



WARATAH RESOURCES LIMITED
ABN 47 125 688 940
(Waratah and/or the Company)

CORPORATE GOVERNANCE PLAN

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SCHEDULE 1 – BOARD CHARTER

In carrying out the responsibilities and powers set out in this Charter, the Board:

- (a) recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
- (b) recognises its duties and responsibilities to its employees, stakeholders and the community.

1. THE SPECIFIC RESPONSIBILITIES OF THE BOARD

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

- (a) appointment of any Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (b) driving the strategic direction of the Company, ensuring appropriate resources are available to meet the Company's objectives and monitoring management's performance;
- (c) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (d) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (e) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (f) approving the annual, half yearly and quarterly accounts;
- (g) approving significant changes to the organisational structure;
- (h) approving the issue of any shares, options, equity instruments or other securities in the Company;
- (i) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (j) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them; and
- (k) meeting with the external auditor, at their request, without management being present.

2. COMPOSITION OF THE BOARD

- (a) The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.
- (b) In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the

requirements of the role effectively and to contribute to the development of the strategic direction of the Company.

- (c) The majority of the Board is comprised of non-executive Directors. Where practical, at least 50% of the Board will be independent. An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere with, the exercise of independent judgement. Independent Directors should meet the definition of what constitutes independence as set out in the ASX Corporate Governance Council Principles and Recommendations 3rd as set out in Annexure A.
- (d) Directors must disclose their interests. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.
- (e) Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.
- (f) Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- (g) No member of the Board may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.
- (h) Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Nomination Committee (where established) to ensure that they continue to contribute effectively to the Board.
- (i) The Board should comprise Directors with a mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.

3. THE ROLE OF THE CHAIRMAN

- (a) The Chairman should be a non-executive Director. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director.
- (b) Any Chief Executive Officer should not be the Chairman of the Company during his term as Chief Executive Officer or in the future.
- (c) The Chairman must be able to commit the time to discharge the role effectively.
- (d) The Chairman is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings.
- (e) The Chairman should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.
- (f) In the event that the Chairman is absent from a meeting of the Board then the Board shall appoint a Chairman for that meeting.

4. BOARD COMMITTEES

- (a) To assist the Board in fulfilling its duties, the Board intends to establish the following committees, each with written terms of reference:
 - (i) Audit and Risk Committee;
 - (ii) Remuneration Committee; and
 - (iii) Nomination Committee.
- (b) The charter of the Committees is approved by the Board and reviewed following any applicable regulatory changes.
- (c) The Board will ensure that the Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.
- (d) Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.
- (e) The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.

Until such time as the Company and the Board is of sufficient size, the Board of Directors will manage the matters that would otherwise be the responsibility of those committees.

5. BOARD MEETINGS

- (a) There must be two Directors present at a meeting to constitute a quorum.
- (b) The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.
- (c) Non-executive Directors may confer at scheduled times without management being present.
- (d) The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairman and circulated to Directors after each meeting.
- (e) The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable.
- (f) Minutes of meetings must be approved at the next Board meeting.

6. THE COMPANY SECRETARY

- (a) When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committee and between senior executives and non-executive Directors.
- (b) The Company Secretary is to facilitate the induction of new Directors.
- (c) The Company Secretary is to facilitate the implementation of Board policies and procedures.
- (d) The Company Secretary is to provide advice to the Board, on corporate governance matters and law.

- (e) All Directors have access to the advice and services provided by the Company Secretary.
 - (f) The Board has the responsibility for the appointment and removal of the Company Secretary.
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7. ACCESS TO ADVICE

- (a) All Directors have unrestricted access to company records and information except where the Board determines that such access would be adverse to the Company's interests.
 - (b) All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
 - (c) The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.
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8. THE BOARD'S RELATIONSHIP WITH MANAGEMENT

- (a) The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Executive Directors and any Chief Executive Officer (if appointed).
 - (b) In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors.
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9. PERFORMANCE REVIEW

The Nomination Committee shall conduct an annual performance review of the Board that:

- (a) compares the performance of the Board with the requirements of its Charter;
 - (b) critically reviews the mix of the Board; and
 - (c) suggests any amendments to the Charter as are deemed necessary or appropriate.
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10. DISCLOSURE POLICY

The Board should ensure that the Company has in place effective disclosure policies and procedures so that shareholders and the financial market are fully informed to the extent required by the applicable disclosure rules and legislation on matters that may influence the share price of the Company or its listed debt securities.

SCHEDULE 2 – CORPORATE CODE OF CONDUCT

1. PURPOSE

The purpose of this Corporate Code of Conduct is to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees.

2. ACCOUNTABILITIES

2.1 Managers and Supervisors

Managers and supervisors are responsible and accountable for:

- (a) undertaking their duties and behaving in a manner that is consistent with the provisions of the Code of Conduct;
- (b) the effective implementation, promotion and support of the Code of Conduct in their areas of responsibility; and
- (c) ensuring employees under their control understand and follow the provisions outlined in the Code of Conduct.

2.2 Employees

All employees are responsible for:

- (a) undertaking their duties in a manner that is consistent with the provisions of the Code of Conduct;
- (b) reporting suspected corrupt conduct; and
- (c) reporting any departure from the Code of Conduct by themselves or others.

3. PERSONAL AND PROFESSIONAL BEHAVIOUR

When carrying out your duties, you should:

- (a) behave honestly and with integrity and report other employees who are behaving dishonestly;
- (b) carry out your work with integrity and to a high standard and in particular, commit to the Company's policy of producing quality goods and services;
- (c) operate within the law at all times;
- (d) follow the policies of the Company; and
- (e) act in an appropriate business-like manner when representing the Company in public forums.

4. CONFLICT OF INTEREST

Potential for conflict of interest arises when it is likely that you could be influenced, or it could be perceived that you are influenced by a personal interest when carrying out

your duties. Conflicts of interest that lead to biased decision making may constitute corrupt conduct.

- (a) Some situations that may give rise to a conflict of interest include situations where you have:
 - I. financial interests in a matter the Company deals with or you are aware that your friends or relatives have a financial interest in the matter;
 - II. directorships/management of outside organisations;
 - III. membership of boards of outside organisations;
 - IV. personal relationships with people the Company is dealing with which go beyond the level of a professional working relationship;
 - V. secondary employment, business, commercial, or other activities outside of the workplace which impacts on your duty and obligations to the Company;
 - VI. access to information that can be used for personal gain; and
 - VII. offer of an inducement.
- (b) You may often be the only person aware of the potential for conflict. It is your responsibility to avoid any conflict from arising that could compromise your ability to perform your duties impartially. You must report any potential or actual conflicts of interest to the Chairman.
- (c) If you are uncertain whether a conflict exists, you should discuss that matter with the Chairman and attempt to resolve any conflicts that may exist.
- (d) You must not submit or accept any bribe, or other improper inducement. Any such inducements are to be reported to the Chairman.

5. PUBLIC AND MEDIA COMMENT

- (a) Individuals have a right to give their opinions on political and social issues in their private capacity as members of the community.
- (b) Employees must not make official comment on matters relating to the Company unless they are:
 - (i) authorised to do so by any Executive Director and Chief Executive Officer (if appointed); or
 - (ii) giving evidence in court; or
 - (iii) otherwise required to by law.
- (c) Employees must not release unpublished or privileged information unless they have the authority to do so from the Executive Directors and Chief Executive Officer (if appointed).

6. USE OF COMPANY RESOURCES

Requests to use Company resources outside core business time should be referred to management for approval.

If employees are authorised to use Company resources outside core business times they must take responsibility for maintaining, replacing, and safeguarding the property and following any special directions or conditions that apply.

Employees using Company resources without obtaining prior approval could face disciplinary and/or criminal action. Company resources are not to be used for any private commercial purposes.

7. SECURITY OF INFORMATION

Employees are to make sure that confidential and sensitive information cannot be accessed by unauthorised persons. Sensitive material should be securely stored overnight or when unattended. Employees must ensure that confidential information is only disclosed or discussed with people who are authorised to have access to it. It is considered a serious act of misconduct to deliberately release confidential documents or information to unauthorised persons, and may incur disciplinary action.

8. INTELLECTUAL PROPERTY/COPYRIGHT

Intellectual property includes the rights relating to scientific discoveries, industrial designs, trademarks, service marks, commercial names and designations, and inventions and is valuable to the Company.

The Company is the owner of intellectual property created by employees in the course of their employment unless a specific prior agreement has been made. Employees must obtain written permission to use any such intellectual property from the Company Secretary before making any use of that property for purposes other than as required in their role as employee.

9. DISCRIMINATION AND HARASSMENT

Employees must not harass, discriminate, or support others who harass and discriminate against colleagues or members of the public on the grounds of sex, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), physical or intellectual impairment, homosexuality or transgender.

Such harassment or discrimination may constitute an offence under legislation. Managers should understand and apply the principles of Equal Employment Opportunity.

10. CORRUPT CONDUCT

Corrupt conduct involves the dishonest or partial use of power or position which results in one person/group being advantaged over another. Corruption can take many forms including, but not limited to:

- (a) official misconduct;
- (b) bribery and blackmail;
- (c) unauthorised use of confidential information;
- (d) fraud; and
- (e) theft.

Corrupt conduct will not be tolerated by the Company. Disciplinary action up to and including dismissal will be taken in the event of any employee participating in corrupt conduct.

11. OCCUPATIONAL HEALTH AND SAFETY

It is the responsibility of all employees to act in accordance with occupational health and safety legislation, regulations and policies applicable to their respective organisations and to use security and safety equipment provided.

Specifically all employees are responsible for safety in their work area by:

- (a) following the safety and security directives of management;
- (b) advising management of areas where there is potential problem in safety and reporting suspicious occurrences; and
- (c) minimising risks in the workplace.

12. LEGISLATION

It is essential that all employees comply with the laws and regulations of the countries in which we operate. Violations of such laws may have serious consequences for the Company and any individuals concerned. Any known violation must be reported immediately to management.

13. FAIR DEALING

The Company aims to succeed through fair and honest competition and not through unethical or illegal business practices. Each employee should endeavour to deal fairly with the Company's suppliers, customers and other employees.

14. INSIDER TRADING

All employees must observe the Company's "*Guidelines for buying and selling securities*". In conjunction with the legal prohibition on dealing in the Company's securities when in possession of unpublished price sensitive information, the Company has established specific time periods when Directors, management and employees are permitted to buy and sell the Company's securities.

15. RESPONSIBILITIES TO INVESTORS

The Company strives for full, fair and accurate disclosure of financial and other information on a timely basis.

16. BREACHES OF THE CODE OF CONDUCT

Employees should note that breaches of certain sections of this Code of Conduct may be punishable under legislation.

Breaches of this Code of Conduct may lead to disciplinary action. The process for disciplinary action is outlined in Company policies and guidelines, relevant industrial awards and agreements.

17. REPORTING MATTERS OF CONCERN

Employees are encouraged to raise any matters of concern in good faith with the Company Secretary or Chairman, without fear of retribution.

SCHEDULE 3 – AUDIT AND RISK COMMITTEE CHARTER

1. ROLE

The role of the Audit and Risk Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. This Charter defines the Audit and Risk Committee's function, composition, mode of operation, authority and responsibilities.

2. COMPOSITION

- (a) The Committee must comprise at least three members.
- (b) All members of the Committee must be non-executive Directors.
- (c) A majority of the members of the Committee must be independent non-executive Directors in accordance with the criteria set out in Annexure A.
- (d) The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.
- (e) All members of the Committee must be able to read and understand financial statements.
- (f) The Chairman of the Committee may not be the Chairman of the Board of Directors and must be independent.
- (g) The Chairman shall have leadership experience and a strong finance, accounting or business background.
- (h) The external auditors, the other Directors, the Managing Director, Chief Financial Officer, Company Secretary and senior executives, may be invited to Committee meetings at the discretion of the Committee.

3. PURPOSE

The primary purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- (a) the quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- (b) compliance with all applicable laws, regulations and company policy;
- (c) the effectiveness and adequacy of internal control processes;
- (d) the performance of the Company's external auditors and their appointment and removal;
- (e) the independence of the external auditor and the rotation of the lead engagement partner; and
- (f) the identification and management of business risks.

A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

4. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

4.1 Review of Financial Reports

- (a) Review the appropriateness of the accounting principles adopted by management in the financial reports and the integrity of the Company's financial reporting.
- (b) Oversee the financial reports and the results of the external audits of those reports.
- (c) Assess whether external reporting is adequate for shareholder needs.
- (d) Assess management processes supporting external reporting.
- (e) Establish procedures for treatment of accounting complaints.
- (f) Review the impact of any proposed changes in accounting policies on the financial statements.
- (g) Review the quarterly, half yearly and annual results.

4.2 Relationship with External Auditors

- (a) Recommend to the Board procedures for the selection and appointment of external auditors and for the rotation of external auditor partners.
- (b) Review performance, succession plans and rotation of lead engagement partner.
- (c) Approve the external audit plan and fees proposed for audit work to be performed.
- (d) Discuss any necessary recommendations to the Board for the approval of quarterly, half yearly or annual reports.
- (e) Review the adequacy of accounting and financial controls together with the implementation of any recommendations of the external auditor in relation thereto.
- (f) Meet with the external auditors at least twice in each financial period without management being present and at any other time the Committee considers appropriate.
- (g) Provide pre-approval of audit and non-audit services that are to be undertaken by the external auditor.
- (h) Ensure adequate disclosure as may be required by law of the Committee's approval of all non-audit services provided by the external auditor.
- (i) Ensure that the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company.
- (j) Receive from the external auditor their report on, among other things, critical accounting policies and alternative accounting treatment, prior to the filing of their audit report in compliance with the Corporations Act.

4.3 Internal Audit Function

- (a) Monitor the need for a formal internal audit function and its scope.

- (b) Assess the performance and objectivity of any internal audit procedures that may be in place.
- (c) Review risk management and internal compliance procedures.
- (d) Monitor the quality of the accounting function.
- (e) Review the Internal Control Reports on a quarterly basis.

4.4 Risk Management

- (a) Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
- (b) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

4.5 Other

- (a) The Committee will oversee the Company's environmental risk management and occupational health and safety processes.
- (b) The Committee will oversee procedures for whistleblower protection.
- (c) As contemplated by the ASX Corporate Governance Council Principles and Recommendations, and to the extent that such deviation or waiver does not result in any breach of the law, the Committee may approve any deviation or waiver from the "Corporate code of conduct". Any such waiver or deviation will be promptly disclosed where required by applicable law.
- (d) Monitor related party transactions.

5. MEETINGS

- (a) The Committee will meet at least each financial quarter and additionally as circumstances may require for it to undertake its role effectively.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- (c) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.
- (d) A quorum shall consist of two members of the Committee. In the absence of the Chairman of the Committee or their nominees, the members shall elect one of their members as Chairman of that meeting.
- (e) Decisions will be based on a majority of votes with the Chairman having a casting vote.
- (f) The Committee Chairman, through the Secretary, will prepare a report of the actions of the Committee to be included in the Board papers for the next board meeting.
- (g) Minutes of each meeting are included in the papers for the next full Board meeting after each Committee meeting.

6. SECRETARY

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

7. RELIANCE ON INFORMATION OR PROFESSIONAL OR EXPERT ADVICE

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- (a) an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- (b) a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- (c) another Director or officer of the Group in relation to matters within the Director's or officer's authority.

8. ACCESS TO ADVICE

- (a) Members of the Committee have rights of access to management and to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- (b) Members of the Committee may meet with the auditors, both internal and external, without management being present.
- (c) Members of the Committee may consult independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities, subject to prior consultation with the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

9. REVIEW OF CHARTER

- (a) The Board will conduct an annual review of the membership to ensure that the Committee has carried out its functions in an effective manner, and will update the Charter as required or as a result of new laws or regulations.
- (b) The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.

10. REPORT TO THE BOARD

- (a) The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role and responsibilities.

- (b) The Committee must brief the Board promptly on all urgent and significant matters.

SCHEDULE 4 – REMUNERATION COMMITTEE CHARTER

1. GENERAL SCOPE AND AUTHORITY

- (a) When established, the Remuneration Committee will be a Committee of the Board of the Company. The Charter may be subject to review by the Board at any time.
- (b) The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:
 - (i) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
 - (ii) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
 - (iii) recommending to the Board the remuneration of executive Directors;
 - (iv) fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
 - (v) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
 - (vi) reviewing and approving the remuneration of director reports to the Managing Director, and as appropriate other senior executives; and
 - (vii) reviewing and approving any equity based plans and other incentive schemes.
- (c) The Committee shall have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense.

2. COMPOSITION

- (a) When established, the Committee shall comprise at least three Directors, the majority being independent non-executive Directors.
- (b) When established, the Committee will be chaired by an independent Director who will be appointed by the Board.
- (c) The Board may appoint such additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.
- (d) A quorum will comprise any two independent non-executive Director Committee members. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman for that meeting.

3. SECRETARY

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee, and shall attend meetings of the Committee as required.

- (b) The Secretary will be responsible for keeping the minutes of meeting of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

4. MEETINGS

- (a) When established, the Committee will meet at least once per year and additionally as circumstances may require.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- (c) A quorum shall comprise any two members of the Committee. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their members as Chairman.
- (d) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or a conference call.
- (e) Decisions will be based on a majority of votes with the Chairman having the casting vote.
- (f) The Committee may invite any executive management team members or other individuals, including external third parties, to attend meetings of the Committee, as they consider appropriate.

5. ACCESS

- (a) Members of the Committee have rights of access to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- (b) The Committee may consult independent experts to assist it in carrying out its duties and responsibilities. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

6. DUTIES AND RESPONSIBILITIES

In order to fulfil its responsibilities to the Board the Committee shall:

- (a) **Executive Remuneration Policy**
 - (i) Review and approve the Group's recruitment, retention and termination policies and procedures for senior executives to enable the Company to attract and retain executives and Directors who can create value for shareholders.
 - (ii) Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs.
 - (iii) Ensure that remuneration policies fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and prevailing remuneration expectations in the market.
- (b) **Executive Directors and Senior Management**

- (i) Consider and make recommendations to the Board on the remuneration for each executive Director (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy.
 - (ii) Review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for the direct reports of the Managing Director and Chief Executive Officer. As part of this review the Committee will oversee an annual performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.
- (c) **Executive Incentive Plan**

Review and approve the design of any executive incentive plans.
- (d) **Equity Based Plans**
 - (i) Review and approve any equity based plans that may be introduced (**Plans**) in the light of legislative, regulatory and market developments.
 - (ii) For each Plan, determine each year whether awards will be made under that Plan.
 - (iii) Review and approve total proposed awards under each Plan.
 - (iv) In addition to considering awards to executive Directors and direct reports to the Managing Director and Chief Executive Officer, review and approve proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee.
 - (v) Review, approve and keep under review performance hurdles for each equity based plan.
- (e) **Other**

The Committee shall perform other duties and activities that it or the Board considers appropriate.

7. APPROVALS

The Committee must approve the following prior to implementation:

- (a) changes to the remuneration or contract terms of executive Directors and direct reports to the Managing Director and any Chief Executive Officer;
- (b) the Plans or amendments to current equity plans or executive cash-based incentive plans;
- (c) total level of awards proposed from equity plans or executive cash-based incentive plans; and
- (d) termination payments to executive Directors or direct reports to the Managing Director. Termination payments to other departing executives should be reported to the Committee at its next meeting.

SCHEDULE 5 – NOMINATION COMMITTEE CHARTER

1. INTRODUCTION

When established, the Nomination Committee will be a Committee of the Board of the Company.

1.1 This Charter governs the roles, responsibilities, composition and membership of the nomination committee of the Company (**Committee**).

1.2 The operation of the Committee is also governed, where applicable, by the constitution of the Company.

2. OBJECTIVE

2.1 The purpose of the Committee is to assist the board of directors of the Company (Board) in fulfilling its responsibilities with regard to the selection and appointment practices of the Company including those relating to:

- (a) Board appointments and performance;
- (b) Committee Membership;
- (c) executive management succession planning, appointments and terminations; and
- (d) other matters referred to the Committee by the Board.

3. COMPOSITION

3.1 Members

The Committee must have a minimum of 3 members which must include the Chairman of the Board and the majority of members must be independent directors where the circumstances of the Company allow.

The members of the Committee will be appointed and removed by the Board.

3.2 Chairperson and Secretary

Where the circumstances of the Company allow, the Board will appoint an independent chairperson to the Committee (**Chair**).

The Company Secretary will act as secretary of the Committee (**Secretary**) unless determined otherwise by the Board.

4. MEETINGS

4.1 Frequency

The Committee is to meet as requested by the Chairman.

The Secretary must call a meeting of the Committee if requested to do so by any member of the Committee.

4.2 Agenda and notice

The Secretary will be responsible, in conjunction with the Chair, for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to Committee members prior to each meeting. The Secretary must notify members of the Committee of the date, time and location of Committee meetings as far in advance as possible, but not less than 48 hours before the meeting.

4.3 Quorum

A quorum for Committee meetings will be at least 2 members, save that 1 of the members of the quorum must be an independent director.

4.4 Minutes

The Secretary is responsible for taking minutes of each meeting and distributing them to Committee members as soon as practicable after a meeting or at the latest within one month of the meeting.

Upon approval of the minutes by the Committee, the Secretary is to include the minutes in the papers for the next full Board meeting.

4.5 Attendance at Committee meetings by non-members

The Committee may invite any person to attend part or all of any meeting of the Committee as it considers appropriate. Voting at Committee meetings is restricted to Committee members.

5. POWERS

5.1 Access

The Committee has the right to seek any information it requires from any employee of the Company for the purpose of carrying out its responsibilities under this Charter.

The Committee may seek advice from external consultants or specialists such as legal, recruitment or other advisors as often as it considers necessary in order to properly fulfill its role.

6. RESPONSIBILITIES

The Committee is responsible for providing the Board with advice and recommendations regarding:

- (a) the necessary and desirable competencies of directors to enable the Board to discharge its responsibilities effectively;
- (b) the appropriateness of the size of the Board;
- (c) Board succession plans to ensure that an appropriate balance of skills, experience and expertise is maintained on the Board;
- (d) the identification of individuals qualified to be appointed directors of the Company and the Committee's assessment of the backgrounds and qualifications of director nominees;
- (e) the re-election and retirement of Directors;
- (f) the development of a process for regular evaluation of the performance of the Board, its committees and directors;
- (g) induction procedures necessary to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity (refer attached for induction procedure); and
- (h) any other duties and responsibilities referred to it by the Board.

7. TENURE

- 7.1** Directors are elected for a maximum term of three years. The Board believes that it should not establish strict limits on the number of terms a director may serve. Term limits may cause the loss of experience and expertise important to the optimal operation of the Board.

8. REPORTING

8.1 Reporting to the Board

The Committee must report to the Board, at the first Board meeting subsequent to each Committee meeting, regarding the proceedings of each Committee meeting, the outcomes of the Committee's reviews and recommendations and any other relevant issues.

8.2 Annual report

The Committee must provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the corporate governance section of the Company's annual report in relation to the Company's selection, appointment and re-appointment procedures.

9. REVIEW OF THE CHARTER

- 9.1** This Charter will be reviewed annually and revised by the Board as required.

NOMINATION COMMITTEE CHARTER

NEW DIRECTORS AND EXECUTIVES – INDUCTION PROCEDURE

This document sets out a procedure which can be used for the induction of new directors and executives of Waratah Resources Limited (“**Waratah**”).

Step 1: **Assessment**

Assessment of skill and expertise of new director or executive.

Assess the current level of knowledge and experience of the new director. This may involve a quick questionnaire about previous experience and some specific test to assess the director’s understanding of relevant issues such as financial concepts and directors’ duties. Refer to Annexure E – Skills Matrix.

Step 2: **Induction pack**

Provide the director with an induction pack. The induction pack will include the following:

Waratah

- the Constitution; and
- the organisational structure diagram

The Board

- Board procedures;
- copies of Board and Committee charters;
- annual financial reports for the last two years;
- recent management accounts and management reports;
- the operating plan for the current year including the budget and strategic plan for the next three to five years;
- copies of Board minutes and minutes of any committee in which the director will participate;
- a copy of the last Board meeting package;
- copies of the last two auditors’ report;
- details of the Company’s major risks and risk management strategy; and a brief description of the Board members and senior executives.
- and a brief description of the Board members and senior executives.

The business

- information about the industry;
- details about the Company’s major suppliers;
- details about the Company’s major shareholders;

- details about the regulatory regime in which the Company operates; and
- details about the Company's main assets and significant contracts.

Some of the information above could either be provided later or a list of the material can be provided to the director allowing the director to call upon the information when required. Much of the above material can also be covered in the management presentations. Some of the material ought to be returned when no longer needed, such as past minutes.

Step 3: Management presentations

Senior management will give presentations to the director and include opportunities for questions to be asked.

Step 4: Site visits

Give the director a tour of the main operating sites of the Company.

Step 5: Ongoing access to information

Ensure that the new director or executive is made aware of who he or she can contact for further information and what information is available. Such further information may include:

- ASX releases;
- details of the Company's advisers;
- details of the Company's main insurance policies;
- a (brief) history of the Company;
- notice of the 2014 annual general meetings (and for the last three years) and accompanying documents.

Step 6: Further training

Identify need for and arrange any specific further training which may be required.

SCHEDULE 6 – DISCLOSURE – PERFORMANCE EVALUATION

When established, the Nomination Committee will arrange a performance evaluation of the Board, its Committees and its individual Directors on an annual basis. To assist in this process an independent advisor may be used.

The Nomination Committee will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively.

The review will include:

- (a) comparing the performance of the Board with the requirements of its Charter;
- (b) examination of the Board's interaction with management;
- (c) the nature of information provided to the Board by management; and
- (d) management's performance in assisting the Board to meet its objectives.

A similar review will be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.

The Remuneration Committee will oversee the performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.

SCHEDULE 7 – DISCLOSURE – CONTINUOUS DISCLOSURE

1. INTRODUCTION

The Company recognises the importance of ensuring that investors have equal and timely access to material information concerning the Company and that any announcements made by the Company are factual and are presented in a clear and balanced way such that they allow investors to assess the impact of the information when making investment decisions.

2. OBJECTIVE

The purpose of this Policy is to ensure that the Company complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules and to establish procedures for:

- (a) the central collection of material information relating to the Company;
- (b) the assessment of whether that material information must be disclosed to the ASX pursuant to the Corporations Act and the Listing Rules; and
- (c) the method of release of that material information to the ASX.

3. LEGAL OBLIGATIONS

3.1 ASX Listing Rule 3.1

ASX Listing Rule 3.1 states that as soon as the Company becomes aware of information concerning it which "a reasonable person would expect to have a material effect on the price or value of the entity's securities", the Company must immediately disclose the information to the ASX.

3.2 Meaning of material effect on price or value

The Corporations Act provides that a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information "would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose" of the first mentioned securities, Section 677.

3.3 When is an entity aware?

An entity becomes aware of information:

"if a director or executive officer has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity." [Listing Rule 19.12]

3.4 Exception to Rule 3.1

Listing Rule 3.1A provides an exception to the requirement for disclosure if the following requirements are satisfied:

- (1) A reasonable person would not expect the information to be disclosed; and
- (2) The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- (3) One or more of the following applies:
 - (a) It would be a breach of a law to disclose the information.

- (b) The information concerns an incomplete proposal or negotiation.
- (c) The information comprises matters of supposition or is insufficiently definite to warrant disclosure.
- (d) The information is generated for the internal management purposes of the Company.
- (e) The information is a trade secret.

To avoid a situation where the Company is required to prematurely disclose information which comes within the above exception, the Company requires that those persons to whom confidential information is disclosed undertake to maintain the confidentiality of that information.

3.5 False Market

- (1) Listing Rule 3.1B provides:

"If ASX considers that there is or is likely to be a false market in an entity's securities and asks the entity to give it information to correct or prevent a false market, the entity must give ASX the information needed to correct or prevent the false market".

- (2) There is likely to be a false market in the Company's securities in a number of circumstances including:
 - (a) where the Company has material information that has not been released to the market because it falls under the exception in Listing Rule 3.1A; and
 - (b) there is a reasonably specific rumour or media comment in relation to the Company that has not been confirmed or clarified by an announcement to the market (via the ASX); and
 - (c) there is evidence that the rumour or comment is having, or ASX forms the view that the rumour or comment is likely to have, an impact on the price of the Company's shares.

4. SPECIFIC RESPONSIBILITIES

- 4.1 The Chairman, the Managing Director and the Company Secretary have primary responsibility for:
 - 1. ensuring that the Company complies with its continuous disclosure obligations; and
 - 2. overseeing and coordinating disclosure of information to the ASX, analysts, brokers, shareholders, the media and the public.
- 4.2 Each director and member of senior management also has responsibility for bringing any information which they believe may, if generally known, have a material effect on the price of the Company's shares, promptly to the attention of the Company Secretary.
- 4.3 Each director must promptly disclose to the Company Secretary details of all purchases and sales of the Company's securities in which they have a relevant interest.
- 4.4 The Company Secretary is responsible for:
 - 1. liaising with the ASX in relation to continuous disclosure issues;

2. ensuring that the Company's procedures for the timely disclosure of material information to the ASX are operating satisfactorily;
3. assisting in the preparation of ASX releases and liaising with the Chairman and Managing Director in relation to the form of any ASX releases;
4. liaising with the Managing Director, and the Company's board of directors, as appropriate, in relation to the disclosure of information;
5. keeping a record of all ASX and other public releases that have been made;
6. distributing to the Company's board of directors a copy of each ASX announcement released by the Company shortly after release;
7. periodically reviewing the Company's disclosure procedures in light of any changes to the ASX Listing Rules or Corporations Act and recommending any necessary changes to the Company's procedures.

5. PROCEDURES

5.1 Disclosure of Information

The following procedures will be followed when any information concerning the Company including, without limitation, that contained in presentations is to be disclosed to the investment community, the media or the public.

- (a) The Chairman, Managing Director and Company Secretary must review the information contained in the proposed disclosure.
- (b) The Chairman, Managing Director and Company Secretary must determine whether or not the Company's continuous disclosure obligations require that the information be disclosed to the ASX prior to being released to analysts or others outside the Company or even if not required, whether it is still appropriate in any event to disclose the information to the ASX, prior to the information being disclosed to any other person.
- (c) If it is determined that the Company's continuous disclosure obligations do require disclosure to the ASX, timely disclosure to the ASX will be made.
- (d) The full Board must approve all ASX disclosures prior to their release to the ASX or in the event that all directors are not available then at least two directors must approve all ASX announcements prior to their release.
- (e) Immediately following confirmation from the ASX of the release of an announcement by the Company, a copy of the ASX announcement will be placed on the Company's website.

5.2 **Statements to the media and analysts**

Any request from a journalist or analyst to make a statement concerning the Company must be referred to the Managing Director or the Company Secretary.

5.3 **Inadvertent disclosure**

An employee must immediately inform the Managing Director or Company Secretary when he or she inadvertently discloses sensitive information about the Company to a third party. The Company Secretary must disclose the information to the ASX if the Chairman, Managing Director and Company Secretary believe this is necessary to meet the Company's continuous disclosure obligations.

5.3 **Trading Halts**

In order to maintain a fully informed, fair and transparent market in respect of the Company's Securities, the Company may request a trading halt from the ASX where:

(a) confidential information about the Company is inadvertently made public and further time is required to enable the Company to prepare an appropriate public announcement;

or

(b) the Company is preparing to make a major company announcement and is concerned to prevent speculative or insider trading.

The only persons authorised to request a trading halt are the full Board or in the event that all directors are not available then at least two directors are authorised to request a trading halt.

6. **REVIEW OF THIS POLICY**

This Policy will be reviewed annually and revised by the Board as required.

SCHEDULE 8 – DISCLOSURE – RISK MANAGEMENT

1. DISCLOSURE – RISK MANAGEMENT REVIEW PROCEDURE AND INTERNAL COMPLIANCE AND CONTROL

The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

When established, the Board shall delegate to the Audit and Risk Committee responsibility for implementing the risk management system.

The Audit and Risk Committee will submit particular matters to the Board for its approval or review. Among other things it will:

- (a) oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements;
- (b) assist management to determine the key risks to the businesses and prioritise work to manage those risks; and
- (c) review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The Company's process of risk management and internal compliance and control includes:

- (a) identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks.
- (b) Formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls.
- (c) Monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

To this end, comprehensive practises are in place that are directed towards achieving the following objectives:

- (a) compliance with applicable laws and regulations.
- (b) preparation of reliable published financial information.
- (c) implementation of risk transfer strategies where appropriate e.g. insurance.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back quarterly to the Audit and Risk Committee.

The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

SCHEDULE 9 – SECURITY TRADING POLICY

1. INTRODUCTION

This document sets out the Company's policy on the sale and purchase of its securities by its Directors, key management personnel, employees and contractors.

The purpose of this Policy is to:

- impose closed trading periods at various times during the year, particularly in periods leading up to an announcement of results, during which trading of the Company's securities by Directors, key management personnel and employees is prohibited; and
- set out procedures to reduce the risk of insider trading.

A basic explanation on insider trading is provided together with the steps taken by the Company to prevent the practice, including:

- a description of what conduct may constitute insider trading;
- the fixed periods that Directors, key management personnel and employees are prohibited from trading in the Company's securities; and
- the steps to take when buying or selling securities in the Company.

2. GUIDELINES FOR TRADING IN THE COMPANY'S SECURITIES

Directors, key management personnel, employees and contractors can deal in securities of the Company in the following circumstances:

- (a) they have satisfied themselves that they are not in possession of any price sensitive information that is not generally available to the public;
- (b) they have contacted the Company Secretary and notified the of their intention to do so and the Company Secretary indicates that there is no impediment to them doing so.

3. CLOSED PERIODS

The Company Secretary (in consultation with the Board as required) will generally not allow Directors, key management personnel, employees and contractors to deal in securities or in financial products issued or created over or in respect of the Company's securities in the following periods:

- (a) 5 days prior to and within 24 hours after the date of release of annual, half yearly or quarterly results;
- (b) 5 days prior to and within 24 hours after the date of release to the Annual General Meeting;
- (c) if there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception; and
- (d) within 24 hours after the date of release of any ASX announcement.

This notification obligation operates at all times and applies to dealings in the Company's securities by family members and other associates of Directors, key management personnel, employees and contractors as well as to personal dealings by Directors, key management personnel and employees. It does not apply to any issue of securities by

the Company pursuant to a prospectus or like disclosure under the Corporations Law, or under employee share and option plans.

Directors, key management personnel, employees and contractors must not at any time engage in short-term trading in securities of the Company.

Directors, key management personnel, employees and contractors must not communicate price sensitive information to a person who may deal in securities of the Company. In addition, Directors, key management personnel, employees and contractors should not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust or directors of a family company) the buying or selling of securities in the Company.

This Policy does not apply to trading which does not result in a change in beneficial control of the Company's shares eg. transferring a personal holding of the Company's shares to a superannuation fund.

4. DEALING WITH THE COMPANY'S SECURITIES

Any employee, key management personnel or director wishing to deal in the Company's securities must advise the Chairman of their intention to do so before dealing in the securities. The employee, key management personnel or director providing notification of their intent to deal in securities must also confirm to the Chairman that they are not in possession of any information which is price sensitive and which would have a material effect on the price or value of the securities. This obligation operates at all times. Directors, key management personnel and employees must not deal in the Company's Securities until this communication has taken place.

5. DEFINITION OF INSIDER TRADING

Prohibition

Insider trading is a criminal offence. A person will be guilty of insider trading if:

that person possesses information in relation to a company which is not generally available to the market, and if it were generally available to the market, would be likely to affect the price or value of that company's securities (i.e. information that is "price sensitive"); and

- (a) that person:
 - (i) buys or sells securities in the company;
 - (ii) procures someone else to buy or sell securities in the company; or
 - (iii) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to deal in the securities or procure someone else to deal in the securities of the company.

Examples

Price sensitive information means information relating to the Company that would, if the information were publicly known, be likely to:

- (a) have a material effect on the price or value of the its shares; or
- (b) influence persons who invest in securities in deciding whether or not to buy or sell the company's shares.

The following are examples of price sensitive information which, if made available to the market, would be likely to affect the price of the Company's securities:

- (a) the financial performance of the Company against its budget;
- (b) entry into or termination of a material contract (such as a major joint venture);

- (c) a material acquisition or sale of assets by the Company;
- (d) an actual or proposed takeover or merger;
- (e) an actual or proposed change to the Company's capital structure;
- (f) a proposed dividend or a change in dividend policy; or
- (g) a material claim against the Company or other unexpected liability.

6. DEALING THROUGH THIRD PARTIES

A person does not need to be a Director, key management personnel or employee of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealings by anyone, including Directors', key management personnel and employees' nominees, agents or other associates, such as family members, family trusts and family companies, as well as customers and suppliers.

7. CONTRACTORS AND EXTERNAL ADVISORS

Contractors employed by the Company shall be informed of this Policy when they are appointed and are required to adhere to the Policy so long as they are contracted by the Company. Breach of the Policy may lead to termination of contract arrangements.

The Company's staff dealing with external advisers needs to ensure that the advisers are aware of the insider trading rules and where these dealings cover material matters, that the issue of insider trading is covered in confidentiality documents.

8. MEANING OF SECURITIES

This Policy covers shares in the Company, derivatives related to the Company's shares, whether issued by the company or not and to any traded company options. It also applies to the exercise of options, including employee options.

9. RELATED COMPANIES

Directors, key management personnel, employees and contractors, where they possess inside information, should also not deal in securities of other companies with which the Company might have an association or be about to enter such association such as joint venture or farm in partners.

10. EXCLUSIONS

Employee Share Option Plans

Insider trading does not apply to applications for or exercise of options under employee or executive share plans. However, insider trading rules and this Policy do apply in relation to the subsequent disposal of any Securities acquired under an option. Where an employee or executive director exercises options while in the possession of price sensitive information, he/she will have to fund the exercise of the options without the financial assistance of a simultaneous sale of some or all shares just acquired. If the options expire outside a trading window described in this Policy, then an employee, key management personnel or executive director may simultaneously exercise and sell any Securities subject always to compliance with insider trading laws.

Other Exclusions

The following is a list of trading that are excluded from the operation of this Policy:

- (a) transfers of securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (b) undertakings to accept, or the acceptance of, a takeover offer; and

- (c) trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. [Refer to ASX Guidance Note 27 – Trading Policies for further examples of exclusions]

11. DEALING IN EXCEPTIONAL CIRCUMSTANCES

In specific circumstances however, such as financial hardship, the Chairman with prior written clearance may waive the requirement of a Directors, key management personnel, employees and contractors to deal in securities during the closed periods on the condition that the Directors, key management personnel, employees and contractors can demonstrate to him that they are not in possession of any price sensitive information that is not generally available to the public.

12. ASX NOTIFICATION BY DIRECTORS

Directors must notify the Company Secretary within two business days after any dealings in the Company's securities (either personally or through a third party). This enables the Company to notify ASX of the change in the Director's or connected person's interests within the requisite time frame of no more than 5 business days after the change has occurred.

It is the individual responsibility of Directors to ensure they comply with this requirement.

13. CONSEQUENCES OF BREACH OF THE POLICY

A breach of this Policy by any of the Company's Directors, key management personnel or employees or their family members may expose them to criminal and/or civil liability under the Corporations Act (Cth) 2001.

The Company will regard breach of this Policy as serious misconduct and is considered a cause for termination of employment or engagement.

SCHEDULE 10 – INVESTOR RELATIONS POLICY

1. INTRODUCTION – RESPECT THE RIGHTS OF SHAREHOLDERS

The Company respects the rights of shareholders and seeks to facilitate the effective exercise of those rights by ensuring that the Company communicates effectively with its shareholders.

2. OBJECTIVE

The purpose of this Policy is to promote effective communication with shareholders and encourage effective participation by shareholders at general meetings.

3. AVENUES OF COMMUNICATION

3.1 The main vehicles for communicating with shareholders regarding the Company's activities and performance are the Company's quarterly, half yearly and annual reports and through continuous disclosure to the ASX of material information relating to the Company in compliance with the Company's Continuous Disclosure Policy.

3.2 The Company has also established the following procedures to enable broader access to information regarding the Company by investors and stakeholders:

- (a) all ASX announcements made by the Company and all presentations given by the Company are posted to the Company's website after release;
- (b) notices of meetings are sent to shareholders by electronic means if requested and the full text of notices of meeting and all explanatory material are posted on the Company's website;
- (c) all annual reports and quarterly reports are posted to the Company's website;
- (d) the Charters and Policies adopted and followed by the Company's board of directors (**Board**) are posted to the Company's website in a Corporate Governance section;
- (e) the Company maintains a database of investors who wish to receive information updates about the Company by email;
- (f) contact details for the Company are provided on the Company's website to allow communication with the Company by post, telephone, facsimile and email;
- (g) ensures all information is released on the Company website promptly after release to the ASX; and
- (h) Share price is included on the website.

4. ACCESS TO DIRECTORS, MANAGEMENT AND ADVISORS

Shareholders may at any time direct questions or requests for information to the Company Secretary, the Managing Director or the Chairperson of the Board.

The Board encourages full participation at the Company's Annual General meeting to ensure a high level of accountability and identification with the Company's strategy and goals.

The Company's external auditor attends the Company's Annual General Meeting and is available to answer questions about the conduct of the audit and the preparation of the content of the Auditor's Report.

5. ANNUAL GENERAL MEETINGS

Shareholders at the annual general meeting are encouraged to ask both the Company and its auditor questions regarding the Company's governance and business.

In addition, the Chairman's address to the annual general meeting, including any presentations used, are available on the website immediately prior to the annual general meeting.

6. CONTINUOUS DISCLOSURE

The Company's Continuous Disclosure Policy and practices are aimed at ensuring timely access for all investors to company information released under its continuous disclosure obligations. Refer to Continuous Disclosure Policy for details.

7. REVIEW OF THIS POLICY

This Policy will be reviewed annually and revised by the Board as required.

SCHEDULE 11 – ANTI-BRIBERY AND CORRUPTION POLICY

1. OBJECTIVES

Waratah Resources Limited (“Waratah”) is committed to conducting its business and activities with integrity.

To achieve this objective:

- Waratah will not engage in corrupt business practices;
- Waratah will implement measures to prevent bribery and corruption by any director, employee, contractor or other party representing Waratah;
- Waratah will, at a minimum, comply with all applicable laws, regulations and standards (including the Criminal Code Amendment (Bribery of Foreign Officials) Act 1999 (Cth); the Foreign Corrupt Practices Act 1977 (US); the Bribery Act 2010 (UK); any other anti-corruption laws of the Commonwealth of Australia; and any anti-corruption law of a country other than Australia which applies to Waratah, its business partners or third parties operating on Waratah’s behalf “ABC Laws”) or, where internal policies require a higher standard, will apply and comply with such higher standard.

2. PRINCIPLES

Prohibition on Corrupt Payments

Waratah prohibits bribery and corruption, in any form, whether direct or indirect, whether in the private or public sector.

Most countries have laws prohibiting bribery of private individuals and government officials. There are potentially serious consequences, including fines and imprisonment, for contravention of ABC Laws.

To this end:

- You must not offer, pay, solicit or accept bribes in any form.
- You must not engage in any form of corrupt business practice, whether for the benefit of

Waratah, yourself or another party.

- Facilitation payments are prohibited.
- Requests for bribes or facilitation payments must be reported to the Managing Director.

Gifts and entertainment, political contributions, charitable contributions and sponsored travel have the potential to be misused as a cover for bribes or improper payments for the purpose of influencing decisions or obtaining preferential treatment. For this reason, Waratah has adopted special rules in relation to these types of payments to ensure openness and transparency.

Exchanging Gifts and Entertainment

Gifts

Waratah prohibits the giving and receiving of gifts or entertainment in connection with Waratah’s operations which go beyond common courtesies associated with general commercial practice.

This is to ensure that the offer or acceptance of a gift or entertainment does not create an obligation or cannot be construed or used by others to allege favouritism, discrimination, collusion or similarly unacceptable practices by Waratah.

Any gift, entertainment or other personal favour or assistance offered, given or received which have a value above A\$50 must be reported to the Managing Director. A record must be made whether the gift is accepted or declined.

Entertainment

Entertaining external business stakeholders is permitted where there is a justifiable business purpose for such expenses to be incurred on behalf of Waratah. Valid entertainment expenses may include meals and events such as theatre, sporting events and other cultural events. The business purpose may be related to fostering the business relationship or be ancillary to a business discussion that takes place during, immediately before or immediately after the event.

Accepting entertainment from or hosted by external business stakeholders must be approved by the Managing Director. You must not accept invitations where the costs are more than nominal, particularly if such invitations involve activities over consecutive days, overnight accommodation or travel unless management determines that there are compelling reasons for you to attend and, in such circumstances, Waratah will meet any travel, accommodation and related expenses unless determined otherwise by the Managing Director.

Offering entertainment to external business stakeholders must be consistent with the approach set out above.

Dealing with Government Officials

Gifts and entertainment

Waratah requires the exercise of a high degree of caution in relation to the offering or giving of gifts or entertainment to government officials.

The provision of gifts or entertainment to a government official may be a legitimate and justifiable business activity in some circumstances; however, the practice has the potential to create the perception that Waratah has sought to improperly influence the government official to achieve an improper advantage or obtain preferential treatment.

The offer of any gift, entertainment or other personal favour or assistance to a government official must be referred to the Managing Director.

Political donations

Waratah does not make political donations to any political party, politician or candidate for public office in any country unless the donation has been approved in advance by the Board.

Attendance at political functions

Attendance at party-political functions is permitted where there is a legitimate business reason. Attendance at these functions must be approved by the Managing Director. Records of attendance (and the cost of attendance) must be maintained at a corporate level.

Political lobbying

Waratah engages in debate on policy and shares its view on policy matters which relate to Waratah's business and activities. This activity may only be done by authorised employees and must be done in a manner which is consistent with Waratah's values and this policy.

Sponsored travel

Waratah prohibits the payment of travel and travel related expenses for government officials (unless such payment has been approved by the Managing Director).

The Managing Director may grant exceptions to the general prohibition provided:

- the payment is for reasonable and bona fide expenditure properly incurred in relation to travel or travel related activity; and
- the travel is directly related to the promotion, demonstration or explanation of Waratah's business, products or services or directly related to the performance of a contract with a government or government owned organisation.

The Managing Director is required to report any exceptions to the Board on a semi-annual basis.

This prohibition does not apply to travel undertaken by a government official or employee to a Waratah offshore facility in connection with the execution or performance of their regulatory functions (where, for health and safety reasons, Waratah organises and facilitates travel arrangements to such facility).

Dealing with Local Agents and Representatives

It may, in certain circumstances, be necessary to engage a local representative to represent Waratah's interest.

Waratah remains responsible for the acts of its local representatives and, therefore, any local representatives must be chosen with care following the process set out below:

- the representative's reputation and qualifications must be thoroughly checked;
- the representative must be made aware of, and agree in writing to comply with, Waratah's Code of Conduct and this anti-bribery and corruption policy;
- the fees payable to the representative must be reasonable for the services being rendered and not provide incentives to act improperly. Ad valorem or percentage-based fees may not be agreed to or paid without the prior approval of the Managing Director;
- the appointment of the representative must be documented in a written agreement which must contain suitable anti-bribery and corruption clauses, performance monitoring and audit rights to ensure compliance and termination rights for failure to comply with the ABC Laws.

The appointment of a local representative must be approved by the Managing Director (following satisfactory completion of the process set out above).

Record Keeping

An accurate and auditable record of all gifts, entertainment and payments to government officials, employees and others must be maintained in accordance with generally accepted accounting principles. No entry should be made in Waratah's records that distorts or disguises the true nature of any transaction.

Reporting Violations

You must report any suspected or actual violation of this policy to the Managing Director.

Non-retaliation

You will not suffer any form of retaliation, reprisal or detriment from Waratah for raising a concern or reporting in good faith a violation of this policy (nor will you suffer any form of reprisal from Waratah for refusing to make a corrupt payment).

Consequences

Any breach of this policy is a serious matter which will be investigated and addressed by Waratah.

Disciplinary action will be taken against anyone who breaches this policy. Disciplinary action will depend on the severity of the breach but may include:

- reprimands
- formal warnings
- demotions
- termination of contracts of employment.

Matters may also, depending on the circumstances, be referred to law enforcement agencies.

3. APPLICATION

This policy applies to all Waratah directors, employees, contractors and joint venturers engaged in activities under Waratah's operational control. Managers are also responsible for the promotion of this policy in non-operated joint ventures.

4. DEFINITIONS

For the purpose of this policy, the following definitions apply:

ABC Laws include

- the Criminal Code Amendment (Bribery of Foreign Officials) Act 1999 (Cth);
- the Foreign Corrupt Practices Act 1977 (US);
- the Bribery Act 2010 (UK);
- any other anti-corruption laws of the Commonwealth of Australia (including any applicable common law, law of equity, any written law, statute, regulation or other instrument made under statute or by any government agency), and
- any anti-corruption law of a country other than Australia which applies to Waratah, its business partners or third parties operating on Waratah's behalf.

bribery means the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

corruption means dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to receive some personal gain or advantage for him or herself or for another person or entity.

facilitation payment means a small payment or other inducement provided to a government official to secure or expedite a routine function that the government official is ordinarily obliged to perform.

government official means:

- any political party, party official or candidate of political office;
- any official or employee of a government (whether national, state/provincial or local) or agency, department or instrumentality of any government or any government-owned or controlled entity (including state owned enterprises);
- any official or employee of any public international organisation;
- any person acting in an official function or capacity for such government, agency, instrumentality, entity or organisation;

- any person who holds or performs the duties of any appointment created by custom or convention or who otherwise acts in an official capacity (including, some indigenous or tribal leaders who are authorised and empowered to act on behalf of the relevant group of indigenous peoples and members of royal families);
- any person who holds themselves out to be an authorised intermediary of a government official.

The definition of “government official” is relatively broad and extends beyond the common understanding of government official or employees. If you have any concerns as to whether an individual is a government official, please contact the Company’s lawyer.

SCHEDULE 12 – DIVERSITY POLICY

1. INTRODUCTION

Waratah Resources Limited (“Waratah” and/or “the Company”) recognizes that a talented and diverse workforce is a key competitive advantage and the Company’s success is a reflection of the quality and skills of its people. The Company benefits by bringing together high quality people of different gender, age, ethnicity, religious and cultural backgrounds who possesses a diverse range of experiences and perspectives.

Waratah values diversity in all aspects of its business and is committed to creating an environment where the contribution of all its personnel shall be received fairly and equitably.

2. STRATEGY

The Company is committed to promoting a culture of diversity in the workplace by:

- recruiting and managing on the basis of an individual’s competence and performance;
- respecting the unique attributes that each individual brings to the workplace;
- fostering an inclusive and supportive culture to enable people to develop to their full potential;
- taking action to prevent and stop bullying, discrimination or harassment;
- rewarding and remunerating fairly;
- offering flexible work practices which recognise that employees may have different domestic responsibilities throughout their career;
- maintaining policies and procedures to provide employees at all levels of the Company with guidelines for behaviour; and
- establishing and reviewing measurable objectives, particularly on gender diversity.

3. APPLICATION

The Board and the Nomination Committee when established will oversee strategies to address diversity to maintain an appropriate mix of skills, expertise and diversity.

4. COMPLIANCE

This policy applies to all directors, employees, consultants and contractors of the Company. At Waratah, everyone has a responsibility to promote diversity and to discourage behaviours that are inconsistent with the principles and objectives contained in this policy.

Breaches of this Diversity Policy may result in disciplinary action being taken, including termination.

ANNEXURE A – DEFINITION OF INDEPENDENCE

ASX CORPORATE GOVERNANCE COUNCIL PRINCIPLES AND RECOMMENDATIONS 3RD EDITION

An independent Director is a non-executive Director (i.e. is not a member of management) and:

- (a) holds less than 5% of the voting shares of the Company and is not an officer of, or otherwise associated directly or indirectly with, a shareholder of more than 5% of the voting shares of the Company;
- (b) within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- (c) within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- (d) is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has no material contractual relationship with the Company or another group member other than as a Director of the Company;
- (f) has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company;
- (g) has no close family ties with any person who falls within any of the categories described above;
- (h) has not been a director Company or another group member for such a period that his or her independence may be comprised; and
- (i) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to bring an independent judgment to bear on issues before the board and to act in the best interests of the Company and its security holders generally.
- (j) The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.