



**ABN 98 153 219 848**

**2019 CORPORATE GOVERNANCE STATEMENT**

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The Board of Directors is responsible for the operational and financial performance of the Group, including its corporate governance.

This Corporate Governance Statement outlines the main corporate governance practices in place throughout the financial year which comply with the ASX Corporate Governance Council's recommendations, or where appropriate, indicates a departure from the recommendations with an explanation.

The Group's corporate governance policies are available on the Company's website: [www.newfieldresources.com.au](http://www.newfieldresources.com.au).

This Statement is current as at 30 September 2019 and has been approved by the Board of Directors of Newfield Resources Limited.

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

Corporate Governance Recommendation		Followed
1.1	A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) the respective roles and responsibilities of its board and management; and</li> <li>(b) those matters expressly reserved to the board and those delegated to management.</li> </ul>	Yes
1.2	A listed entity should: <ul style="list-style-type: none"> <li>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</li> <li>(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.</li> </ul>	Yes
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes
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.	Yes
1.5	A listed entity should: <ul style="list-style-type: none"> <li>(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;</li> <li>(b) disclose that policy or a summary of it; and</li> <li>(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:               <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul> </li> </ul>	No – see commentary below
1.6	A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ul>	Yes
1.7	A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</li> <li>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ul>	Yes

**Board Charter**

The Board is accountable to shareholders for the performance of the Group. The Board operates under the Board Charter that details its functions, responsibilities and powers and those delegated to management.

On appointment, non-executive directors receive formal letters of appointment setting out the terms and conditions of appointment. The formal letter of appointment covers the matters referred to in the guidance and commentary for Recommendation 1.1. Executive directors are employed pursuant to employment agreements.

The appointment of the Company Secretary is a matter for the Board. Information on the skills, experience and qualifications of the Company Secretary can be found in the Directors' Report.

**Diversity Policy**

The Board has established a Diversity Policy (available on the Company's website) which sets out the Group's aims and practices in relation to recognising and respecting diversity in employment. The Policy reinforces the Group's commitment to actively managing diversity as a means of enhancing the Group's performance by recognising and utilising the contributions of diverse skills and talent from its employees.

The recruitment and selection processes adopted by the Company ensure that staff and management are selected in a non-discriminatory manner based on merit. The Company respects and values the competitive advantage of diversity (which includes but is not limited to gender, age, disability, ethnicity, marital or family status religious or cultural background), and the benefit of its integration throughout the Company in order to improve corporate performance, increase shareholder value and maximise the probability of achievement of the Company's goals. However, the Board does not believe that the Group is currently of a sufficient size to justify the establishment of formal and measureable objectives, having regard to the nature and scale of its activities.

**Evaluation of the performance of the Board, its committees and individual directors**

The performance of the Board, its committees and individual directors is evaluated in accordance with the Performance Evaluation Process. Performance evaluations of the Board and individual Directors were conducted in the current reporting period.

**Evaluation of the performance of senior executives**

The performance of senior executives is evaluated in accordance with the Performance Evaluation Process. Performance evaluation for senior executives took place in the reporting period.

The Board Charter and Performance Evaluation Process are available on the Company's website.

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

Corporate Governance Recommendation		Followed
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.	No – see commentary below
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.	No – see commentary below
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.	Yes
2.4	A majority of the board of a listed entity should be independent directors.	No – see commentary below
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.	No – see commentary below
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.	Yes

**Nomination Committee**

No formal nomination committee has been established by the Company as yet. The Board, as a whole, currently serves as the nomination committee.

The Company's Corporate Governance Plan includes a Nomination Committee Charter, which discloses the specific responsibilities of the committee.

Where necessary, the Board seeks advice of external advisers in connection with the suitability of applicants for Board membership.

The Company is at variance with Recommendation 2.1 in that the Company does not presently have a Nomination Committee. The Board considers this arrangement to be appropriate given the current size of the Group.

**Composition of the Board**

The Board consists of three executive directors and one non-executive director. Details of their skills, experience and expertise and the period of office held by each director have been included in the Directors' Report. The number of board meetings and the attendance of the Directors are set out in the Directors' Report.

The roles of Chairman and Chief Executive Officer are not exercised by the same individual. The Company has three Executive Directors (none of whom is regarded as the Chief Executive Officer, although with the operations mostly focussed in Sierra Leone, there is an appointed CEO in the chief subsidiary). The Company does not presently have a Chairman. The Board considers this structure to be appropriate given the Company's present size and that the current

directors provide the necessary diversity of skills and experience appropriate for the Company's current business. However, a formal Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership has not been established, and therefore the Company does not comply with **Recommendation 2.2**. The Board will periodically give consideration to the establishment of such a matrix.

### Independence of Directors

Each of Mr Ho, Mr Lynn and Mr Smithson are Executive Directors of the Company and therefore, not independent.

The Board has assessed the independence of the non-executive Director, Mr Robert Ang, using defined criteria of independence and materiality consistent with the guidance and commentary for Recommendation 2.3. Although Mr Ang holds 7,238,922 fully paid ordinary shares in the Company (approximately 1.25% of the current issued capital), the Board considers this immaterial. Mr Ang is regarded as independent as he is not a substantial shareholder as defined by the *Corporations Act*.

The Company is at variance with Recommendations 2.4 and 2.5 in that the majority of directors are not independent and the Company does not presently have a Chairman. The Board has determined that the composition of the current Board represents the best mix of directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management. Furthermore, each individual member of the Board is satisfied that whilst the Company may not comply with Recommendations 2.4 and 2.5, all Directors bring an independent judgement to bear on Board decisions.

### Board renewal and succession planning

The appointment of directors is governed by the Company's Constitution and the Appointment and Selection of New Directors policy. In accordance with the Constitution of the Company, no director except a Managing Director shall hold office for a continuous period in excess of three years or past the third annual general meeting following the director's appointment, whichever is the longer, without submitting for re-election.

The Company has not adopted a policy in relation to the retirement or tenure of directors.

### Induction and education

When appointed to the Board, a new director will receive an induction appropriate to their experience. Directors may participate in continuing education to update and enhance their skills and knowledge from time to time, as considered appropriate.

### Access to information and advice

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. The Board also has a policy under which individual directors and Board committees may obtain independent professional advice at the Company's expense in relation to the execution of their duties, after consultation with the Chairman (or equivalent).

The Company's Constitution, Nomination and Remuneration Committee Charter and the policy for Appointment and Selection of New Directors are available on the Company's website.

## PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Corporate Governance Recommendation		Followed
3.1	A listed entity should: <ul style="list-style-type: none"> <li>(a) have a code of conduct for its directors, senior executives and employees; and</li> <li>(b) disclose that code or a summary of it.</li> </ul>	Yes

### Code of Conduct

The Board has adopted a Code of Conduct which applies to all directors and officers of the Group. It sets out Newfield's commitment to successfully conducting the business in accordance with all applicable laws and regulations while demonstrating and promoting the highest ethical standards. The Code of Conduct reflects the matters set out in the commentary and guidance for Recommendation 3.1. The Code of Conduct is available on the Company's website.

**PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

Corporate Governance Recommendation		Followed
4.1	The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have an audit committee which:               <ul style="list-style-type: none"> <li>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, who is not the chair of the board, and disclose:                   <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the relevant qualifications and experience of the members of the committee; and</li> <li>(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</li> </ul> </li> </ul> </li> <li>(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.</li> </ul>	No – see commentary below
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.	Yes
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.	Yes

**Audit Committee**

No formal audit committee has been established by the Company as yet. The Board, as a whole, currently serves as the audit committee.

The Group is at variance with Recommendation 4.1 in that it does not presently have an audit committee. The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Group is of sufficient size to justify the appointment of additional directors for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive.

As the operations of the Group develop the Board will reassess the formation of an audit committee.

**External auditor**

The Board reviews the external auditor's terms of engagement and audit plan, and assesses the independence of the external auditor. The current practice, subject to amendment in the event of legislative change, is for the rotation of the engagement partner to occur every five years.

The Group's independent external auditor is BDO Audit (WA) Pty Ltd. The appointment of BDO was ratified by members at the 2012 Annual General Meeting.

Although an audit committee has not been established, the Board has adopted an Audit and Risk Committee Charter, which is available on the Company's website.

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

Corporate Governance Recommendation		Followed
5.1	A listed entity should: <ul style="list-style-type: none"> <li>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>(b) disclose that policy or a summary of it.</li> </ul>	Yes

The Company's Continuous Disclosure Policy sets out the key obligations of the Directors and employees in relation to continuous disclosure as well as the Group's obligations under the Listing Rules and the Corporations Act. The Policy also provides procedures for internal notification and external disclosure, as well as procedures for promoting understanding of compliance with the disclosure requirements for monitoring compliance.

The Continuous Disclosure Policy is available on the Company's website.

#### PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Corporate Governance Recommendation		Followed
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	No – see commentary below
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.	Yes
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.	Yes

The Company's Shareholder Communications Policy sets out the Group's aims and practices in respect of communicating with both current and prospective shareholders. However, no formal investor relations program has been implemented at this time. The Shareholder Communications Policy reinforces the Group's commitment to promoting investor confidence by requiring:

- compliance with the continuous disclosure obligations;
- compliance with insider trading laws;
- compliance with financial reporting obligations;
- compliance with shareholder meeting requirements, including the provision of an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and auditor of the Group;
- communication with shareholders in a clear, regular, timely and transparent manner; and
- response to shareholder queries in a prompt and courteous manner.

The Shareholder Communications Policy is available on the Company's website.

#### PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Corporate Governance Recommendation		Followed
7.1	The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a committee or committees to oversee risk, each of which:               <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:                   <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(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;</li> </ul> </li> <li>or</li> <li>(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.</li> </ul> </li> </ul>	No – see commentary below
7.2	The board or a committee of the board should: <ul style="list-style-type: none"> <li>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>(b) disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul>	Yes
7.3	A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(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.</li> </ul>	No – see commentary below
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.	Yes

### Risk Committee

No formal risk committee has been established by the Company as yet. The Board, as a whole, currently serves as the risk committee, with the risk register a standing Board agenda item. In addition, a risk committee has been appointed for the primary project in Sierra Leone, and the Board receives regular updates on the risk register.

The Group is at variance with Recommendation 7.1 in that it does not presently have a risk committee. The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Group is of sufficient size to justify the appointment of additional directors for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive.

As the operations of the Group develop the Board will reassess the formation of a risk committee.

### Risk Management Policy

Newfield recognises that risk is inherent to any business activity and that managing risk effectively is critical to the immediate and future success of the Group. As a result, the Board has adopted a Risk Management Policy which sets out the Group's system of risk oversight, management of material business risks and internal control. The Risk Management Policy is available on the Company's website.

### Risk oversight

Newfield's risk management framework is supported by the Board of Directors and management. The Board is responsible for approving and reviewing the Group's risk management strategy and policy. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk.

### Reporting and assurance

When considering the review of the Group's financial reports, the Board receives a written statement declaration in accordance with section 295A of the *Corporations Act* that the Group's financial reports give a true and fair view, in all material respects, of the Group's financial position and comply in all material respects with relevant accounting standards.

Similarly, in a separate written statement two executive directors also confirm to the Board that the Group's financial reports are founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks. This statement also confirms that nothing has occurred since period-end that would materially change the position.

The Company does not presently have an internal audit function. However, the Board and Management continually monitor and endeavour to improve the effectiveness of the Company's risk management and internal control procedures. The Board's interaction with the Company's external auditor also provides additional oversight in this area.

The Company, as an exploration and mining company, faces inherent risks in its activities, including economic, environmental and social sustainability risks which may have a material impact on the Company's ability to create value for its shareholders. The Board regularly monitors the operational and financial performance of the Company's activities. It monitors and receives advice on areas of operation and financial risk and considers strategies for appropriate risk management. All operational and financial strategies adopted are aimed at improving the value of the Company's shares. However, the Directors recognise that mineral exploration and mining is inherently risky. In relation to environmental risks, the Company closely monitors its exposure to all such risks at the current projects located in Sierra Leone, and seeks the input of specialist environmental consultants as required.

## PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Corporate Governance Recommendation		Followed
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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;</p> <p>or</p> <p>(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.</p>	No – see commentary below
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.	Yes

Corporate Governance Recommendation		Followed
8.3	A listed entity which has an equity-based remuneration scheme should: <ul style="list-style-type: none"> <li>(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</li> <li>(b) disclose that policy or a summary of it.</li> </ul>	Yes

### Remuneration Committee

The Board has not established a formal remuneration committee at this point in the Group's development. It is considered that the size of the Board along with the level of activity of the Group renders this impractical and the Board, acting without the affected director participating in the decision making process, currently serves as a remuneration committee.

The Company's Corporate Governance Plan includes a Remuneration Committee Charter, which discloses its specific responsibilities.

The Group is at variance with Recommendation 8.1 in that it does not currently have a remuneration committee. The Board considers this arrangement to be appropriate given the current size of the Group.

### Non-executive directors' remuneration policy

The structure of non-executive directors' remuneration is clearly distinguished from that of executives. Remuneration for non-executive directors is fixed. Total remuneration for all non-executive directors, last voted upon by shareholders at the 2011 General Meeting, is not to exceed \$350,000 per annum. Neither the non-executive directors nor the executives of the Group receive any retirement benefits, other than superannuation.

### Executive directors' remuneration policy

As noted previously, the executive directors are employed pursuant to employment agreements. Summaries of the key terms of the employment agreements are set out in the Remuneration Report.

Further details regarding the remuneration arrangements of the Group are set out in the Remuneration Report.

### Equity-based remuneration scheme

The Company's Securities Trading Policy contains a prohibition in the use, at any time, of derivatives or hedging arrangements that operate or are intended to operate to limit the economic risk of security holdings over unvested Company securities.