

## CORPORATE GOVERNANCE POLICY

International Cobalt Resources Limited ACN 624 721 035

### Corporate Governance Statement

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#### **The Company's commitment to corporate governance**

The Board of the Company believes that the success of the Company's business is strengthened by implementing clearly articulated policies to enhance accountability, efficiency and the reliable measurement of performance. The Board is committed to a high standard of corporate governance practices ensuring that the Company complies with the Corporations Act, Listing Rules, the Company's Constitution and other applicable laws and regulations.

The Company has followed the ASX Corporate Governance Council's Principles and Recommendations (third edition) where the Board has considered the recommendations to be an appropriate benchmark for the Company's corporate governance practices. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for adoption of its own practice, in compliance with the "if not, why not" regime.

The Directors monitor the business affairs of the Company on behalf of its Shareholders and have adopted this Corporate Governance Statement to encourage the Directors to focus their attention on accountability, risk management and ethical conduct.

A description of the Company's main corporate governance practices is set out below. The Board continues to review the framework and practices to ensure they meet the interests of its Shareholders.

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#### **Recommendation 1.1 - Roles and responsibilities of the Board and senior executives**

Complies

The Board has adopted a Board Charter which sets out the roles and responsibilities of the Board and its governance requirements.

The Board Charter clearly articulates the division of responsibilities between the Board and senior executives to help manage expectations and avoid misunderstandings about their respective roles and responsibilities.

A copy of the Board Charter can be found on the Company's website.

<p><b>Recommendation 1.2 – Checks on Board candidates and provision of information to Shareholders</b></p>	<p>Complies</p>	<p>The Company undertakes appropriate checks before appointing a person or putting forward to Shareholders a candidate for election as a Director of the Company.</p> <p>The Company intends to provide Shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.</p>
<p><b>Recommendation 1.3 – Written agreements with Directors and senior executives of the Company</b></p>	<p>Complies</p>	<p>The Company engages or employs its Directors and other senior executives under written agreements setting out key terms and otherwise governing their engagement or employment by the Company.</p> <p>The Company has entered into written agreements with each of its Directors setting out the terms of his or her appointment. Each member of the senior executive team has signed a formal employment contract covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard contract refers to a specific formal job description. This job description is reviewed by the Board on an annual basis and, where necessary, is revised in consultation with the relevant employee.</p>
<p><b>Recommendation 1.4 – Company Secretary is accountable to the Board</b></p>	<p>Complies</p>	<p>The Company Secretary plays an important role in supporting the effectiveness of the Board and its committees. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p> <p>Any decision to appoint or remove a Company Secretary will be made or approved by the Board.</p> <p>Each Director of the Company is able to communicate directly with the Company Secretary and vice versa.</p>
<p><b>Recommendation 1.5 - Diversity Policy</b></p>	<p>Complies/Will comply</p>	<p>The Company values diversity and recognises the benefits it can bring to the organisation’s ability to achieve its goals. Accordingly, the Company has developed a Diversity Policy which is available on the Company’s website.</p> <p>This policy outlines the Company’s diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company’s progress in achieving them.</p>

		<p>The Company will disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee with the Company's Diversity Policy and its progress towards achieving them.</p>
<p><b>Recommendation 1.6 – Process for the periodic evaluation of the Board</b></p>	<p>No</p>	<p>The Company does not have in place a formal process for evaluation of the Board, its committees and individual Directors.</p> <p>The small size of the Board and the nature of the Company's activities make the establishment of a formal performance evaluation strategy unnecessary.</p> <p>Performance evaluation is a discretionary matter for consideration by the entire Board and in the normal course of events the Board will review performance of senior executives, Directors and the Board as a whole.</p>
<p><b>Recommendation 1.7 – Process for the periodic evaluation of senior executives</b></p>	<p>Complies/Will comply</p>	<p>The Company has in place a formal process for evaluation of its key executives.</p> <p>Performance of key executives are measured annually and assessed against performance criteria set by the Board.</p> <p>Following admission to ASX, the Company will disclose if a performance evaluation has been conducted.</p>
<p><b>Recommendation of Appointment of Committee</b></p>	<p><b>2.1 – Nomination</b></p> <p>No</p>	<p>The Company does not have a nomination committee at this stage. The Board considers that, given the current size and scope of the Company's operations, efficiencies or other benefits would not be gained by establishing a separate nomination committee.</p> <p>The full Board, which comprises one Executive Director and two Non-Executive Directors, considers the matters and issues that would otherwise be addressed by a nomination committee in accordance with the Company's Nomination and Remuneration Policy.</p> <p>Under the Board Charter, candidacy for the Board is based on merit against objective criteria with a view to maintaining an appropriate balance of skills and experience. As a matter of practice, candidates for the office of Director are individually assessed by the Chair and the Managing Director/CEO before appointment or nomination to ensure that they possess the relevant skills, experience or other qualities considered appropriate and necessary to provide value and assist in advancement of the Company's operations.</p>

**Recommendation 2.2 – Board skills matrix** No

The Company does not currently have a skills or diversity matrix in relation to the Board members. The Board considers that such a matrix is not necessary given the current size and scope of the Company’s operations. The Board may adopt such a matrix at a later stage as the Company’s operations grow and evolve.

**Recommendation 2.3 – Directors’ independence** Complies

The Board has adopted specific principles in relation to Directors’ independence which are set out in the Board Charter. These state that to be independent, a Director must be a non-executive Director and:

- (a) has no substantial holding (being more than 5% ownership) in the Company, and not an officer of, or otherwise associated directly with, a person or entity that has a substantial holding;
- (b) within the last three years, has not been employed in an executive capacity by the Company;
- (c) within the last three years, has not been a principal of a material professional adviser or a material consultant to the Company, or an employee materially associated with the service provided;
- (d) within the last three years, has not been a material supplier or customer of the Company, or an officer of, or otherwise associated directly with, a material supplier or customer;
- (e) has no material contractual relationship with the Company other than as a Director; and
- (f) has no close family ties with any person who falls within any of the categories described above.

Having regard to the factors listed above Mr Barwick and Mr Bosio are considered by the Board to be independent Directors. Mr Bosio was appointed to the Board on 18 October 2018 and Mr Barwick was appointed to the Board on 25 July 2018.

		<p>Mr Hood was appointed to the Board on 28 February 2018. The Board does not consider Mr Hood to be an independent Director as he has been employed by ICR in an executive capacity.</p>
<p><b>Recommendation 2.4 – Majority of the Board are independent Directors</b></p>	<p>Complies</p>	<p>The Board is comprised of a majority of independent directors.</p> <p>There are currently two Directors who satisfy the criteria for independence for the purposes of ASX Recommendation 2.3, being Mr Bosio and Mr Barwick.</p>
<p><b>Recommendation 2.5 – Independence of Chair</b></p>	<p>Complies</p>	<p>The Chairman of the Board (David Barwick) is an independent Director.</p>
<p><b>Recommendation 2.6 – Induction program for new Directors</b></p>	<p>No</p>	<p>The Company does not currently have a formal induction program for new Directors nor does it have a formal professional development program for existing Directors. The Board does not consider that a formal induction program is necessary given the current size and scope of the Company’s operations.</p> <p>All Directors are generally experienced in the Company operations, albeit in different aspects (e.g. operations, finance, corporate governance etc), and have listed company experience. Some of the current Directors are also directors of other listed companies. The Board seeks to ensure that all of its members understand the Company’s operations. Directors also attend, on behalf of the Company and otherwise, technical and commercial seminars and industry conferences which enable them to maintain their understanding of industry matters and technical advances.</p>
<p><b>Recommendation 3.1 – Code of Conduct</b></p>	<p>Complies</p>	<p>The Company has developed a Code of Conduct (<b>‘Code’</b>) which has been fully endorsed by the Board and applies to all Directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and practices necessary to maintain confidence in the Company’s integrity.</p> <p>In summary, the Code requires that at all times all Company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Company policies.</p> <p>A copy of the Company’s Code of Conduct can be found on the Company’s website.</p>

<b>Recommendation 4.1 – Appointment of Audit Committee</b>	4.1 – No	<p>The Company has not established a separate audit committee.</p> <p>The audit function is performed by the full Board pursuant to the Audit Policy.</p> <p>The Board does not consider that a separate audit committee is necessary given the current size and scope of the Company’s operations and its Board.</p>
<b>Recommendation 4.2 – CEO and CFO declaration</b>	Complies	As a matter of practice, the Company obtains declarations from its Managing Director/CEO and CFO before its financial statements are approved substantially in the form referred to in Recommendation 4.2.
<b>Recommendation 4.3 – External auditor attends Annual General Meeting</b>	Complies/Will comply	It is the Company’s practice to request that its external auditor attend each annual general meeting of the Company and be available to answer questions from shareholders in relation to the conduct of the audit and the preparation and content of the auditor’s report.
<b>Recommendation 5.1 – Written policy for complying with its continuous disclosure obligations</b>	Complies/Will comply	<p>The Company has adopted a Continuous Disclosure and Market Communications Policy.</p> <p>The Company is committed to observing its disclosure obligations under the Corporations Act and its obligations under the Listing Rules. All announcements provided to ASX will be posted on the Company’s website.</p>
<b>Recommendation 6.1 – Provision of information via the Company’s website</b>	Complies/Will comply	Information about the Company, including its corporate governance and copies of its various corporate governance policies and charters, is available on the Company’s website.
<b>Recommendation 6.2 – Investor relations program to facilitate effective two way communication</b>	Complies/Will comply	<p>The Company has adopted a Shareholder Communications Policy, the purpose of which is to facilitate the effective exercise of Shareholders’ rights by communicating effectively with Shareholders, giving Shareholders ready access to balances and understandable information about the Company and its corporate strategies and making it easy for Shareholders to participate in general meetings of the Company.</p> <p>The Company communicates with Shareholders:</p> <ul style="list-style-type: none"> <li>• following admission to ASX, through releases to the market via the ASX;</li> <li>• through the Company’s website;</li> <li>• through information provided directly to Shareholders; and</li> <li>• at general meetings.</li> </ul>

<p><b>Recommendation 6.3 – Disclosure of the policies and processes it has in place to facilitate and encourage participation at meetings of Shareholders</b></p>	<p>Complies</p>	<p>The Company permits Shareholders to cast their proxies prior to a General Meeting if they are unable to attend. In addition, the Company affords Shareholders who are not able to attend an Annual General Meeting and exercise their right to ask questions about, or make comments on, the management of the Company, the opportunity to provide questions or comments ahead of the meeting. Where appropriate, the Company will answer these questions at the meeting, either by being read out and then responded to at the meeting or by providing a written answer at the meeting.</p>
<p><b>Recommendation 6.4 – Shareholders have the option to receive communications from and send communications to the Company and its share registry electronically</b></p>	<p>Complies</p>	<p>Shareholders are encouraged to communicate with the Company electronically, including via the “contact us” facility on the Company website and receiving forms and documents electronically or accessing material directly from the Company’s website.</p>
<p><b>Recommendation 7.1 – Appointment of a risk management committee</b></p>	<p>No</p>	<p>The Company does not have a separate risk management committee. The Board is responsible for supervising management’s framework of control and accountability systems to enable risk to be assessed and managed in accordance with the Company’s Risk Management Policy.</p> <p>The Board considers that, given the current size and scope of the Company’s operations, efficiencies or other benefits would not be gained by establishing a separate risk management committee at present.</p> <p>As the Company’s operations grow and evolve, the Board will reconsider the appropriateness of forming a separate risk management committee. However, the Company has adopted a Risk Management Policy for the Company. The purpose of the policy is to:</p> <ul style="list-style-type: none"> <li>• provide a framework for identifying, assessing, monitoring &amp; managing risk;</li> <li>• communicate the roles and accountabilities of participants in the risk management system; and</li> <li>• highlight the status of risks to which the Company is exposed, including any material changes to the Company’s risk profile.</li> </ul> <p>Further, the Board is responsible for the following under the policy:</p> <ul style="list-style-type: none"> <li>• risk management and oversight of internal controls;</li> </ul>

			<ul style="list-style-type: none"> <li>• establishing procedures which provide assurance that business risks are identified, consistently assessed and adequately addressed; and</li> <li>• for the overseeing of such procedures.</li> </ul>
<b>Recommendation 7.2 – Review of the Company’s risk management framework annually</b>	Complies/Will comply		<p>The Board has responsibility for the monitoring of risk management and will review the Company’s risk management framework on an annual basis to ensure the Company’s risk management framework continues to be effective.</p> <p>Disclosure of the outcome of the annual risk management review will be included in the annual report.</p>
<b>Recommendation 7.3 – Internal audit function</b>	No		<p>The Company does not currently have an internal audit function.</p> <p>The Managing Director/CEO is charged with evaluating and considering improvements to the Company’s risk management and internal control processes on an ongoing basis.</p> <p>The Board considers that an internal audit function is not currently necessary given the current size and scope of the Company’s operations.</p> <p>As the Company’s operations grow and evolve, the Board will reconsider the appropriateness of adopting an internal audit function.</p>
<b>Recommendation 7.4 – Material exposure to economic, environmental and social sustainability risks</b>	Complies/Will comply		<p>The material risks that the Company is exposed to are disclosed in the Prospectus and these include disclosure of any economic, environmental and social sustainability risks it faces.</p>
<b>Recommendation 8.1 – Appointment of a Remuneration Committee</b>	No		<p>The Company has not established a separate remuneration committee.</p> <p>The role of the remuneration committee is undertaken by the full Board. The Board considers that, given its current size and that only one Director holds an executive position in the Company, efficiencies or other benefits would not be gained by establishing a separate remuneration committee. The Company will set out the remuneration paid or provided to Directors and senior executives annually in remuneration report contained within the Company’s annual report to Shareholders. The full Board determines all compensation arrangements for Directors. It is also responsible for setting performance criteria, performance monitors, share option schemes, incentive performance schemes.</p>

		<p>Superannuation entitlements, retirement and termination entitlements, and professional indemnity and liability insurance cover.</p> <p>As the Company's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate remuneration committee.</p>
<p><b>Recommendation 8.2 – Disclosure of policies and practices regarding remuneration of non-executive Directors and remuneration of executive Directors and other senior executives</b></p>	Complies	<p>The Company's policies and practices regarding the remuneration of executive and non-executive Directors and other senior executives will be set out in the remuneration report contained in the Company's annual report for each financial year.</p>
<p><b>Recommendation 8.3 – Transactions which limit the economic risk of participating in the Company's equity based remuneration scheme</b></p>	Complies	<p>The Company's Securities Trading Policy sets out the circumstances in which the Company's directors, executives, employees, contractors, consultants and advisors ('<b>Delegated Persons</b>') are prohibited from dealing in the Company's securities.</p> <p>The policy provides that where a Designated Person is entitled to equity-based remuneration arrangements, that Designated Person must not at any time enter into a transaction (e.g. writing a call option) that operates or is intended to operate to limit the economic risk of holdings of unvested Company securities or vested Company securities which are subject to a holding lock.</p> <p>A copy of the Company's Securities Trading Policy is accessible on the Company's website.</p>
<p><b>Endorsement</b></p>		<p>The Company is committed to this document and to its implementation.</p>
<p><b>Definitions</b></p>		<p>In this document:</p> <p><b>ASX</b> means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).</p> <p><b>Board</b> means the Board of the Company.</p>

**Chair** means the Director of the Company appointed as the chairperson of the Board from time to time.

**CFO** means the chief financial officer or equivalent officer (by whatever title known) of the Company.

**Company** means International Cobalt Resources Limited ACN 624 721 035.

**Company Secretary** means the person appointed company secretary of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a Director of the Company.

**Executive Technical Director** means the Director appointed as the executive technical director of the Company.

**Listing Rules** means the listing rules of ASX.

**Managing Director/CEO** means the managing Director (or if there is no managing Director, the CEO or Executive Technical Director as determined by the Board) or equivalent officer (by whatever title known) of the Company.

**Shareholders** means Shareholders of the Company.

**Recommendation** means a recommendation of the ASX Corporate Governance Council contained in the Corporate Governance Principles and Recommendations (third edition).

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