

# Corporate Governance Statement (2024)

The board of directors of Cokal Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Cokal Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Cokal Limited's Corporate Governance Statement is structured with reference to the Australian Securities Exchange (ASX) Corporate Governance Council's (the Council) "Corporate Governance Principles and Recommendations, 4<sup>th</sup> Edition", which are as follows:

Principle 1	Lay solid foundations for management and oversight
Principle 2	Structure the board to be effective and add value
Principle 3	Instil a culture of acting lawfully, ethically and responsibly
Principle 4	Safeguard the integrity of corporate reports
Principle 5	Make timely and balanced disclosure
Principle 6	Respect the rights of security holders
Principle 7	Recognise and manage risk
Principle 8	Remunerate fairly and responsibly

A copy of the Corporate Governance Principles and Recommendations can be found on ASX's website. This Corporate Governance Statement is current as at 30 June 2024 and has been adopted by the Board

The Board is of the view that with the exception of the departures from the ASX Guidelines as set out below, it otherwise complies with all of the ASX Guidelines.

ASX Principles and Recommendations	Summary of the Consolidated Entity's Position
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## ***Principle 1 – Lay Solid Foundations for Management and Oversight***

<p>Recommendation 1.5 – Listed entities should have a diversity policy. Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.</p>	<p>The Company is committed to workplace diversity and ensuring a diverse mix of skills amongst its directors, officers and employees.</p> <p>Due to its size and nature of operations, the Company does not currently have a Diversity Policy. The Company strives to attract the best person for the position regardless of gender, age, ethnicity or cultural background.</p> <p>While the Company does not presently comply with Recommendation 1.5, the Company may consider adopting a Diversity Policy in the future as it grows in size and complexity. The Company believes that given the size and nature of its operations, non-compliance with these recommendations will not be detrimental to the consolidated entity.</p>
<p>Recommendation 1.6 – A listed entity should have a policy for periodically evaluating the performance of the board, its committees and individual directors.</p>	<p>No formal performance evaluation of the board and individual directors was undertaken during the year ended 30 June 2024. The Board takes ultimate responsibility for these matters and does not consider disclosure of performance evaluation necessary at this stage. The Company believes that given the size and nature of its operations, non-compliance with these recommendations will not be detrimental to the consolidated entity.</p>
<p>Recommendation 1.7 – A listed entity should have a policy for periodically evaluating the performance of senior executives.</p>	<p>No formal performance evaluation of senior executives was undertaken during the year ended 30 June 2024. The Board takes ultimate responsibility for these matters and does not consider disclosure of performance evaluation necessary at this stage. The Company believes that given the size and nature of its operations, non-compliance with these recommendations will not be detrimental to the consolidated entity.</p>

## ***Principle 2 – Structure the Board to Add Value***

<p>Recommendation 2.2 – A listed entity should have and disclose a skills matrix.</p>	<p>The Company has not developed a board skills matrix. The skills, experience and expertise relevant to the position of each director who is in office at the date of the Annual Report is detailed in the director's report. The Company believes that given the size and nature of its operations, non-compliance with this recommendation will not be detrimental to the consolidated entity.</p>
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**Principle 2 – Structure the Board to Add Value**

Recommendation 2.4 – A majority of the Board should be independent directors

While the consolidated entity does not presently comply with this recommendation, the consolidated entity may consider appointing further independent directors in the future. The consolidated entity believes that given the size and scale of its operations, non-compliance by the consolidated entity with this recommendation will not be detrimental to the consolidated entity.

Recommendation 2.5 – The chair should be an independent director

Mr Domenic Martino is currently the Non-Executive Chairman. The consolidated entity does not consider Mr Martino to be independent directors as defined in the ASX Guidelines on the basis that Mr Martino has been a director for over 10 years.

The consolidated entity believes that given the size and scale of its operations, non-compliance by the consolidated entity with this recommendation will not be detrimental to the consolidated entity.

**Principle 8 – Remunerate Fairly and Responsibly**

Recommendation 8.3 – A listed entity that has an equity-based remuneration scheme should have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme

The consolidated entity does not currently have a policy of implementing a ban on hedging economic risk of options. No director or executives holding options have entered into contracts to hedge exposure to options awarded as part of their remuneration package.

## Company's Values

Cokal is committed to conducting business in an open and accountable way. The values of Cokal are to serve the interests of the shareholders and other stakeholders honestly, fairly, diligently and in accordance with applicable laws.

## Board

The Board has adopted a formal Board Charter that incorporates a code of conduct and outlines the roles and responsibilities of directors and senior executives. The Board Charter has been made publicly available on Cokal Limited's website (Corporate Governance Policy).

Appropriate background checks are conducted on proposed new directors and material information about a director being re-elected is provided to security holders.

Written agreements are entered in to with each director clearly setting out their roles and responsibilities. The responsibilities of the management including the chief executive officer and chief financial officer are contained in letters of appointment and job descriptions given to each person.

The company secretaries work directly with the chair on the functioning of all board and committee procedures.

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report is included in the Director's Report. The Corporate Governance Council requires a majority of the Board should be independent Directors. The Corporate Governance Council defines an independent director as a non-executive director who is not a member of management and who is 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.

In the context of Director independence, "materiality" is considered from both the Company and the individual Director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements.

An item is presumed to be quantitatively immaterial if it is equal or less than 10% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered included whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the Director in question to shape the direction of the Company's loyalty.

Factors that may impact on a director's independence are considered each time the Board meets.

In accordance with the Council's definition of independence above, and the materiality thresholds set, the following

Directors are not considered to be independent:

Name	Position	Reason for Non-compliance
Domenic Martino	Non-Executive Chairman	Domenic Martino has been a director for over 10 years.
Karan Bangur	Executive Director	Karan Bangur is a substantial (> 5%) shareholder in the Company.
David Delbridge	Non-Executive Director	David Delbridge consults to the Company in a non-executive capacity.

The skills, experience and expertise relevant to the position of each director who is in office at the date of the Annual Report is detailed in the director's report. Cokal Limited considers industry experience and specific expertise, as well as general corporate experience, to be important attributes of its Board members. The Directors noted above have been appointed to the Board of Cokal Limited due to their considerable industry and corporate experience.

There are procedures in place, agreed by the Board, to enable Directors, in furtherance of their duties, to seek independent professional advice at the Company's expense. Informal induction is provided for any new directors.

The term in office held by each Director in office at the date of this report is as follows:

Name	Term in Office
Domenic Martino	13 years 9 months
Karan Bangur	5.5 years
David Delbridge	4.5 years

## Diversity

The Company is committed to workplace diversity and ensuring a diverse mix of skills amongst its directors, officers and employees. The Company strives to attract the best person for the position regardless of gender, age, ethnicity or cultural background

Due to its size and nature of operations, the Company does not currently have a Diversity Policy, however may consider adopting a Diversity Policy in the future as it grows in size and complexity.

As at 30 June 2024, the Company has the following appointments by gender:

Position *	Female	Male	Total
Directors	-	3	3
Senior executives **	2	2	4
Other employees***	19	154	173

\* Includes personnel who contract their services to the Company

\*\* Senior executives comprise the CEO, Chief Financial Officer and Company Secretaries

\*\*\* All "Other employees" are located in Indonesia

## Performance Evaluation

The full Board, in carrying out the functions of the Remuneration and Nomination Committees, considers remuneration and nomination issues annually and otherwise as required in conjunction with the regular meetings of the Board.

No formal performance evaluation of the board, individual directors or senior executives was undertaken during the year ended 30 June 2024.

## Remuneration and Nomination Committees

Due to the size and scale of operations, Cokal Limited does not have separately established Remuneration or Nomination Committees. The full Board carries out the functions of Remuneration and Nomination Committees and where necessary will seek advice of external advisors in relation to this role. The full Board oversees the appointment and induction process for directors, and the selection, appointment, evaluation and succession planning process of the Company's directors and senior executives. When a vacancy exists or there is a need for a particular skill, the Board determines the selection criteria that will be applied. The Board then identifies suitable candidates, with assistance from an external consultant if required, and will interview and assess the selected candidates. The Board also oversees the appointment and remuneration of directors and the company's executive officers. Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors and senior executives. The Board may seek independent advice on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally. Remuneration packages include a mix of fixed remuneration and equity-based remuneration. The Board shall, upon the consolidated entity reaching the requisite corporate and commercial maturity, form a remuneration and nomination committee to assist the Board in relation to the appointment and remuneration of Directors and senior management.

## Audit Committee

The Board has established an Audit Committee, however this Committee is represented by the full Board. With only three members, the Board considers that the Board acting in its capacity as the Audit Committee is the appropriate forum to safeguard the integrity of the Group's financial reporting and oversee the independence of the external auditor. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The Board's collective experience enables identification of principal audit risks and the Board reviews the financial reports. The Group's size enables specific focus to be given to large and / or unusual items in the financial information.

The Board has received written assurances from the Executive Director and CFO that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The external auditors are required to attend the annual general meeting and are available to answer any questions from security holders relevant to the audit.

The Audit Committee Charter has been made publicly available on the Company's website.

## Integrity of periodic reports released to the market

All periodic corporate reports released to the ASX, including Quarterly Reports, are prepared and reviewed by senior managers and subject matter experts, reviewed and approved by the Managing Director, CFO and Company Secretary, and finally reviewed and authorised for release to the market by the Board.

In addition, reports such as the Half year and Annual financial reports (and certain performance reports) are audited by our external auditors in accordance with relevant regulations and good governance.

## Risk Management

Material business risks are considered informally as the Company's business evolves, since it commenced exploration in January 2011, plus formally at each Board meeting.

Although the Company has not formed a committee to oversee risk, the Company has adopted a formal framework for risk management and internal compliance and control systems which cover organisational, financial and operational aspects of the Company's affairs as the Company's activities expand. The Board as a whole is able to address these issues and is guided by the adopted risk management framework. The Board believes the current approach to risk management is appropriate given the size and scale of its operations. Further detail of the Company Risk Management Policies can be found within the Corporate Governance Policy available on the Company website ([www.cokal.com.au](http://www.cokal.com.au)).

The Board reviews the Company's risk management framework during the year at Board meetings as the Company's business evolves. Business risks are considered regularly by the Board and management. With the Company planning a major new phase of activity (construction of the BBM project), the Board and management has amended the formal risk process to include a focus on construction risks.

The Company does not have a separate internal audit function. The board considers that the Company is not currently of the size or complexity to justify a separate internal audit function, and that appropriate internal financial controls are in place. Such controls are monitored by senior financial management and the Audit Committee. As noted above, once the next significant phase of project development is commenced, the Board will reconsider the need for a separate internal audit function.

## Material exposure to economic, environmental and social sustainability risks

The Company undertakes minerals exploration and mining development and, as such, faces risks inherent to its business, including economic, environmental and social sustainability risks, which may materially impact the Group's ability to create or preserve value for security holders over the short, medium or long term.

The Company views sustainable and responsible business practices as an important long term driver of performance and shareholder value and is committed to transparency, fair dealing, responsible treatment of employees and partners and positive interaction with the community.

The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management Policy), which is developed and updated to help manage these risks. The Risk Management Policy is located on the Company's website.

The Director's Report contained in the Company's Annual Report sets out some of the key risks relevant to the Company and its operations. Although not specifically defined as such, the risks include economic, environmental and social sustainability risks. As noted above, the Company regularly reviews risks facing the Company and adopts appropriate mitigation strategies where possible.

## Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and Executive team by remunerating directors and key executives fairly and appropriately with reference to relevant and employment market conditions. To assist in achieving this objective, the Board links the nature and amount of Executive Director's and Officer's emoluments to the consolidated entity's financial, operations and share price performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key Executives
- attraction of quality management to the consolidated entity
- performance incentives which allow Executives to share the rewards of the success of Cokal Limited.

For details on the amount of remuneration and all monetary and non-monetary components for each of the Directors and Key Management Personnel, please refer to the Remuneration Report within the Directors' Report contained in the Company's Annual Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of Cokal Limited and the performance of the individual during the period.

There is no scheme to provide retirement benefits, other than statutory superannuation, to Non-Executive Directors.

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves, subject to Cokal Limited's constitution and prior shareholder approvals, and the Executive team.

The consolidated entity does not currently have a policy of implementing a ban on hedging economic risk of options. No director or executives holding options have entered into contracts to hedge exposure to options awarded as part of their remuneration package.

## Continuous Disclosure Policy

Detailed compliance procedures for ASX Listing Rule disclosure requirements have been adopted by the consolidated entity. Cokal Limited's Continuous Disclosure Policy can be found within Cokal Limited's Corporate Governance Charter on the Cokal Limited website ([www.cokal.com.au](http://www.cokal.com.au)) in the Corporate Governance section.

## Communications

The consolidated entity has designed a disclosure system to ensure it complies with the ASX's continuous disclosure rules and

that information is made available to all investors equally, promoting effective communications with shareholders and encouraging shareholder participation at general shareholder meetings.

In addition to corporate and project information generally available on the Company's website, in the Investor Relations section of the Company's website the following information is made available:

- ASX Releases
- Corporate Presentations
- Quarterly Reports
- Half-yearly and Annual Reports
- Capital Structure

A response will be provided to shareholder queries if received and Directors are available to meet with security holders on request. The Board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level of accountability and identification with the Group's strategy and goals. Shareholders are encouraged to participate at all GMs and AGMs of the Company. Upon the despatch of any notice of meeting to shareholders, the Company Secretary shall send out material with that notice of meeting stating that all shareholders are encouraged to participate at the meeting. The Company will ensure that appropriate technology is used to facilitate the participation of shareholders at such meetings and that meetings will be held at a reasonable time and place. Shareholders who are unable to attend meetings may ask questions or provide comments ahead of meetings. Shareholders are always given the opportunity to ask questions of Directors and management, either during or after meetings. In addition, the company's auditor is also made available for questions at the Company's AGM of Shareholders.

The Company ensures all substantive resolutions at shareholder meetings are decided by a poll.

## Trading Policy

The Board has adopted a policy and procedure on dealing in the Company's securities by Directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information until it has been released to the market and adequate time has passed for this to be reflected in the security's prices, and during certain pre-determined windows.

The Company's policy regarding dealings by directors in the Company's shares is that directors should never engage in short term trading and should not enter into transactions when they are in possession of price sensitive information not yet released by the Company to the market; or for a period of fourteen (14) days prior to the scheduled (per ASX Listing Rules) release by the Company of ASX Quarterly Operations and Cash Flow Reports or such shorter period as may be approved of by the Chairman after receipt of notice of intention to buy or sell by a director to other members of the Board.

Directors will generally be permitted to engage in trading (subject to due notification being given to the Chairperson and Secretary) for a period commencing one (1) business day after the release of ASX Quarterly Operations and Cash Flow Reports to the market and for a period commencing one (1) business day following the release of price sensitive information to the market which allows a reasonable period of time for the information to be disseminated among members of the public.

## Whistleblower policy

The Company's Whistleblower Protection Policy is available on the Company's website. Any material breaches of the Whistleblower Protection Policy are to be reported to the Board or a committee of the Board.

## Anti-bribery and corruption policy

The Company's Anti-Bribery and Anti-Corruption is available on the Company's website. Any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Board or a committee of the Board.

## Other Information

Further information relating to the Company's corporate governance practices and policies has been made publicly available on the Company's web site at: [www.cokal.com.au](http://www.cokal.com.au).