

BATHURST RESOURCES LIMITED

CORPORATE GOVERNANCE STATEMENT 2019

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. The Board regularly reviews and assesses Bathurst’s governance structures and processes to ensure that they are consistent with best practice, both in form and substance.

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 ASX listing rules require listed companies to include in their annual report either a corporate governance statement (“Statement”) which meets the requirements of the listing rules or the URL of the page on its website www.bathurst.co.nz where such Statement is located.

The following Statement outlines the main corporate governance practices currently in place for Bathurst and addresses the requirements of the 3rd 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. Bathurst considers that given the size of the Company, its 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 the Company’s strategic direction;
- monitor the performance of the Company’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 longer term, and seek to balance sometimes competing objectives in the best interests of the Group as a whole.

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.

Additional responsibilities of the Board are:

- Strategy – providing strategic oversight and approving strategic plans and initiatives.
- Board performance and composition – evaluating the performance of non-executive directors, and determining the size and composition of the Board as well as recommending to shareholders the appointment and removal of directors.
- Leadership selection – evaluating the performance of, and selection of, the CEO and those key executives reporting directly to the CEO; review on a regular basis appropriate succession planning for the CEO.
- Corporate responsibility – considering the social, safety, ethical and environmental impacts of the Group's activities, and setting policy and monitoring compliance with safety, corporate and social policies and practices.
- Financial performance – approving Bathurst's annual operating plans and budget, monitoring management, financial and operational performance.
- Continuous disclosure – ensuring processes are established to capture issues for the purposes of continuous disclosure to the ASX.
- Setting the risk appetite of the Group and clearly articulating this to management.
- Approving the entity's remuneration framework.
- Financial reports to shareholders – approving annual and half-year reports and disclosures to the market that contain, or relate to, financial projections, statements as to future financial performance, or changes to the policy or strategy of the Company.
- Establishing procedures – ensuring that the Board is in a position to exercise its power and to discharge its responsibilities as set out in the Board charter.

The Board charter is available in the corporate governance section of Bathurst's website.

Board committees will be discussed in Principle 2 section onwards of this Statement.

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; a major review and complete overhaul of the delegations of authority was done after the Company's investment in BT Mining Limited.

(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. 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 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 new director induction programme includes visits to the Company's mining sites and meeting field staff. Directors are also encouraged to undertake appropriate training and refresher courses which the Company facilitates, as this assists in the performance of their roles.

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.

(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.

(d) Diversity

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

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.

The Board encourages diversity across the Company and in senior leadership roles. The Senior Leadership Team (“SLT”) is defined as the direct reports of the CEO. The proportion of female employees in the whole organisation is currently 19% (22% in 2018) with 38% at senior leadership level (38% in 2018) and nil at Board level.

The following tables shows the number of men and women across the organisation (excluding contractors) as at 30 June 2019 and 30 June 2018.

30 June 2019	Total	No. of men	% men	No. of women	% women
Board*	4	4	100%	0	0%
SLT	8	5	62%	3	38%
Other employees	105	85	81%	20	19%

30 June 2018	Total	No. of men	% men	No. of women	% women
Board*	4	4	100%	0	0%
SLT	8	5	62%	3	38%
Other employees	115	90	78%	25	22%

*Includes the executive directors - CEO and CFO

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:

1. 20% of the Board to be female by 2019.
2. 33% of SLT to be female by 2019.
3. 25% of other employees to be female by 2019.

The Board is pleased to note that the gender diversity target has been met for SLT. The composition of the Board has not changed, however recruitment for an additional Board member(s) is actively underway, and the Board hopes to be able to address the gender diversity target for the Board through this process. 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.

With respect to the provisions of the Diversity Policy, the Board has determined that the Company has complied with the policy.

(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. Peter Westerhuis, as a non-executive director, conducts the performance evaluation of the Chair. Insights gained from these evaluations are used to further improve the Board’s efficiency and performance.

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. During the formal review, the senior executive’s performance is measured against their role’s assessment criteria and KPI’s. Such performance evaluation was undertaken prior to the release of this Statement.

Principle 2: Structure the Board to add value

Board of Directors

(a) Board composition and size

The Bathurst constitution stipulates a maximum of eight directors. Currently the Board comprises of four directors. During the financial year ended 30 June 2019 two of these directors were non-executive and two were executive. Bathurst has up until recently been a relatively small company, with four board members considered appropriate for the scale of operations. With the increase in scale with the investment in BT Mining, recruitment for an additional Board member(s) is actively underway. The Recommendations note that a majority of the Board should be independent directors; the Board intends to be able to address this through the recruitment process.

The members of the Board during the financial year were:

- Mr Toko Kapea (Chairman), (appointed to the Board on 29 May 2013 and appointed Chairman on 29 May 2015).
- Mr Russell Middleton, (initially appointed non-executive director 29 April 2015, subsequently appointed as CFO on 31 August 2017, at which point he became an executive director).
- Mr Peter Westerhuis, (appointed 29 April 2015).
- Mr Richard Tacon (CEO) (appointed CEO on 1 April 2015 and executive director on 29 April 2015).

All of the Board members listed above for the financial year are still currently in place at the date of this Statement.

Please refer to the Directors' Report and Our People section of the Bathurst Annual Report for further information including detailed biographies of the Board members.

(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").

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, www.bathurst.co.nz.

Previously it was considered that with a relatively small company such as Bathurst it was not practical to split the R&N and A&R committees into separate units as per the Recommendations. This may be addressed as a result of the recruitment process for a new board member(s) currently underway. The charters of all Board committees detailing the roles and duties of each are available in the Corporate Governance section of Bathurst's website. 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 available to all directors.

The membership of each Board committee is shown below. Details of the directors' qualifications are set out in the Our People section of the Annual Report. At the present time these committees all have only two directors each because of the relatively small size of the Board and the desire to restrict the membership of at least the R&N committee to independent non-executive directors where possible; this also means that the Chair of the Board is also the Chair of the A&R committee. It is hoped these will be addressed as a result of the recruitment process for a new board member(s) currently 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:

- Toko Kapea (Chair) – non-executive
- Peter Westerhuis – non-executive

Health, Safety, Environment and Community committee

The HSEC committee currently consists of the following directors:

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

Audit and Risk committee

The A&R committee consists of the following directors:

- Toko Kapea (Chair) – non-executive
- Russell Middleton - executive

Meeting attendances during the financial year ended 30 June 2019 by current directors (number attended/number held):

Director	Board	R&N	A&R	HSEC
Mr T Kapea	11/11	3/3	2/2	
Mr R Tacon	11/11			1/1
Mr R Middleton	11/11		2/2	
Mr P Westerhuis	10/11	3/3		1/1

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

Remuneration and Nomination committee

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. Criteria (via a Board skills matrix) considered by the directors when evaluating prospective candidates are contained in the Board charter. The Board may engage an independent recruitment firm to undertake a search for suitable candidates if and when an additional director is considered appropriate.

(c) Board Skills

The Bathurst Board has an extensive range of skills and experience in its membership to meet its objectives. The Board composition for the financial year 2019 comprised two independent, non-executive directors (including the Chairman) and two executive directors. The Board considers that its directors collectively bring the range of skills, knowledge and experience necessary to direct the Company; however 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, expertise and period of office is set out in the Our People section of the Annual Report. The following tables summarise the consensus assessment of the current skills and diversity of the Board as a whole:

Board skills & experience	Level
Coal mining operations	High
Corporate governance	High
Strategic planning	High
People and performance	Sound
Financial management	High
International markets	Sound
Mining/exploration	High
Risk management	High
PR, Sales & Marketing	Sound
Technology/IT	High
Digital/social media	Sound
Leadership	High
Legal and compliance	High
Stakeholder relationships	High
Capital markets	Sound
Mergers and acquisitions	High

Board diversity / demographic background	
<i>Gender</i>	
Male	4
Female	0
<i>Age</i>	
25-40	0
41-55	2
56-70	2
<i>Ethnicity</i>	
Māori	1
White / Caucasian	3
Asian / Other	0

The R&N committee regularly reviews the skills and experience of the Board with regard to the nature and activities of the Company and any major changes taking place.

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. External consultants may be used from time to time to access a wide base of potential directors.

The Board recognises the impact of Board tenure on succession planning and that Board renewal is critical to performance. Each director, other than the executive director, 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.

(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 role of Chairman of the Board and CEO are two different roles and the Board has agreed that the role of Chairman is always to be filled by an independent non-executive director. Mr Toko Kapea is the Chairman of the Board.

The independent directors of the Company for the year ended 30 June 2019 and at the time of writing this Statement are Toko Kapea (Chairman) and Peter Westerhuis. These directors are independent as they are non-executive directors who are not, and never have been, members of management, who do not have a material holding of shares in the Company, and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

On appointment, each director is required to provide information to the Chairman to assess and confirm their independence as part of their consent to act as a director. At the date of this Statement, the Chairman considers that the two non-executive directors on the Board are independent.

The Board has approved a policy on independence of directors, a copy of which is available in the corporate governance section of Bathurst's website. The Board assesses its directors' independence with regard to the ASX Principle 2 and Box 2.3 of its Recommendations.

(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.

(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.

Principle 3: Act ethically and responsibly

(a) 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 on Bathurst's website, www.bathurst.co.nz.

(b) Share Trading Policy

The Company's Share Trading Policy is binding on all directors and employees. The policy provides a brief summary of the law on insider trading and other relevant laws, sets out the restrictions on dealing in securities by people who work for, or are associated with, Bathurst and is intended to assist in maintaining market confidence in the integrity of dealings in the Company's securities.

The policy stipulates that a director or employee may deal in the Company's securities except when he or she is in possession of "price sensitive information" that is not generally available to the share market and during closed periods. A director or company secretary wishing to deal in the Company's securities may only do so after first

having advised the Chairman of his or her intention (and the Chairman must inform the Board if he wishes to deal). An employee wishing to deal must first notify the CEO or company secretary before doing so. Confirmation of any dealing must also be given by the director or employee within five business days after the dealing.

Directors' and employees' dealings in the Company's securities are also subject to specified closed periods which are set out in the Company's Share Trading Policy or as otherwise determined by the Board from time to time, although the Board may consider some limited exceptions in certain circumstances.

A copy of the Company's Share Trading Policy is available in the corporate governance section of Bathurst's website, www.bathurst.co.nz.

Principle 4: Safeguard integrity in corporate reporting

(a) Audit and Risk committee

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

- Toko Kapea(Chair) – non-executive
- Russell Middleton - executive

The external auditors and the CEO attend committee meetings by invitation.

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.

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. During FY19, a fraud and risk survey that examined both the Company's risk management and corporate governance practices was undertaken by external consultants. Findings from this work are being implemented.

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.

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.

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.

At this time, 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 document. 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.

The CEO and the CFO provide, at the end of each six monthly period, 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.

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.

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.

Principle 6: Respect the rights of Security holders

(a) Investor Relations

Bathurst supports its desire to provide shareholders with important and material information about the Company and its activities through its website 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 the Company, its products and operations, and its governance.

Shareholders and other interested parties may sign up to receive email notification of all ASX releases and other important announcements.

A printed copy of the Company's Annual Report is posted to all shareholders who request one, or it can be emailed to shareholders on request. Shareholders can elect to receive and send all communications electronically if they prefer.

Company annual general meetings also represent a good opportunity for shareholders to meet with, and ask questions of, the Board of Bathurst and all shareholders are notified of such meetings and encouraged to attend.

The Company's investor relations policy also provides that any specific shareholder enquiries during the year will be responded to promptly (provided that any market sensitive information has previously been released through the ASX). An independent investor relations advisor was appointed during FY19 to ensure that activities focused on investor relations were targeted, useful, and beneficial to both the Company and shareholders. A key summary of investor relation activities undertaken by the investor relations consultant is provided to the Board periodically.

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.

In relation to risk, the A&R committee reviews the adequacy of the Company's risk management processes and the Company wide insurance program 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.

(b) Risk Management

The Board reviews at least annually the Company's risk management framework and such a review was undertaken during the reporting period.

(c) Internal audit

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

(d) Risk exposure

As Bathurst does have some exposure to economic, environmental and social sustainability 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.

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, under Corporate Governance. Directors note that there was only one HSEC committee meeting during FY19. Whilst the committee was only able to meet once in a formal capacity, 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, and
- Bathurst's compliance with all relevant legal obligations on the matters within the committee's responsibilities.

For further details please refer to the 'Sustainability' section of the 2019 Annual Report lodged with the ASX and available on our website.

Principle 8: Remunerate fairly and responsibly

(a) Remuneration and Nomination committee

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

- Toko Kapea (Chair) – non-executive
- Peter Westerhuis – non-executive

The Board has adopted an R&N committee charter (available on the Company's website) 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

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. Shareholders, at the Company's 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. Non-executive directors may also be entitled to receive equity based incentives in certain situations.

The CEO's remuneration is based on a fixed amount and may include cash or equity-based, short or long-term incentives linked to the Company's agreed performance criteria. The base amount is designed to attract and retain an appropriately qualified and experienced CEO, and any incentive element is to reward him for his contribution towards the Company's success.

Other senior executives are offered remuneration packages, which may include equity-based incentives, necessary to attract and retain appropriately qualified key personnel as well as being commensurate with the skill and attention required to manage an organisation of the size and scope of Bathurst as it is today and considering its plans and forecasts into the future. However, the Board prohibits transactions by executives which might limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

Further information about the Bathurst remuneration policy, along with details of all emoluments of directors and senior executives can be found in the Remuneration Report section of the Annual Report.

This Statement is current as at 30 October 2019 and was approved by the Board of Directors of Bathurst Resources Limited on that date.