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## **BATHURST RESOURCES LIMITED**

# **CORPORATE GOVERNANCE STATEMENT 2021**



## **Corporate governance**

The Board of Directors (“Board”) and management are committed to ensuring that Bathurst Resources Limited (“Bathurst” or “the Group” or “the Company”) maintains best practice governance structures and adheres to the highest ethical standards.

This statement is current as at 29 October 2021 and was approved by the Board of Directors of Bathurst Resources Limited on that date.

## **Compliance framework**

Bathurst is incorporated in New Zealand, is registered as a foreign company in Australia, and its shares are listed on the Australian Securities Exchange (“ASX”), so it is required to comply with the relevant corporate legislation of New Zealand and Australia as well as the listing rules of the ASX.

The following Corporate Governance Statement (“Statement”) outlines the main corporate governance practices currently in place for Bathurst and addresses the requirements of the 4th Edition of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (“Recommendations”).

The Board will continue to monitor developments in the governance area and carry out regular reviews of governance policies and practices. Directors consider that given the size of Bathurst, the Company’s corporate governance practices generally comply with the principal Recommendations.

## **Principle 1: Lay solid foundations for management and oversight**

### **(a) Board role and responsibilities**

The key responsibilities of the Board are to:

- provide a governance framework;
- oversee Bathurst’s strategic direction;
- monitor the performance of Bathurst’s activities;
- select and appoint a Chair and Chief Executive Officer (“CEO”); and
- report to shareholders.

The Chairman of the Board (“Chairman”) is responsible for leadership of the Board, for the efficient organisation and conduct of the Board’s function and for the promotion of relations between Board members and between Board and management that are open, cordial and conducive to productive cooperation. The CEO is responsible for implementing group strategies and policies. The Board charter specifies that these are separate roles to be undertaken by specific people.

The relationship between the Board and senior management is critical to the Group’s long-term success. The directors are responsible to the shareholders for the performance of the Group in both the short and long term, and seek to balance sometimes competing objectives in the best interests of the Group as a whole.

### **Charter**

The roles and responsibilities of the Board are formalised in the Board charter, which defines in detail the matters that are reserved for the Board and its committees, and those that the Board has delegated to management. Board committees will be discussed in Principle 2 section onwards of this Statement. The Board charter is available in the corporate governance section of Bathurst’s website at <https://www.bathurst.co.nz/our-company/corporate-governance/>. The charter was last reviewed and updated by directors in 2020.

## Delegation of authority

Bathurst has in place a delegations of authority document which clearly states which matters and expenditures can be approved by management and which require Board approval. The Board regularly reviews this document to ensure that it is consistent with the structure, activities and size of the business. Management also review the document with updates made during the year to ensure authority limits meet the requirements of the business.

### **(b) Written agreements and checks for appointment of directors**

Bathurst ensures that appropriate checks are undertaken before it appoints a person as director or puts forward to shareholders a new candidate for election as a director. These checks include qualifications, criminal, and bankruptcy. An external company was used to do these checks before the appointment of Francois Tumahai and there were no issues or concerns raised as part of this process.

Information about a candidate standing for election or re-election as a director is provided to shareholders to enable them to make an informed decision on whether to elect or re-elect the candidate.

If there are material changes to terms of employment or consultancy agreements of the CEO or any directors, Bathurst discloses these as required under the ASX Listing Rules.

Bathurst provides new directors with a letter upon appointment which details the terms and conditions of their appointment, provides clear guidance on what input is required by them, and includes materials to assist with induction into the Company.

The Company has a similar approach for all senior executives whereby they are provided with a formal letter of appointment setting out their terms of office, duties, rights and responsibilities as well as a detailed job description. Appropriate checks are also undertaken that include qualifications, criminal, and bankruptcy checks.

### **(c) Company Secretary**

The company secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Chairman and company secretary have regular one-one-one meetings to facilitate effective communication.

### **(d) Diversity**

Bathurst values diversity and recognises the benefits it can bring to achieving its goals, including improved financial performance. Accordingly, Bathurst has developed a diversity policy which is available on the Company's website in the corporate governance section. This policy outlines Bathurst's diversity objectives in relation to gender, age, cultural background and ethnicity.

The policy was updated in 2021, with gender targets re-confirmed. Key policy updates include:

- The incorporation of inclusion into the policy.
- Language simplified to ensure clear understanding at all levels of employees within the company.
- Definitions of diversity and inclusion added for greater clarity.
- Expanding diversity in work practices to all workforce.
- Incorporation of company values into the policy.

The policy includes requirements for the Board to establish measurable objectives and appropriate strategies for achieving gender diversity. The policy provides for the Board to monitor annually both the objectives and the Company's progress in achieving them. The Board recognises that diversity offers a broad spectrum of benefits, including:

- access to a larger pool of quality employees;
- improved employee retention;
- insight into different ideas and perspectives, fostering innovation;
- benefiting from all available talent; and
- improved financial performance.

## Gender diversity targets

The Remuneration and Nomination (“R&N”) committee has been given the responsibility of developing measurable targets and strategies to meet the broader objectives of the diversity policy. The committee had previously set the following targets to increase gender diversity across the organisation as follows which were re-confirmed during the year:

1. 20% of the Board to be female.
2. 33% of SLT to be female.
3. 25% of other employees to be female.

The following tables shows the number of men and women across the organisation at 30 June 2021 (excluding contractors):

	Bathurst and BT Mining			Bathurst		
	Total	Men %	Women %	Total	Men %	Women %
<b>Board<sup>1</sup></b>	5	100%	0%	5	100%	0%
<b>SLT<sup>2</sup></b>	7	57%	43%	7	57%	43%
<b>Other employees</b>	551	86%	14%	83	80%	20%

Directors are pleased to note that the gender diversity target has been met for SLT and note that targets have not been met for other employees. We are actively working on strategies to improve our workplace diversity, which is part of a wider comprehensive review of our long-term people strategy. We recognise that the labour market gets more competitive each year and for us to be able to attract and retain staff, we want to ensure we are recognised as an employer that promotes diversity and inclusion. This includes reviewing the way we work, for example flexible working (hours or location).

## Diversity on the Board

The composition of the Board changed during the year, with the departure of Toko Kapea on 1 July 2021 and new board member Francois Tumahai appointed on 4 May 2021.

Gender diversity on the Board was hoped to be improved through the appointment of a new director, and whilst this was an important consideration, the ultimate appointment of Mr Tumahai reflected that he was the most qualified person for the role among the pool of candidates available.

Directors intend to add a new board member to Bathurst with the subsequent resignation of Mr Kapea, and improving gender diversity through this process remains a key priority.

In the meantime, the Board will continue to monitor these targets and will report progress against them and objectives and strategies in place to achieve them in future periods.

Board diversity (at date of Statement)	Percentage
Gender - male	100%
Age 55 - 59	75%
Age 60 - 64	25%
Ethnicity - Māori	25%
Ethnicity – White/European	75%

<sup>1</sup> Includes executive directors - CEO and CFO.

<sup>2</sup> The Senior Leadership Team (“SLT”) is defined as the direct reports of the CEO.

## (e) Board and senior executive performance evaluation

The Chairman of the Board is responsible for ensuring that a formal review of the performance of the Board, committees and individual directors occurs regularly. The Chairman is responsible for determining the process under which this evaluation takes place.

An effectiveness review of the Board was undertaken by directors in October 2020. The review process was managed by the Company Secretary and involved the directors independently completing a questionnaire that asked them to rate the effectiveness of the Board on a number of key areas. Responses were then compiled and reported on, with lowest ranked areas being highlighted and discussed. Overall it was felt that the Board performed effectively, with alignment on strength and weakness areas, and areas for focus. An assessment will again be done in 2021, with a slight delay in the assessment due to the recent change in directors.

The R&N Committee is responsible for evaluating the performance of executive directors (the CEO and CFO), and the CEO is responsible for evaluating the performance of the senior leadership team. The CEO evaluates the performance of senior executives via an ongoing process of assessment and a formal annual review. The evaluation of executive directors is done on a formal annual review basis.

During the formal review, performance is measured against key assessment criteria and key performance targets. The performance targets align with Bathurst's strategic pillars, with performance measures in areas of:

- environment, social and governance (24 percent weighting);
- people including their health and safety (26 percent weighting);
- markets (10 percent weighting);
- financial performance (20 percent weighting); and
- sustainable development (20 percent weighting).

A performance evaluation was undertaken prior to the release of this Statement.

## Principle 2: Structure the Board to be effective and add value

### (a) Board composition and size

The members of the Board during the financial year and up to the date of this report were:

Name	Appointed	Resigned	Other roles held	Independent	Tenure
Mr Toko Kapea	29 May 2013	1 July 2021	Chairman (appointed 29 May 2015)	Yes	8 years
Mr Peter Westerhuis	29 April 2015		Chairman (appointed 1 July 2021)	Yes	6 years
Mr Francois Tumahai	4 May 2021		n/a	Yes	< 1 year
Mr Richard Tacon	29 April 2015		CEO (appointed 1 April 2015)	No	6 years
Mr Russell Middleton	29 April 2015		CFO (appointed 31 August 2017)	No	6 years

The Bathurst constitution stipulates a maximum of eight directors, and the Recommendations note that a majority of the Board should be independent directors.

For a period of two months there were five members of the Board and the majority were independent directors. However for most of the 30 June 2021 financial year and at the date of this report, the Board comprised four directors, two of which are independent non-executive and two executive.

Noting the successful recruitment of new independent director Mr Tumahai, with the subsequent resignation of Mr Kapea, directors acknowledge that the board is not a majority of independent directors. This is intended to be addressed through the recruitment of an additional director, the process of which is underway.

Recommendations for nomination of new directors are considered by the R&N committee and approved by the Board as a whole. The R&N committee reviews director appointments having regard to the candidate's commercial experience, skills and other qualities.

The Board recognises the impact of Board tenure on succession planning and that Board renewal is critical to performance. Each director, other than the chief executive officer, must not hold office (without re-election) past the third AGM following the director's appointment or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board, must not hold office (without re-election) past the next AGM.

At each AGM a minimum of one director must stand for re-election. A director who retires at an AGM is eligible for re-election at that meeting and the re-appointment of directors is not automatic.

Please refer to <https://www.bathurst.co.nz/our-company/our-people/> for further information including detailed biographies of the Board members including qualifications held.

## **(b) Board meetings and committees**

The Chairman sets the agenda for each meeting in conjunction with the CEO and the company secretary. Any director may request additional matters to be added to the agenda. Board and committee papers are provided to directors where possible five business days prior to the relevant meeting. Copies of Board papers are circulated in either electronic or hard copy form. Directors are entitled to request additional information where they consider the information is necessary to support informed decision making.

To assist the Board in discharging its duties and responsibilities the following committees have been established:

- Remuneration and Nomination ("R&N").
- Health, Safety, Environment and Community ("HSEC").
- Audit and Risk ("A&R") (refer [HERE](#) for more information).

Each committee operates in accordance with specific charters approved by the Board. These charters can be found under the Corporate Governance section of the Bathurst website at <https://www.bathurst.co.nz/our-company/corporate-governance/>.

Board committee charters are reviewed regularly and updated for major business changes.

Following each committee meeting, generally at the next Board meeting, the Board is given a verbal update by the Chair of each committee. In addition, minutes of all committee meetings are included in the Board pack for all directors.

At the present time these committees have only two directors each because of the relatively small size of the Board, and the desire to restrict the membership of the R&N committee to independent non-executive directors. It is intended that the size of these committees will be increased when a new board member is appointed. As previously noted, this process is underway.

Executive directors can attend the committee meetings by invitation. All papers considered by the committees are available on request to directors who are not on that committee.

### **Remuneration and Nomination committee**

The R&N committee currently consists of the following non-executive independent directors:

- Mr Peter Westerhuis (previously Toko Kapea up to 1 July 2021) (Chair).
- Mr Francois Tumahai.

The Board and R&N committee regularly reviews the size and composition of the Board and the mix of existing and desired competencies across members. The Board may engage an independent recruitment firm to undertake a search for suitable candidates if and when an additional director is considered appropriate.

## Health, Safety, Environment and Community committee

The HSEC committee currently consists of the following directors:

- Peter Westerhuis (Chair) – non-executive independent.
- Richard Tacon – executive.

Meeting attendances during the financial year ended 30 June 2021 (number attended/number held):

Director	Board	R&N	A&R	HSEC
Mr T Kapea	10/11	3/3	2/2	
Mr R Tacon	11/11			2/2
Mr R Middleton	11/11		2/2	
Mr P Westerhuis	11/11	3/3		2/2
Mr Francois Tumahai	2/11			

These committees will be discussed in further detail in this and later sections of this Statement.

### (c) Board skills

The Board considers that its directors collectively bring the range of skills, knowledge and experience necessary to direct the Company and is well balanced given the current number of directors. As noted previously a recruitment process is underway to increase the size of the Board, with the express purpose of adding to the skills base considered most necessary to lead the Company.

A profile of each director setting out their skills, experience, and expertise is set out on our website at <https://www.bathurst.co.nz/our-company/our-people/>.

The following tables summarise the assessment of the current skills of the Board as a whole based on a skills assessment performed by directors in June 2021 in order to identify their professional development needs:

Board skills & experience	Competency level
<b>Industry knowledge/experience</b>	
Coal mining operations	Advanced
Industry experience	Advanced
Knowledge of broad public policy direction	Advanced
Understanding of government legislation/legislative process	Advanced
Mining/exploration	Advanced
International markets	Advanced
<b>Governance competencies</b>	
Understanding of good corporate governance practices	Advanced
Understanding of regulatory reporting obligations	Advanced
Understanding of directors' obligations	Advanced
Financial literacy	Intermediate
Experience as a director of similar sized entities	Intermediate
Strategic thinking/planning from a governance perspective	Advanced
Executive performance management – management of the CEO	Intermediate
Governance related risk management experience	Advanced
Compliance focus	Advanced
Profile/reputation	Advanced
<b>Technical skills / experience</b>	
Strategic planning	Advanced
People and performance	Advanced
Financial management	Advanced

Experience in developing and implementing risk management systems	Advanced
Marketing experience	Intermediate
PR, Sales & Marketing	Intermediate
Technology/IT	Intermediate
Digital/social media	General
Leadership	Advanced
Legal and compliance	Advanced
Stakeholder relationships	Advanced
Capital markets	Intermediate
Mergers and acquisitions	Intermediate
<b>Behavioural competencies</b>	
Team player/collaborative	Advanced
Ability and willingness to change and prove	Advanced
Common sense and sound judgement	Advanced
Integrity and high ethical standards	Advanced
Listening skills	Intermediate
Verbal communication skills	Advanced
Understanding of effective decision-making processes	Advanced
Willingness and ability to devote time and energy to the role	Advanced

#### **(d) Director independence**

The Board recognises the importance of exercising independent judgement in relation to its role in the leadership and oversight of the organisation. All members of the Board whether independent directors or executive directors exercise independent judgement in making decisions in the best interests of the Company.

The independent directors at the time of writing this Statement are Peter Westerhuis (Chairman) and Francois Tumahai. Their independence was assessed with reference to Bathurst's policy on independence of directors, a copy of which is available in the corporate governance section of Bathurst's website.

On initial appointment, each director is required to complete an independence declaration and provide this to the Board. Existing directors are asked to assess and confirm their independence status on an annual basis.

An independence assessment of Mr Tumahai was undertaken as part of his on-boarding process, and the independence of Mr Westerhuis was confirmed in July 2021.

#### **(e) Conflicts of interest**

The Board has approved directors' conflict of interest guidelines (contained within the Code of Conduct) which applies if there is, or may be, a conflict between the personal or other interests of a director.

A director with an actual or potential conflict of interest in relation to a matter before the Board does not receive the Board papers relating to that matter, and when the matter comes before the Board for discussion, the director withdraws from the meeting for the period the matter is considered and takes no part in the discussion or decision-making process. Directors' declarations are a standing agenda item for every board meeting.

During the year all employees who have a delegated authority were asked to complete the conflict of interest register which is located on the Group's intranet. Information entered is limited to specific personnel within the Group and in accordance with the requirements of the Privacy Act.

#### **(f) Professional advice**

Directors may, in carrying out their company related duties, seek external professional advice. If external professional advice is sought, a director is entitled to reimbursement of all reasonable costs where such a request for advice is approved in writing by the Chairman. In the case of a request by the Chairman, approval is required by at least two other directors.

### **(g) Induction programme and professional development needs**

Ensuring directors have the adequate knowledge and competencies to effectively discharge their duties is important to Bathurst.

Periodically the Board will run a skills assessment process as a tool for directors to assess whether there are any professional development needs. These are then managed on an individual basis by Human Resources and the R&N committee. A skills assessment review was performed in June 2021. Overall directors were comfortable with their collective knowledge and abilities.

The new director induction programme includes visits to the Company's mining sites and meeting field staff. Information on the Company as well as key policies are provided to new directors as part of their on-boarding process. Due to the COVID pandemic the ability to have meetings at different mine and corporate sites has been limited, thus limiting Mr Tumahai's induction programme. A full induction programme covering site visits will be done for Mr Tumahai when possible.

### **Principle 3: Instil a culture of acting lawfully, ethically and responsibly**

#### **(a) Values**

During the year Bathurst's directors framed a set of values for Bathurst – these are:



An extensive associated workflow encompassing Bathurst's people performance and management framework as well as its systems and processes is currently underway to embed these values in Bathurst's cultural and organisational framework. As part of this examples of appropriate behaviour are being defined, and a detailed road map to introduce and instil these within Bathurst's workforce.

As part of this workflow, the values and more information on them will be permanently disclosed on Bathurst's website.

#### **(b) Code of conduct**

The Board has approved a Code of Conduct for directors and employees, which describes the standards of ethical behaviour that directors and employees are required to maintain. Bathurst promotes the open communication of unethical behaviour within the organisation.

Compliance with the Code of Conduct assists Bathurst in effectively managing its operating risks and meeting its legal and compliance obligations, as well as enhancing the Company's corporate reputation.

The Code of Conduct describes the Company's requirements on matters such as confidentiality, conflicts of interest, use of company information, sound employment practices, compliance with laws and regulations, and the protection and safeguarding of company assets.

A copy of the Company's Code of Conduct is available at <https://www.bathurst.co.nz/our-company/corporate-governance/>. As part of the values related workflow, Bathurst's Code of Conduct will also be revamped to include the values and be more user friendly.

Material breaches of the Code of Conduct are reported to the Audit and Risk Committee on a six-monthly basis.

#### **(c) Share Trading Policy**

Bathurst's Share Trading Policy is binding on all Relevant Persons as defined in the policy. The policy provides a summary of insider trading and sets out the restrictions on dealing in securities by people who work for, or are associated with, Bathurst. The policy is intended to assist in maintaining market confidence in the integrity of dealings in Bathurst's securities.

The policy stipulates that Relevant Person may deal in Bathurst's securities except when they are in possession of "material information" that is not generally available to the share market, or when the Company is in a closed period. There are also additional restrictions on those determined to be Restricted Persons (as defined in the policy).

A copy of Bathurst's Share Trading Policy is available in the corporate governance section of Bathurst's website, <https://www.bathurst.co.nz/our-company/corporate-governance/>.

#### **(c) Whistle blower policy**

The Group has a whistle blower policy which is available on the Group's intranet as well as on the corporate governance section of the website <https://www.bathurst.co.nz/our-company/corporate-governance/>.

Employees also have a fully confidential hotline they can call to report any concerns which is provided by an external service provider.

Material incidents reported under the policy are reported to the Audit and Risk Committee on a six-monthly basis.

#### **(d) Anti-bribery and corruption policy**

The Group has an anti-bribery and corruption policy which is available on the Group's intranet at <https://www.bathurst.co.nz/our-company/corporate-governance/> as well as on the corporate governance section of the website.

Material breaches reported under the policy are reported to the Audit and Risk Committee on a six-monthly basis.

### **Principle 4: Safeguard the integrity of corporate reports**

#### **(a) Audit and Risk committee**

The A&R committee is comprised of the following directors:

- Francois Tumahai (Chair) – non-executive (previously Toko Kapea up to 1 July 2021).
- Russell Middleton – executive.

The Recommendations note the A&R Committee should have at least three members, all of whom are non-executive and majority independent. Due to the small size of the Board and the desire to restrict the membership of the R&N Committee to independent non-executive directors, Bathurst is not able to meet this recommendation. Expanding the membership of this committee will be assessed as part of any new director appointment process.

The A&R committee operates in accordance with a charter that is available under the Corporate Governance section of the Bathurst website. Its role is to assist the Board in meeting its oversight responsibilities in relation to the Company's financial reporting, internal control structure, enterprise wide risk management, corporate governance policies and practices, financial risk management procedures and the external audit function. In doing so, it is the committee's responsibility to maintain free and open communication between the committee members, the external auditors and the management of Bathurst. The external auditors and the CEO attend committee meetings by invitation.

Periodic reviews, undertaken annually by the committee, evaluate and continually look to improve the effectiveness of the Company's risk management and internal control processes to ensure that they are soundly based in relation to the business and the environment in which the Company operates.

As part of the reporting to the committee, details on tax, insurance, material conflicts of interest, and a controls assessment is provided, as well as any breaches/material incidents of Bathurst's whistle-blower, anti-corruption and bribery, and code of conduct policies. Cyber security was raised as a focus area in FY21, with a workplan as a result of this being implemented in FY22.

The A&R committee may consult independent experts and institute special investigations if it considers it necessary in order to fulfil its responsibilities. Furthermore, the A&R committee has the authority to seek any information it requires from any officer or employee of the Company or its controlled entities, and such officers or

employees shall be instructed by the Board of the Company employing them to respond to such enquiries.

#### **External auditors**

Bathurst has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the A&R committee.

Candidates for the position of external auditor must demonstrate complete independence from the Company throughout the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances.

The Company and A&R committee policy is to appoint external auditors who demonstrate experience and independence. KPMG was appointed as the external auditor in 2017. The performance of the external auditor is reviewed annually by the A&R committee and any recommendations are made to the Board.

Applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

An analysis of fees paid to the external auditors, including a breakdown of fees for non-audit services, is provided in the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the audit committee. KPMG confirmed in their report to the Board that their independence was maintained for the 30 June 2021 reporting period.

The external auditor attends the AGM and is available to answer shareholders' questions about the conduct of the audit and the preparation and content of the audit report.

#### **(b) Internal audit**

Bathurst does not have a separate internal audit function due to its relatively small size and less complex financial and organisational structures.

The CEO and senior leadership team have operational responsibility for risk management through Board approved guidelines. Some of these measures include formal authority limits for management to operate within as specified in the delegations of authority.

The CEO is required to report to the Board on any departures from policy or matters of concern that might be seen as or become material business risks. In addition, the Board receives monthly reports about the financial condition and operational results of Bathurst.

#### **(c) CEO and CFO declaration**

The CEO and the CFO, at the end of each six monthly period, provide a formal declaration to the Board before the financial statements are approved that, in their opinion, 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; and
- that this opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

#### **(d) Process to verify the integrity of unaudited/unreviewed corporate reports**

The main financial information issued outside of the statutory reporting obligations are investor presentations, and the quarterly activities updates that include earnings guidance.

Key steps taken to ensure the accuracy of the information disclosed are:

## Rigorous month end processes followed to ensure accuracy of information

These include:

- Detailed reporting on actuals versus budget on a monthly basis.
- Review of monthly results at multiple levels, from mine managers to commercial managers, up to head of finance, executive directors, and the Board.
- Bank reconciliations on a daily basis and balance sheet reconciliations on all accounts on a monthly basis.

## Integrity in compiling information

Those in finance responsible for reporting Bathurst's financial results on a monthly basis are responsible for compiling any financial information that may go into a periodic corporate report. This ensures that those most familiar with this information are involved in the reporting of this information.

## Extensive review process

Periodic corporate reports are reviewed by those responsible for each respective area before being submitted to executive directors and the board for their review/approval, with sign-off required from general managers as well as directors before release to the market.

## Principle 5: Make timely and balanced disclosure

### (a) Continuous Disclosure

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an informed market. In this regard, the Board has approved a Continuous Disclosure Policy (available on the Company's website) to assist compliance with the Company's continuous disclosure requirements under the ASX listing rules and ensure that material price sensitive information is identified, reviewed by management, disclosed to the ASX and published on the Company's website in a timely manner. The Policy was last updated and reviewed in 2021.

In addition, all changes in directors' interests in the Company's securities are promptly reported to the ASX in compliance with the ASX listing rules.

The Company's Annual Report is also used to keep investors informed of its activities, particularly in its review of operations.

### (b) Board to receive copies of all material market announcements

Bathurst's policy is to receive director approval before the release of any material market announcements.

### (c) New/substantive investor presentations to be disclosed

Bathurst's policy is to disclose any new or substantially modified investor presentation on the ASX before the presentation.

## Principle 6: Respect the rights of security holders

### (a) Disclosure of operational and governance information

Bathurst provides shareholders with important and material information through its website [www.bathurst.co.nz](http://www.bathurst.co.nz) which provides access to all recent ASX announcements, shareholder updates, annual reports and key contact details, as well as comprehensive information about its products, operations and governance.

Bathurst also has a LinkedIn account where periodic key updates are posted, you can follow Bathurst on LinkedIn by searching for Bathurst Resources.

Material information on Bathurst can be found at the following locations:

Information type	Location
ASX announcements	<a href="https://www.bathurst.co.nz/investors-news/asx-announcements/">https://www.bathurst.co.nz/investors-news/asx-announcements/</a>
Governance and corporate directory	<a href="https://www.bathurst.co.nz/our-company/corporate-governance/">https://www.bathurst.co.nz/our-company/corporate-governance/</a>
Financial reports (statutory and quarterly updates)	<a href="https://www.bathurst.co.nz/investors-news/financial-reports/">https://www.bathurst.co.nz/investors-news/financial-reports/</a>
Operations	<a href="https://www.bathurst.co.nz/our-operations/overview/">https://www.bathurst.co.nz/our-operations/overview/</a>

## **(b) Investor relations**

Bathurst's investor relations programme is managed by an independent investor relations advisor who ensures that investor relations activities are targeted, useful, and beneficial to both the Company and shareholders. A key summary of investor relations activities undertaken by the investor relations consultant is provided to the Board periodically.

A dedicated investor relations email address [investor.relations@bathurst.co.nz](mailto:investor.relations@bathurst.co.nz) is monitored on a regular basis. Any shareholder or investor enquiries will be responded to promptly, provided that any market sensitive information has previously been released through the ASX.

Due to the travel restrictions from the COVID pandemic, directors were unable to do in-person investor meetings during the year. A series of online meetings were instead held during the year, with a variety of current and potential investor groups. This included a Boardroom.Media video that was posted to Bathurst's LinkedIn account. These meetings allow for effective two-way communication.

## **(c) Encouraging participation at shareholder meetings**

Annual general meetings represent a good opportunity for shareholders to meet with, and ask questions of, the Board of Bathurst as well as Bathurst's auditors. All shareholders are notified of such meetings and encouraged to attend.

The FY20 AGM was held online in response to the COVID pandemic, and the FY21 will also be held online for the same reason. Directors also acknowledge that this format allows for easier participation by Bathurst's shareholders as there is a wide geographical spread, so consideration will be given as to whether this is the preferred format for future years. The time of the meeting was set so that it would suit the largest range of shareholders.

The format of the online meetings is such that shareholders are able submit questions for directors in advance of the meeting which are responded to during the meeting. Any questions submitted online during the meeting for directors are answered and disclosed on Bathurst's website within the AGM section in the Investors & News section of the website. Bathurst's auditors attend the AGM and are available to answer any shareholder questions.

## **(d) Substantive resolutions decided by poll**

Bathurst's policy at its shareholder meetings is for all substantive resolutions to be decided by poll rather than by a show of hands.

## **(e) Electronic communications**

Shareholders can communicate with Bathurst and the security registry electronically through email addresses provided and sign up to receive all communications from the security registry electronically.

A shareholder email communications programme will be rolled out in FY22, which will enable shareholders who have previously indicated they are open to receiving electronic communications from Bathurst to receive all market updates that Bathurst discloses to the ASX.

## **Principle 7: Recognise and manage risk**

### **(a) Risk**

The Board has overall responsibility for ensuring that a sound risk management framework is in place. The Board delegates to the A&R committee responsibility for identifying and monitoring major risks in line with the Board defined risk appetite and ensuring appropriate systems are in place for management.

The Recommendations note the A&R Committee should have at least three members, all of whom are non-executive and majority independent. Due to the small size of the Board and the desire to restrict the membership of the R&N Committee to independent non-executive directors, Bathurst is not able to meet this recommendation. Expanding the membership of this committee will be assessed as part of any new director appointment process.

In relation to risk, the A&R committee reviews the adequacy of the Company's risk management processes and the Company wide insurance programme and makes recommendations to the Board on any changes required to these. In addition, the committee has an obligation to report any instances of fraud or major breakdown of the Company's internal controls.

The A&R committee membership, independence and meeting attendance has been explained earlier in this Statement. The charter is available at <https://www.bathurst.co.nz/our-company/corporate-governance/>

### **(b) Risk management**

The Board's policy is to review at least annually the Company's risk management framework. An in-depth update of Bathurst's risk management framework was led by the CEO and the senior leadership team during the reporting period. To complement this the Board also went through an independent risk assessment process. A session by the Board reviewing the risk management framework is scheduled in 2021.

#### **HSEC committee**

The HSEC committee currently consists of the following directors:

- Peter Westerhuis (Chair) – non-executive.
- Richard Tacon – executive.

The HSEC committee operates under a defined charter which describes the role, composition, functions and responsibilities of the HSEC committee. This charter is available on Bathurst's website, [www.bathurst.co.nz](http://www.bathurst.co.nz), under Corporate Governance. Whilst the committee only met twice in a formal capacity during the year, a detailed report on all HSEC activities across the business was reported to the Board on a monthly basis, and this was reviewed by the Board as part of the monthly board meeting review process.

The primary function of this committee is to assist the Board in enabling Bathurst to operate its businesses safely, responsibly and sustainably. The committee oversees and monitors the promotion, establishment and integration across Bathurst of the principles of health, safety, environment and community as the foundations of good management and good business.

The committee has oversight of and review of:

- Bathurst's actions to meet its duty to ensure the protection of people and the environment.
- Initiatives to enhance Bathurst's sustainable business practices and reputation as a responsible corporate citizen.
- Integration of HSEC in the formulation of Bathurst's corporate strategy, risk management framework, and people and culture priorities.
- Bathurst's compliance with all relevant legal obligations on the matters within the committee's responsibilities.

### **(c) Internal audit**

Refer to Principle 4 of this Statement which discusses internal audit functions.

#### **(d) Risk exposure to environmental and social risks**

Bathurst has exposure to economic, environmental and social risks. These are actively managed by the CEO and senior leadership team in conjunction with the Health, Safety, Environment and Community committee (HSEC) and the Board as necessary.

Specific material environmental and social risks are disclosed in the Governance section of Bathurst's annual report and covered in more detail in the Sustainability section of the annual report.

### **Principle 8: Remunerate fairly and responsibly**

#### **(a) Remuneration and Nomination committee**

The R&N committee currently consists of the following non-executive independent directors:

- Peter Westerhuis (Chair) – non-executive independent.
- Francois Tumahai – non-executive independent.

The Board has adopted an R&N committee charter available at <https://www.bathurst.co.nz/our-company/corporate-governance/> which describes the role, composition, functions and responsibilities of the R&N committee. Meeting attendances and reasons for board composition, are set out earlier in this Statement.

One of the key functions of this committee is the consideration of the remuneration of directors and the senior leadership team.

#### **(b) Remuneration policies and practices**

Detailed information about the Bathurst remuneration policy, along with details of all remuneration of directors can be found in the remuneration report section of the annual report, and for key management personnel in note 22 of the financial statements.

##### **Non-executive directors fees**

Non-executive directors' remuneration is reviewed periodically with reference to comparable businesses and the trend in directors' fees generally, with the object of ensuring maximum stakeholder benefit from the retention of an effective Board. Such a review was undertaken in 2020 by an external consultant and non-executive directors' fees were adjusted at that time. There were no changes to non-executive directors fees in FY21.

Shareholders at the company AGM, determine any increase in the aggregate fees payable to non-executive directors, but it is those directors who decide amongst themselves the split of such remuneration. The current maximum annual aggregate remuneration which can be paid to all non-executive directors is \$1,000,000.

##### **Executive director and senior leadership team ("executive") remuneration**

Executive remuneration is composed of fixed remuneration, short-term, and long-term incentives. The fixed amount is designed to attract and retain appropriately qualified personnel, and short and long-term incentives are linked to Bathurst's strategic objectives and are designed to reward appropriately and align executive's interests with those of Bathurst's shareholders.

##### **Long-term incentive plan (equity-based remuneration scheme)**

Bathurst has a long-term incentive plan that can entail the granting of various rights to executives. The policy was approved by shareholders and can be found on the website at <https://www.bathurst.co.nz/our-company/corporate-governance/>.

Details on share trading restrictions are detailed in Bathurst's share trading policy located at <https://www.bathurst.co.nz/our-company/corporate-governance/>.