

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Poseidon Nickel Limited

ABN / ARBN:

60 060 525 206

Financial year ended:

30 June 2019

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- These pages of our annual report:
- This URL on our website: [www.poseidon-nickel.com.au/investors-media/corporate-governance](http://www.poseidon-nickel.com.au/investors-media/corporate-governance)

The Corporate Governance Statement is accurate and up to date as at 9 September 2019 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 09 September 2019



**Mr G Brayshaw**  
Non-Executive Chairman

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in the Board Charter at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a> <input checked="" type="checkbox"/> in the Board Charter at <a href="http://www.poseidon-nickel.com.au/investors-media">www.poseidon-nickel.com.au/investors-media</a>	
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at the Directors' Report in the Annual Report and Notice of Annual General Meeting located at	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> in the Board Charter at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a>	
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a>	

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a></p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>Not Applicable</p>	
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a></p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> in the Directors' Report in the 2019 Annual Report</p> <p><input checked="" type="checkbox"/> in the Directors' Report in the 2019 Annual Report</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> in the Board Charter at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a></p>	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> in Board Charter at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a></p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> in the Directors' Report in the Annual Report</p>	
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> in Board Charter at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a></p>	
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> in Board Charter at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a></p>	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: <ul style="list-style-type: none"> <li>(a) have a code of conduct for its directors, senior executives and employees; and</li> <li>(b) disclose that code or a summary of it.</li> </ul>	... our code of conduct or a summary of it: <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></li> <li><input checked="" type="checkbox"/> at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a></li> </ul>	

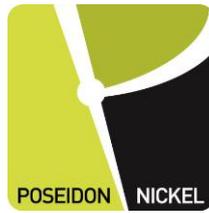
Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a></p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> in the Directors' Report in the 2019 Annual Report</p> <p><input checked="" type="checkbox"/> in the Directors' Report in the 2019 Annual Report</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity 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 entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a>	
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at <a href="http://www.poseidon-nickel.com.au/">www.poseidon-nickel.com.au/</a>	
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a>	
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> in Shareholder Communication Policy at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a>	
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> in Shareholder Communication Policy at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a>	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a></p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> in the Directors' Report in the 2019 Annual Report</p> <p><input checked="" type="checkbox"/> in the Directors' Report in the 2019 Annual Report</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

	<b>Corporate Governance Council recommendation</b>	<b>We have followed the recommendation in full for the whole of the period above. We have disclosed ...</b>	<b>We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...<sup>4</sup></b>
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input checked="" type="checkbox"/> in our Corporate Governance Statement	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a></p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> in the Directors' Report in the 2019 Annual Report</p> <p><input checked="" type="checkbox"/> in the Directors' Report in the 2019 Annual Report</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> at the Director's Report in the 2019 Annual Financial Report</p>	
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> at <a href="http://www.poseidon-nickel.com.au/investors-media/corporate-governance">www.poseidon-nickel.com.au/investors-media/corporate-governance</a></p>	



# **POSEIDON NICKEL LIMITED**

## **Corporate Governance Statement For the year ended 30 June 2019**

Corporate Governance Recommendation		Is the Recommendation followed
<b>Principle 1 Lay solid foundations for management and oversight</b>		
1.1	Disclose roles and responsibilities of board and management	Yes
1.2	Undertake appropriate checks before appointing or electing a person as director	Yes
1.3	Written agreement with each director and senior executive	Yes
1.4	Company Secretary accountable directly to Board	Yes
1.5	Diversity Policy disclosures reported	Yes
1.6	Board performance evaluation undertaken	Yes
1.7	Senior executive performance evaluation undertaken	Yes
<b>Principle 2 Structure the Board to add value</b>		
2.1	Nomination committee requirements met	No
2.2	Board skills matrix disclosed	Yes
2.3	Director Independence and tenure disclosed	Yes
2.4	Majority of the board are independent directors	No
2.5	Chair of the board is an independent director and not the same person as the MD	Yes
2.6	Director induction and ongoing training program	Yes
<b>Principle 3 Act ethically and responsibly</b>		
3.1	Code of conduct available on website	Yes
<b>Principle 4 Safeguard integrity in corporate reporting</b>		
4.1	Audit committee requirements met	No
4.2	CEO and CFO financial statement declarations received	Yes
4.3	External auditors attend AGM and available to answer questions from shareholders	Yes
<b>Principle 5 Make timely and balanced disclosure</b>		
5.1	Continuous Disclosure Policy available on website	Yes
<b>Principle 6 Respect the rights of shareholders</b>		
6.1	Corporate and governance information available on website	Yes
6.2	Investor relations program	Yes
6.3	Processes to facilitate and encourage participation at shareholder meetings	Yes
6.4	Electronic shareholder communications functionality	Yes
<b>Principle 7 Recognise and manage risk</b>		
7.1	Risk committee requirements met	Yes
7.2	Annual review of risk management framework	Yes
7.3	No Internal audit function but internal control processes in place	Yes
7.4	Disclosure of material exposure to and management of economic, environmental and social sustainability risk	Yes
<b>Principle 8 Remunerate fairly and responsibly</b>		
8.1	Remuneration committee requirements	No
8.2	Remuneration practices disclosed	Yes
8.3	Remuneration Policy disclosures regarding equity-based remuneration	Yes

## Corporate Governance Overview

The Board of directors of Poseidon Nickel Limited (the Company) is committed to conducting business in accordance with the highest standards of corporate governance. The Board has established a corporate governance framework which guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure that the Board is well equipped to discharge its responsibilities, it has established policies, procedures and charters that provide the guidelines and accountability as the basis for the administration of corporate governance.

## Corporate Governance Disclosure

The Board and Management are committed to corporate governance. The Company complies with each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 3<sup>rd</sup> Edition (the ASX Principles). This Statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All these practices, unless otherwise stated, are in place.

Information regarding the eight Essential Corporate Governance Principles as they applied for the financial year ended 30 June 2019 and the Company's Corporate Governance Policies can be found on the Company's website, [www.poseidon-nickel.com.au](http://www.poseidon-nickel.com.au).

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

### Roles and Responsibilities

The Board has adopted a Board Charter which outlines the specific functions reserved for the Board. The principal responsibility set by the Board is to be a custodian for and of the interests of its Shareholders and build long-term sustainable value for them. Which is achieved by the Board taking ownership for overall corporate governance for the Company, identifying the Company strategic direction, establishing goals for management and monitoring the achievement of those goals, monitoring systems of risk management and internal control, responding appropriately, establishing codes of conduct and legal compliance.

Other responsibilities of the Board are outlined in the Board Charter.

The Company's organisational structure includes the Managing Director / CEO position. The role of the Managing Director / CEO for Poseidon is to take responsibility for the day-to-day operation, administration, management and strategic direction of the Company which has been delegated by the Board to the Managing Director / CEO and the management team.

The management team are responsible for supporting and assisting the Managing Director / CEO to conduct the general operations and financial business of the Company in accordance with the delegated authority of the Board.

The Board ensures that both the Managing Director / CEO and the management team are appropriately qualified and experienced to discharge their responsibilities.

### Nomination of Directors'

Poseidon has formed a separate Remuneration and Nomination Committee. The Committee has procedures in place to identify potential director candidates which considers character, education, experience including any other directorships, qualifications, the ability to make independent judgement, associations and availability to commit to the Board's activities. Appropriate checks are undertaken before recommending a potential director to the Board or putting forward to shareholders a candidate for election / re-election.

The Nomination, Remuneration and Diversity Committee and the Board ensure all material information available relevant to a decision on whether to elect or re-elect a director is provided to shareholders.

### Written Agreements

Written agreements with each director and senior executive setting out the terms and conditions of their appointment are in place.

### Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

The qualifications and experience of the Company Secretary is set out in the Directors' Report in the 2019 Annual Report.

### Diversity

The Board has in place a Diversity Policy. The key elements of the Company's Diversity Policy are as follows:

- Increase gender diversity on the board and senior executive positions and throughout the Group;
- Develop culture and remuneration strategies to assist with improving diversity; and
- Annual assessment of board gender diversity objectives and performance against objectives by the board and remuneration, nomination and diversity committee.

Diversity for Poseidon means attracting and retaining people, providing an environment where all, including Directors, senior management and employees are treated fairly and respectfully, having equal access to opportunities as and when they arise.

Diversity includes such factors as gender, age, culture and the Company is open and committed to having an appropriate blend of employee and Board diversity recognising the benefits of a broader pool of high-quality people from which to access different perspectives and unique personal attributes.

The Company will, continually look for opportunities to increase gender diversity at a Board and key management personnel level in future years as projects move to a steady state operational environment.

Poseidon has developed the following measurable objectives for achieving diversity in line with the key elements of the Diversity Policy and even though it maintains a small workforce of less than five employees:

Measurable Objective	Objective Satisfied	Comment
To implement strategies to address any gender pay equity gaps	Yes	The Company's remuneration practises as monitored by the Nomination, Remuneration and Diversity Committee are capability, responsibility and performance based.
To implement reporting procedures to ensure that prospective employees are interviewed by an interview panel	Yes	The Nomination, Remuneration and Diversity Committee follows the Company's internal prepared selection practice with the full Board including the Managing Director/CEO making the final selection.
To provide flexible work and salary arrangements to accommodate personal commitments, study and self-improvement, and cultural traditions of current and potential employees.	Yes	The Company, without prejudice and within reason will accommodate requests for flexible working arrangements.
To provide relevant and challenging professional development and training opportunities for all employees.	Yes	The Company seeks to encourage all employees to participate in external and internal training courses, staff meetings and on the job training.
To adopt and always promote the Diversity Policy	Yes	The Company's Diversity Policy is made available to all Directors, senior management and employees as well as to Shareholders and the general public through disclosure on the Company's website.

#### Gender Diversity Disclosure

There are no specific measurable objectives in the form of targets regarding the proportion of females to be employed at the Board, key management personnel level or within the Group.

As the Company grows and expands into production, the Board may consider the introduction of gender-based diversity measurable objectives.

The Company provides the following information regarding the proportion of gender diversity as at 30 June 2019:

Representation	2019		2018	
	Female	Male	Female	Male
Board	25%	75%	0%	100%
Key management personnel	0%	100%	0%	100%
Group	25%	75%	18%	82%

At balance date the Board had one female director and no female senior executives.

### Performance evaluation

The Board has developed a structured process for performance evaluation as reflected in the Board Charter and Performance Evaluation Policies whereby the Board as a whole, Chairman, Managing Director / CEO and each individual Director's performance is reviewed through a series of performance questionnaires.

The Chairman reviews all performance evaluation questionnaires and holds facilitated discussions with each Board member which affords the opportunity to raise any matter, feedback about performance and therefore areas for improvement to enhance the effectiveness of the Board.

Performance evaluations were undertaken in the period under review in accordance with this process.

### Senior Executive evaluation

The Managing Director / CEO reviews the performance of senior executives each year. Performance during the previous 12 months is assessed against relevant performance indicators, role expectations and goals are set for the following year.

Performance evaluations were undertaken in the period under review in accordance with this process

## **Principle 2: Structure the Board to add value**

### Nomination Committee

The Company currently does not have a separate Nomination Committee, matters typically dealt with by such a committee are functions of the Nomination, Remuneration and Diversity Committee.

The Committee operates under a specific charter approved by the Board and which is available for review from the Company's webpage.

The members of the Nomination, Remuneration and Diversity Committee during the 2019 financial year were Mr Karl Paganin (Non-Independent Chairman), Mr Geoffrey Brayshaw, Ms Felicity Gooding and Mr Rob Dennis. The Board believes the Committee was structured to act in the best interests of the Company, the Directors are all professionals with a wealth of experience in nomination matters and have been involved as directors of entities.

Details of the number of times the Committee met during the year, attendance at Committee meetings and qualifications of Committee members, appear in the Directors' Report of the 2019 Annual Report.

In terms of the nomination role; the Committee is responsible for devising the criteria for reviewing membership of the Board – including the re-election of incumbent Directors and nominations for new appointments – to maintain an appropriate balance of skills, experience, diversity and expertise on the Board.

### Director skills, experience and expertise

The Company is focused on exploration and production of several nickel projects in Western Australia, It aims to create Shareholder wealth from its mineral assets and identify new opportunities to further value add, to achieve the Company's focus, a Board has been engaged, comprised of 3 directors with the skills, knowledge and experience necessary to direct the Company.

The non-executive directors contribute operational experience, an understanding of the nickel and mining industry in which the Company operates, knowledge of commerciality and an understanding of the matters that are important to the Company. The CEO role brings an additional perspective to the Board through a thorough understanding of Poseidon's business.

The Board skills matrix sets out below the combined skills, experience and expertise presently represented on the Board.

<b>Skill / Competency</b>	<b>Geoff Brayshaw</b>	<b>Karl Paganin</b>	<b>Felicity Gooding</b>
Accounting and financial acumen	✓	-	✓
Audit and assurance	✓	-	-
Governance	✓	✓	✓
Capital raising	✓	✓	✓
Legal	-	✓	-
Mergers and Acquisition	-	✓	✓
Joint Venture agreements	-	✓	✓
Risk Management - Safety, environment and community	✓	✓	✓
Measure Executive/KMP performance	✓	✓	-
Remuneration review	✓	✓	✓
Succession planning	✓	-	-
Recruitment	-	✓	✓
Business development	✓	✓	✓
Asset optimisation	✓	-	✓
Capital project and infrastructure	-	-	-
Exploration – nickel	-	-	-
Project development – nickel	-	-	-
Geographic experience – WA	-	-	-

Additional directors will be appointed to the Board when their expertise and value add outweighs their costs.

#### Independence

Most of the Board is not independent – the Poseidon Board is currently comprised of 3 Directors, with only 1 considered independent being Mr Geoffrey Brayshaw.

<b>Director</b>	<b>Title</b>	<b>Term in office</b>	<b>Independence Status</b>
Mr Geoffrey BRAYSHAW	Non-Executive Chairman and Director	11 years	<b>Independent</b>
Mr Karl PAGANIN	Non-Executive Director	10 months	Not Independent
Ms Felicity GOODING	Non-Executive Director	10 months	Not Independent

*The Company's Managing Director / CEO, Mr Rob Dennis resigned as at 30 August 2019.*

*Both Mr Paganin and Ms Gooding are not Independent as they are appointed by Poseidon's major Shareholders – Edison Metals Pty Ltd and Forest Family Investments Pty Ltd.*

The Board is structured to act in the best interests of its Shareholders and despite the lack of independence, no individual or interest group dominates decision making, the current directors have similar educational and experience backgrounds and are united in the decision making process, they possess an appropriate mix of skills, experience and expertise to deliver the Company's strategic priorities.

Tenure of more than 10 years is a factor that the ASX recognises can impact upon Director independence.

The Non-Executive Independent Chairman of Poseidon is Mr Geoffrey Brayshaw and even though he has been a Director for 11 years, the Board is of the opinion his tenure as a Director does not compromise his ability to bring independent judgement to Board decisions. Mr Brayshaw has significant experience and continues to bring independent contribution to Board processes.

The Company recognises the importance of the separation between the significant roles of Chairman and Managing Director / CEO and during the 2019 financial year these roles were not performed by the same individual.

### Induction and Professional Development

The Company has a formal induction process, where new Directors appointed to the Board are provided with written material incorporating an overview of Director's duties for public companies together with a detailed appointment letter outlining the Company's expectations and setting out the requirements of the role.

Written appointment letters, access to key documents, insurance access and indemnity are provided to incoming directors to promote their early, active and relevant involvement in the Board and the Company.

Directors are encouraged to maintain the skills required to discharge their duties to the Company and can participate in continuing professional education opportunities.

There are procedures in place, agreed by the Board, to enable the Directors in the furtherance of their duties to seek independent professional advice at the Company's expense, subject to the Chairman's prior approval.

### **Principle 3: Act Ethically and Responsible**

The Board has adopted a Code of Business Conduct (**Code**) for its Directors, senior management and employees in support of ethical and responsible decision-making concerning Company matters.

A copy of the Code is available from the Company's website and is made available to all employees of the Company, as it is expected that everyone associated with Poseidon at whatever level are at all times to exhibit the highest standards of integrity, objectivity and ethics in their dealings on Company matters.

The key provisions of the Code are to:

- Act honestly and with integrity;
- Act in the best interests of the Company and shareholders;
- Avoid and disclose any conflicts of interest both real and perceived;
- Respect the law and act accordingly;
- Keep all material information confidential, until released to the wider market;
- Not use their position for personal gain; and
- Ensure compliance with the Code.

### **Principle 4: Safeguarding integrity of financial reporting**

#### Audit and Risk Management Committee

An Audit and Risk Management Committee has been established with three Directors and is chaired by a Director who whilst is not Chairman of the Board, is not independent. The Committee operates in accordance with the principles set out in its Audit and Risk Management Committee Charter, a copy of the Charter is available from the Company's website.

The members of the Audit and Risk Management Committee during the 2019 financial year were Ms Felicity Gooding (Non-Independent Chairman), Mr Geoffrey Brayshaw and Mr Karl Paganin. The Board believes the Committee was structured to act in the best interests of the Company, the Directors are all professionals with 2 having a wealth of experience in audit and financial matters and having been involved as directors of entities.

Details of the number of times the Committee met during the year, attendance at Committee meetings and qualifications of Committee members, appear in the Directors' Report of the 2019 Annual Report.

The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit and Risk Management Committee. This encompasses the review of all published financial and cashflow reports, a review of risk management, internal control and the review of the independent auditor.

#### External Auditor

The Company's policy is to appoint external auditors who clearly demonstrate independence. The performance of the external auditor is reviewed annually by the Committee. The auditors have a policy of rotating the partner at least every five years. The external auditor is invited to attend the Annual General Meeting to be available to answer Shareholder questions about the conduct of the audit and the preparation and content of the audit reports.

#### Financial Reporting

The Managing Director / CEO and Chief Financial Officer equivalent are relied upon by the Board to monitor the Company's compliance with internal financial and associated risk controls. During the 2019 financial year, the Managing Director / Chief Executive Office, Chief Financial Officer equivalent and the Contract Accountant monitored and reviewed the financial performance of the Company on a daily basis with the Board receiving regular updates at scheduled Board Meeting as to the financial "health" of the Company.

As part of the preparation of the Annual and Interim Financial Reports, the Managing Director / CEO and Chief Financial Officer equivalent provide a signed written declaration of assurance prepared in accordance with Section 295A of the

Corporations Act to the Board, that in their opinion the financial reports are complete, present a true and fair view, in all material respects, of the financial position and performance of the Company, are in accordance with relevant accounting standards and the report preparation has been derived from a sound system of risk management and internal control, which is operating effectively.

The declarations are an important tool used by Poseidon as part of the Company's Risk Management Policy.

### **Principle 5: Make timely and balanced disclosure**

The Company has established a Continuous Disclosure policy outlining procedures for compliance with ASX Listing Rules and Corporations Act continuous disclosure requirements on a timely basis. A copy of the policy is available from the Company's website.

The policy provides guidelines to ensure the Board, senior management and employees of Poseidon understand the responsibilities of the Policy.

The Company Secretary is charged with ensuring that any disclosure steps which need to be taken by the Company are brought before the Board for discussion and approval for market release. The Board ensures that all activities are reviewed with a view to the requirement for disclosure to Shareholders.

The Secretary is charged with communicating with the ASX on Company matters.

### **Principle 6: Respect the rights of shareholders**

The Company provides Shareholders with information about its operations through a variety of mediums. The Company operates in accordance with its Shareholder Communication Policy which is available from the Company's website which promotes communications that are adequate, appropriate, transparent and based on sound corporate governance principles.

#### Information on Website

The Company's website provides opportunity for shareholders to communicate with both the share registry and the Company electronically and all price sensitive information is announced to investors through the ASX's Announcement Platform.

#### Investor Relations Program

The Board does not believe a documented or formal investor relations program is required but operates in accordance with its Shareholder Communications Policy which aims to actively engage with shareholders by keeping them fully informed by communicating through

- Continuous disclosure reporting to the ASX;
- Quarterly, half yearly and annual reports; and
- Media releases, copies of which are lodged with the ASX and place on the Company's website

#### Participation by Shareholders at Meetings

Shareholder participation at all Annual and General Meetings is greatly encouraged by the Company. Important issues are presented to the shareholders as single resolutions.

#### Electronic Communications

New shareholders receive correspondence from the Company regarding shareholder preferences in print or electronically for receipt of the Annual Report and other communications which are implemented as possible where cost effective.

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

#### Risk Committee

The Board with the assistance of the Audit and Risk Management Committee acts, effectively, as a committee to oversee risk and the decision has been made that there is no need to make any further subdivision. The Audit and Risk Management Committee meets the corporate governance requirements.

The Managing Director / CEO and senior management have received Board authority to attend to the day-to-day management of risk and internal control. Material risks such as economic, environmental and social sustainability will be reported to the Board on a timely basis as and when they arise - as the Company is not an economic producer at this present time, there is no material exposure to these risks.

The Board knows the identification and management of risk, including calculated risk taking, is an essential part of creating long term shareholder value so areas of risk are highlighted in the Business Plans presented to the Board by the Managing Director / CEO together with progress in respect of operations and the financial position of the Company.

Annual review of Risk

The Board has reviewed the Company's risk management framework in the last 12 months and has satisfied itself that it continues to be sound.

The Board meets regularly whereby the strategic, financial, business, compliance legal and operational risks including ability to raise capital, share and commodity prices, adequate levels of insurance, contract documentation, compliance with financial reporting and statutory obligations, retention of key executives and staff and increasing costs of operations are reviewed and discussed by the Board.

A detailed risk identification matrix has been prepared and regularly updated by management. High and very high-risk issues are reported to the board. An internal officer is responsible for ensuring the Company complies with its regulatory obligations.

Internal Audit

The Company does not have an internal audit function. Financial and operating risks are addressed through individual approved policies and procedures covering financial, contract administration and safety and environmental activities of the Company.

The Company engages an insurance brokering firm as part of the Company's annual assessment of the coverage for insured assets and risks. The results of these reviews are reported to the board at least annually.

The board believes that it has a thorough understanding of the Company's key risks and is managing them appropriately.

Sustainability Risks

The Company has a material exposure to financial, economic, environmental and social sustainability risks through its exploration activities.

The Company mitigates these risks by ensuring there is adequate funding to ensure that it can meet its operating commitments and ensuring that it applies best practice procedures to ensure compliance with all relevant legal obligations.

As the Company's activities progresses towards the production stage, the Company has increasing material exposures to a variety of additional risks. The board is aware of this change in risk profile as the Company's activities change over time and seeks to engage with shareholders in accordance with its Shareholder Communication Policy and assesses all development opportunities with consideration to these additional risks.

The Company does not have an internal audit function. The Board believes the role fulfilled by an internal audit function can at present be adequately filled by the Audit and Risk Management Committee.

**Principle 8: Remunerate fairly and responsibly**Remuneration Committee

The Company has established a Nomination, Remuneration and diversity Committee Charter which operates in accordance with the principles set out in its Charter, which is available on the Company's website.

The Committee comprises three directors, the majority of whom are not independent and neither is the Chairman, however, the Board does not feel that the work of the Nomination, Remuneration and Diversity Committee is in anyway compromised. The Chairman has the blend of skills and experience deemed appropriate for the respective Committee Chairman role.

The qualifications, experience and attendance of the members of the Nomination, Remuneration and Diversity Committee are contained within the Directors' Report in the 2019 Annual Report, together with full discussion of the Company's remuneration philosophy and the remuneration received by directors.

Disclosure of Remuneration Policy

It is the Company's objective to retain high quality board and executives by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this, the Remuneration, Nomination and Diversity Committee links the nature and fees payable of executive directors' and key executives to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

- Retention and motivation of key executives;
- Attraction of high-quality management to the Company; and
- Performance incentives that allow executives to share in the success of the Company.

The information provided in the Remuneration Report is audited as required by Section 308(3C) of the Corporations Act 2001.

Equity Based Remuneration Schemes

There is no scheme to provide retirement benefits to non-executive directors.

The Company's policy on Dealing in Securities prohibits participants from entering into transactions (whether by derivatives or otherwise) which limit the economic risk of participating in the scheme.

A copy of the Dealing Policy is on the Company's webpage.