

# Corporate Governance Statement

Horizon Minerals Limited ("**Horizon**" or the "**Company**") and its controlled entities ("**Group**") have implemented and is committed to maintaining a high standard of corporate governance to comply with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations – 4th Edition*. All the practices outlined in this statement unless otherwise stated, have been in place for the full reporting period.

The Corporate Governance Principles and related charters and policies for the management and operation of the Group are available for review on the Corporate Governance section of the Group's website: <https://horizonminerals.com.au/corporate-governance/>

This document is current as at 27 September 2024. The information in this statement should be read in conjunction with the Company's Annual Report 2024 and has been approved by the Board of the Company.

## PRINCIPLE 1 LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

### Recommendation 1.1 Role of Board and management

#### COMPLY: YES

The primary responsibility of the Board is to represent and advance shareholders' interests and to protect the interests of all stakeholders. To fulfill this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The responsibilities of the Board include:

- approving the Company's strategy, business plans and policies;
- approving and monitoring the progress of major capital expenditure, capital management, capital raising initiatives, acquisitions and divestments;
- monitoring the Company's performance in delivering its strategic plans;
- monitoring financial performance and approving the annual and half-year financial reports;
- appointing, re-appointing or removing the Company's external auditors;
- approving the Company's system of corporate governance, including formation of Board Committees and the terms of applicable governing charters and monitoring their effectiveness;
- determining the size, composition and structure of the Board and process for evaluating its performance;
- approving the overall remuneration policy including remuneration for non-executive Directors, executive Directors and senior executives;
- appointment, performance assessment, determining remuneration and, if necessary, removal of the Managing Director;
- approving and reviewing senior management succession plans and significant changes to the organisational structure;
- reviewing, approving and monitoring the Company's risk management systems; and
- enhancing and protecting the reputation of the organisation.

The Board Charter sets out matters including the specific roles and responsibilities of the Board and management requirements as to the Board's composition, the roles and responsibilities of the Chair and Company Secretary and the establishment, operation and management of Board Committees.

The Company's Board Charter is available on the Company's website.

**Recommendation 1.2 Information regarding election and re-election of Director candidates**

**COMPLY: YES**

The Company undertakes checks on any person who is being considered as a Director. These checks may include good fame and character, experience, education and financial history and background.

All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.

**Recommendation 1.3 Written contracts of appointment**

**COMPLY: YES**

New Directors consent to act as a Director and receive a formal letter of appointment which sets out duties and responsibilities, rights and remuneration entitlements. Senior Executives either have a written agreement or a letter of engagement with the Company setting out the terms of their appointment.

**Recommendation 1.4 Company Secretary**

**COMPLY: YES**

The Company Secretary is responsible for ensuring the Company operates within a robust corporate governance framework. The Board Charter provides for the Company Secretary to have a direct reporting line to the Chair of the Board. The Company Secretary is also responsible for compliance with Board and Committee procedures and for providing advice to the Board in relation to Horizon’s constitution, governance matters and related regulatory requirements. The Company Secretary is responsible for supporting the effectiveness of the Board by ensuring that policies and procedures are followed and co-ordinating the completion and dispatch of the Board agendas and papers. The Company Secretary is appointed by the Board and a biography is included within the Annual Report.

**Recommendation 1.5 Diversity and Inclusion**

**COMPLY: YES**

The Company values diversity and recognises the benefits it can bring to the organisation’s ability to achieve its goals. Diversity is not limited to gender, age, ethnicity and/or cultural backgrounds.

The Company has adopted a formal Diversity Policy that includes, but is not limited to, factors such as gender, age, ethnicity and cultural background. Appointments are made on ability and availability.

The policy can be viewed on the Company’s website.

The Board did not set measurable gender diversity objectives for the past financial year because the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles would, given the small size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company’s policy of appointing based on skills and merit.

As at 27 September 2024, the proportion of women employed in the Group was:

Level	Number of Women	Proportion of Women
Board	0 of 3	0%
Senior Executives*	0 of 6	0%
Whole organisation	7 of 25	28%

\*Senior executives include Directors, Chief Executive Officer, Chief Financial Officer/Company Secretary, Chief Geologist

**Recommendation 1.6 Board reviews**

**COMPLY: YES**

The performance of the Board is reviewed annually against appropriate measures in a manner that the Board deems appropriate. The review has regard to various matters including those set out in the Board Charter. The Remuneration and Nomination Committee will assist the Board as required in evaluations of the performance of Directors (including the Managing Director).

The Company will report on whether a performance evaluation was undertaken.

**Recommendation 1.7 Management reviews**

**COMPLY: YES**

The Remuneration and Nomination Committee is responsible for evaluating the performance of senior executives. The Committee is to arrange an annual performance evaluation of the senior executives.

The Remuneration and Nomination Committee is required to disclose whether or not performance evaluations were conducted during the relevant reporting period.

## PRINCIPLE 2 STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

### Recommendation 2.1 Nomination Committee

#### COMPLY: NO

The Company has a Remuneration and Nomination Committee which comprises the full Board, one of whom is independent. The Chair of the Remuneration and Nomination Committee is an independent non-executive Director who is not the Chair of the full Board. Due to the Company's size and stage of activities and the fact that the full Board consists of three Directors, two non-executive and the Managing Director, it is not possible to achieve three Directors the majority of which are independent.

The Remuneration and Nomination Committee's Charter is located on the Company's website.

The Company will report on the meetings and attendance of the Remuneration and Nomination Committee.

### Recommendation 2.2 Board Skills

#### COMPLY: YES

The Board regularly evaluates the mix of skills, experience and diversity at the Board level. The Board believes that a highly credentialed Board, with a diversity of background, skills and perspectives, will be effective in supporting and enabling delivery of good governance for the Company and value for the Company's shareholders. The mix of skills comprised in the current Board, and that the Board would look to maintain, and to build on, includes:

Element	Skills
<b>Leadership</b>	Executive leadership
	Health, Safety and environment
<b>Portfolio</b>	Strategy / Mergers and Acquisitions
	Financial acumen
	Risk management
	Mining industry expertise
	Metallurgy and metals expertise
	Experience in dealing with joint ventures and high levels of government and regulators
	Market knowledge
	Innovation
	Change and transition
<b>People</b>	Information technology
	Organisational sustainability
<b>Governance</b>	Remuneration and rewards
	Governance and regulation
	Board experience

The Board aspires to have a Board comprised of individuals' diverse experience and expertise and will be mindful of this when making appointments which will also be based on merit. The Company considers that each of the Directors possess skills and experience suitable for building the Company. A profile of each Director containing their skills, experience and expertise is set out in the Directors' Report.

**Recommendation 2.3 Disclose Independence and length of service**

**COMPLY: YES**

As at 27 September 2024, the Board comprises of three Directors, one of whom is independent –

Director	Independent	Not Independent	Length of service
Ashok Parekh*		✓	Appointed 14 June 2019
Warren Hallem	✓		Appointed 1 September 2024
Grant Haywood**		✓	Appointed 1 July 2023

\*Ashok Parekh is not independent as he is a substantial shareholder of the Company.

\*\*Grant Haywood is not independent as he is the Managing Director & CEO of the Company.

**Recommendation 2.4 Majority of Directors independent**

**COMPLY: NO**

The Board currently comprises three Directors, one of whom is independent. The Board believes that its composition is appropriate at this time given the size of the Company and current stage of activities.

**Recommendation 2.5 Chair independent**

**COMPLY: NO**

The Chairman of the Board, Mr Ashok Parekh, is a non-executive Director. As Mr Parekh is a major shareholder he is not considered independent. The Board believes that its composition is appropriate at this time given the size of the Company and current stage of activities.

**Recommendation 2.6 Induction and professional development**

**COMPLY: YES**

Management, with the Board, provides an orientation program for new Directors.

The program includes:

- briefings from executives and management, including detailed introductions to Horizon’s business and strategy implementation, history, culture, industry and key risks and opportunities;
- an introduction to Horizon’s regulatory environment (including legal duties and responsibilities of Horizon Directors, and accounting matters where the Director requests additional background);
- the provision of induction materials such as the Strategic Plan and governance charters and policies;
- site visits to some of Horizon’s key operations and discussions with other Directors.

All Directors are expected to maintain the skills required to effectively discharge their obligations to the Company.

Directors are encouraged to undertake continuing professional education and, if this involves industry seminars and approved education courses, where appropriate, this is paid for by the Company. The Company Secretary under the guidance of the full Board oversees the induction program for new Directors.

## PRINCIPLE 3 INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

### Recommendation 3.1 Values

#### COMPLY: YES

The Company is committed to conducting all its business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Group's commitment to compliance with these standards.

### Recommendation 3.2 Code of Conduct

#### COMPLY: YES

The Board has adopted a Code of Conduct, available on the Company's website, for Directors and key executives (that is, officers and employees who have the opportunity to materially influence the integrity, strategy and operation of the business and its financial performance) and encourage the observance of those standards. The Code of Conduct also establishes guidelines for their conduct in matters such as ethical standards and the disclosure and management of conflicts of interests.

The Board supports the following Code of Conduct issued by the Australian Institute of Company Directors:

- A Director must act honestly, in good faith and in the best interests of the Group as a whole;
- A Director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
- A Director must use the powers of office for a proper purpose, in the best interests of the Group as a whole;
- A Director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the Group;
- A Director must not make improper use of information acquired as a Director;
- A Director must not take improper advantage of the position of Director;
- A Director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Group;
- A Director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors;
- Confidential information received by a Director in the course of the exercise of directorial duties remains the property of the Group from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that Group, or the person from whom the information is provided, or is required by law;
- A Director should not engage in conduct likely to bring discredit upon the Group;

A Director has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code.



### **Recommendation 3.3 Whistleblower Policy**

#### **COMPLY: YES**

The Company's Whistleblower Policy is disclosed on the Company's website. Any material incidents of the Whistleblower Policy are reported to an officer, Director or senior manager of the Group, internal or external auditors or any other person authorised by the Company to receive disclosures.

### **Recommendation 3.4 Anti-bribery and Corruption Policy**

#### **COMPLY: NO**

The Company has not formulated an Antibribery and Corruption Policy. The Company has formulated internal controls to ensure payments are only made once the controls and authorisation procedures are completed. The Board is informed of any fraudulent/corrupt activities identified by its independent auditors during the course of the half-yearly review and year end audit. Given the nature and extent of its actual and proposed operations, the Company does not think that it is appropriate to develop and articulate an Anti-bribery and Corruption Policy due to its size and stage of activities. The Company will review this view periodically in line with its size and stage of development.



## PRINCIPLE 4 SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

### Recommendation 4.1 Audit Committee

#### COMPLY: NO

The Company has an Audit and Risk Committee which comprises the full Board, one of whom is independent. The Chair of the Audit and Risk Committee is an independent non-executive Director who is not the Chair of the full Board. Due to the Company's size and stage of activities and the fact that the full Board consists of three Directors, two non-executive and the Managing Director, it is not possible to achieve three Directors the majority of which are independent.

The Audit and Risk Committee Charter is available on the Company's website.

The members of the Audit and Risk Committee are currently:

- Warren Hallem (Independent Non-executive Director and Chair of the Committee);
- Ashok Parekh (Non-Independent Non-executive Director); and
- Grant Haywood (Non-Independent Managing Director & CEO).

The Company will report on the meetings and attendance of the Audit and Risk Committee.

The skills, experience and expertise relevant to each member of the Audit and Risk Committee is included in the Directors Report. Details of the number of meetings of the committee held during the year and the attendees at those meetings are available in the Directors Report.

The main responsibilities of the Audit and Risk Committee are to:

- review and report to the Board on the annual report and financial statements;
- provide assurance to the Board that it is receiving adequate, up to date and reliable information;
- assist the Board in reviewing the effectiveness of the organisation's internal control environment covering;
  - effectiveness and efficiency of operations;
  - reliability of financial reporting;
  - compliance with applicable laws and regulations; and
  - coordination with the external auditors.

The Audit and Risk Committee is also charged with the responsibilities of recommending to the Board the appointment, removal and remuneration of the external auditors, reviewing the terms of their engagement and the scope and quality of the audit.

In fulfilling its responsibilities, the committee receives regular reports from external auditors. The external auditors have a clear line of direct communication at any time to the Chairman of the Audit and Risk Committee.

The Audit and Risk Committee has authority, within the scope of its responsibilities, to:

- seek any information it requires from any employee or external party, and
- obtain external legal or other independent professional advice.

The Audit and Risk Committee reports to the full Board after each committee meeting and relevant papers are provided to all Directors.

#### **Recommendation 4.2 CEO and CFO certification of financial statements**

##### **COMPLY: YES**

Before approving the Company's financial statements the Board receives from the Managing Director & CEO and Chief Financial Officer 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 Group and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The required declarations from the Managing Director & CEO and Chief Financial Officer have been given to the Board for the half-year ended 31 December 2023 and financial year ended 30 June 2024.

#### **Recommendation 4.3 Verification of corporate reports**

##### **COMPLY: YES**

The Company is committed to providing clear, concise, timely and effective disclosure. This procedure applies to any report produced by the Company and is as follows:

- each report is prepared by, or under the supervision of subject-matter experts;
- material statements in each report are reviewed by the relevant functional and divisional heads to ensure that they are accurate, not misleading, and meet the Company's corporate policy and regulatory requirements, and that the report contains no material omissions;
- information about the Company's resources is only included in a report if the information complies with the ASX Listing Rules;
- information in a report that relates to financial projections, statements as to future financial performance or changes to the policy or strategy of the Company (taken as a whole) must be approved by the Board; and
- each draft report is reviewed by the by entire Board and senior executives before its release.

The Audit and Risk Committee Charter provides that the Committee must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

## **PRINCIPLE 5 MAKE TIMELY AND BALANCED DISCLOSURE**

### **Recommendation 5.1 Disclosure and Communications Policy**

#### **COMPLY: YES**

The Company has a Continuous Disclosure and Market Communications Policy that outlines the processes followed by the Company to ensure compliance with its continuous disclosure obligations and the corporate governance standards applied by the Company in its market communications.

The Continuous Disclosure and Market Communications Policy is available on the Company's website.

### **Recommendation 5.2 Material market announcements**

#### **COMPLY: YES**

All material and general market announcements are automatically distributed to the Board through ASX Online.

### **Recommendation 5.3 Presentations**

#### **COMPLY: YES**

All investor or analyst presentations are always released prior to any presentations.

## **PRINCIPLE 6 RESPECT THE RIGHTS OF SECURITY HOLDERS**

### **Recommendation 6.1 Information on website**

#### **COMPLY: YES**

The Company's website [www.horizonminerals.com.au](http://www.horizonminerals.com.au) provides various information about the Company including:

- overviews of the Company's operating businesses, divisions and structure;
- biographical information for each Director;
- biographical information for members of the Senior Management team;
- copies of Board and Committee Charters;
- Corporate Governance Policies;
- Annual Reports and Financial Statements;
- announcements to ASX;
- security price information;
- contact details for the Company's Share Registry; and
- details concerning the date of the Annual General Meeting including the Notice of Meeting, when available.

### **Recommendation 6.2 Investor relations programs**

#### **COMPLY: YES**

The Company has adopted a Shareholder Communications Policy which aims to promote and facilitate effective two-way communication with investors. The policy outlines a range of ways in which information is communicated to shareholders.

The Shareholder Communications Policy is available on the Company's website.

### **Recommendation 6.3 Facilitate participation at meetings of security holders**

#### **COMPLY: YES**

The Shareholders Communication Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders. The Company permits shareholders to vote online (and by other methods) prior to an Annual General Meeting if they are unable to attend the meeting.

### **Recommendation 6.4 Facilitate resolutions to be decided by a poll**

#### **COMPLY: YES**

At all meetings of security holders all resolutions are decided by a poll.

### **Recommendation 6.5 Facilitate electronic communications**

#### **COMPLY: YES**

The Shareholders Communication Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders including receiving communications electronically.

Shareholders have the option of electing to receive communications from the Company and its share registry electronically.

## PRINCIPLE 7 RECOGNISE AND MANAGE RISK

### Recommendation 7.1 Risk Committee

#### COMPLY: NO

The Company has an Audit and Risk Committee which comprises the full Board, one of whom is independent. The Chair of the Audit and Risk Committee is an independent non-executive Director who is not the Chair of the full Board. Due to the Company's size and stage of activities and the fact that the full Board consists of three Directors, two non-executive and the Managing Director, it is not possible to achieve three Directors the majority of which are independent.

The Audit and Risk Committee Charter which is available on the Company's website.

The members of the Audit and Risk Committee are currently:

- Warren Hallem (Independent Non-executive Director and Chair of the Committee);
- Ashok Parekh (Non-Independent Non-executive Director); and
- Grant Haywood (Non-Independent Managing Director & CEO).

The Company will report on the meetings and attendance of the Audit and Risk Committee.

The Audit and Risk Committee Charter is available on the Company's website.

### Recommendation 7.2 Annual risk review

#### COMPLY: YES

The Board will, at least annually, assisted by the Audit and Risk Committee, undertake a structured consideration and review of the risk management framework and the material risks faced by, and the risk attitude of the Company.

The Company will report on whether such a review has taken place.

### Recommendation 7.3 Internal Control Framework

#### COMPLY: YES

The internal audit function is overseen by the Audit and Risk Committee pursuant to the Audit and Risk Committee Charter.

### Recommendation 7.4 Environment and Sustainability

#### COMPLY: YES

The Company identifies and manages material exposures to economic, environmental and social sustainability risks in a manner consistent with its Audit and Risk Committee Charter.

## **PRINCIPLE 8 REMUNERATE FAIRLY AND RESPONSIBLY**

### **Recommendation 8.1 Remuneration Committee**

#### **COMPLY: NO**

The Company has a Remuneration and Nomination Committee which comprises the full Board, one of whom is independent. The Chair of the Remuneration and Nomination Committee is an independent non-executive Director who is not the Chair of the full Board. Due to the Company's size and stage of activities and the fact that the full Board consists of three Directors, two non-executive and the Managing Director, it is not possible to achieve three Directors the majority of which are independent.

The Remuneration and Nomination Committee Charter is available in the Corporate Governance Plan on the Company's website.

The members of the Remuneration and Nomination Committee are currently,

- Warren Hallem (Independent Non-executive Director and Chair of the Committee);
- Ashok Parekh (Non-Independent Non-executive Director); and
- Grant Haywood (Non-Independent Managing Director & CEO).

The Company will report on the meetings and attendance of the Remuneration and Nomination Committee.

### **Recommendation 8.2 Disclosure of Executive and Non-Executive Director remuneration policy**

#### **COMPLY: YES**

The Company provides disclosure of all Directors and executives remuneration in its annual report.

Non-executive Directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive Directors is not linked to the performance of the Group. There are no documented agreements providing for termination or retirement benefits to non-executive Directors.

Executive Directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Performance incentives may include performance bonus payments, performance rights, shares and/or options granted at the discretion of the Board and subject to obtaining the relevant approvals.

### **Recommendation 8.3 Policy on equity-based remuneration schemes**

#### **COMPLY: YES**

The Company has an employee incentive scheme and has adopted a policy that participants are not permitted to enter into transactions which limit the economic risk of participating in the scheme.