committee Charters and the Company's other corporate governance policies.

## **6.2 The Company should design and implement an investor relations program to facilitate effective two-way communication with shareholders**

The Company is committed to engaging with shareholders and using a variety of tools to facilitate effective two-way communication.

The Company encourages participation by shareholders at the Company's General Meetings, investor presentations and via the contact details provided on the Company's website. Shareholders can also register with the Company to receive e-mail notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is posted.

### **6.3 The Company should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of shareholders**

It is the policy of the Company to communicate effectively with its shareholders by giving them ready access to balanced and understandable information about the Company and making it easier for them to participate in General Meetings. The Board encourages full shareholder participation at the Annual General Meeting as it provides shareholders an opportunity to review the Company's annual performance. Shareholder attendance also ensures a high level of accountability and identification with the Company's strategy and goals. The shareholders are responsible for voting on the appointment of Directors, approval of the amount of funds available for remunerating Non-Executive Directors and the granting of options and shares to Directors. Important issues are presented to the shareholders as single resolutions.

### **6.4 Decision of Substantive Resolutions by Poll**

The Company decides all substantive resolutions at meetings of its security holders by poll and discloses the results of these votes to the market.

### **6.5 The Company should provide the option to send and receive communications from the Company and its Share Registry in electronic form**

The Company provides shareholders with the option of receiving communications from, and sending communications to, the Company and Share Registry electronically, for reasons of cost, convenience and environmental considerations. The Company provides a printed copy of the Annual Report only to those shareholders who have specifically elected to receive a printed copy. Other shareholders are advised that the Annual Report is available on the Company's website. Shareholders are encouraged to register on the Company website to receive email alerts of ASX Announcements and Media Releases and other news. The Company's Share Register is managed and maintained by Link Market Services. Shareholders can access their shareholding details or make enquiries about their shareholding electronically through the Link Market Services website [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

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

### **7.1 The Company should establish an appropriately structured risk management committee for the oversight of material business risks**

Given the present size and complexity of the Company the Board has not constituted a separate risk management committee with the full Board carrying out the oversight of material business risks. The Board oversees the establishment, implementation and annual review of the Company's risk management policies as part of the Board approval process for the strategic plan, which encompasses the Company's vision and strategy, designed to meet stakeholders' needs and manage business risks.

### **7.2 The Board or a Committee of the Board should review the Company's risk framework at least annually to satisfy itself that it continues to be sound**



The Audit & Risk Committee maintains a corporate risk register, however it was not reviewed by the Directors the 2020/21 financial year.

### 7.3 The Company should disclose the structure and role of its internal audit function

The Company does not have a dedicated internal audit function. The Board considers this is appropriate, due to its size and stage of development of its exploration activities.

### 7.4 The Company should disclose their economic, environmental and social sustainability risks and how those risks are managed

The Company has exposure to the following risks which are detailed in the corporate risk register.

Exploration and development risk	Exploration and development is by its nature a high risk undertaking. There is no assurance that the Company's activities on these projects will result in a commercially viable operation.
Reliance on key personnel	The Company's success depends on the core competencies of its Directors and management and their familiarisation with, and ability to operate in, the resource industry and the Company's ability to retain its key executives.
Environmental	The Company's projects are subject to laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications. Alma Metals is committed to developing a culture and management system that supports its Safety and Health values by encouraging behaviours and implementing processes that ensure the safety and health of all employees, contractors, customers and communities associated with our activities.
Estimates of Ore Reserves and Mineral Resources	Estimating ore reserves and mineral resources is a subjective process where the accuracy of estimates is a function of the quantity and quality of available data, the assumptions used and judgments made in interpreting information. As a result, estimates of ore reserves and mineral resources are inherently imprecise and may have to be recalculated based on matters such as changes in the coal price, production costs or recovery rates and exploration and development activity generally.

Insurance Risk Management	Insurance Risk Management is the assessment and quantification of the likelihood and financial impact of events that may occur that require settlement by the insurer.
Fraud and Corruption	Fraud and corruption is an ongoing risk for the Company. Fraud results in financial loss, impairs reputation, alienates customers and suppliers and diminishes market confidence and trust.

## PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

### 8.1 The Board should establish an appropriately structured remuneration committee

Given the present size and complexity of the Company the Board has not constituted a Remuneration Committee.

### 8.2 The Company should distinguish between non-executive Directors' remuneration and that of executive Directors and senior executives

Remuneration of Executive Directors are formalised in service agreements. The Remuneration Committee is responsible for determining and reviewing compensation arrangements for the Directors themselves, the Executive Directors and the executive team. It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality board and executive team by remunerating Directors and senior executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board links the nature and amount of Executive Directors' and senior executives' emoluments to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

- Retention and motivation of senior executives;
- Attraction of quality management to the Company; and
- Performance incentives which allow executives to share the rewards of the success of the Company.

Remuneration of Non-Executive Directors is determined by the Board with reference to comparable industry levels and, specifically for Directors' fees, within the maximum amount approved by shareholders. There is no scheme to provide retirement benefits to Non-Executive Directors.

### 8.3 The Company should establish a policy on whether participants in equity based remuneration schemes are able to enter into transactions which limit the economic risk of participating in those schemes

Directors and Senior Executives are not permitted from entering into transactions which would limit the economic risk of any unvested entitlements under any equity-based remuneration schemes.