



# Corporate Governance Statement 2020



*Mauricio Veri*

## Contents

GOVERNANCE FRAMEWORK	1
1. BOARD OF DIRECTORS AND MANAGEMENT	1
Responsibilities of the Board and Board Processes	1
Board Appointments	3
Induction and Independent Advice	3
Company Secretary	4
Board Composition, Experience and Skills	4
Independence	4
Chair of the Board	5
Board Skills and Experience	6
Chart 2: Board Skills Matrix Outcomes	7
2. BOARD SUB COMMITTEES	8
Nomination and Remuneration Committee	9
Audit Committee	9
Risk and Sustainability Committee	10
3. BOARD AND EXECUTIVE REMUNERATION	11
Executive Service Agreements & Non-Executive Director Remuneration	11
4. BOARD AND EXECUTIVE PERFORMANCE	11
Evaluating Performance	11
5. ETHICAL AND RESPONSIBLE DECISION MAKING	12
Code of Conduct	12
Whistleblower Policy	12
Anti-Bribery and Corruption Policy	13
6. DIVERSITY AND INCLUSION	13
7. SHAREHOLDER ENGAGEMENT AND MARKET COMMUNICATIONS	14
Continuous Disclosure	14
8. AUDIT	15
Internal Audit	15
External Audit	16
Attestations by Executive Chairman and Chief Financial Officer	16
9. RISK AND SUSTAINABILITY	16
Risk Management	16
Social Performance	17
Health, Safety and Environment	18

# Corporate Governance Statement

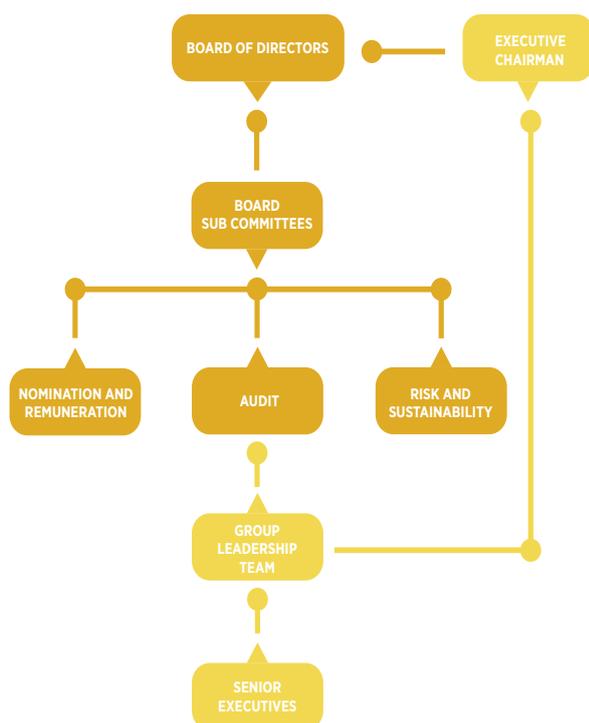
Evolution Mining Limited (**Evolution** or the **Company**) has elected to implement the ASX Corporate Governance Council's ("Council") Fourth Edition Corporate Governance Principles and Recommendations (**ASX Governance Principles**), and is committed to operating at the highest standards of financial and ethical behaviour as well as maintaining a high standard of corporate governance which reflects our values, the expectations of the Company's shareholders and the requirements of the market regulators.

Where the Company's corporate governance practices do not meet with all the practices recommended by the Council, or the Board does not consider it practicable or necessary to implement, the Board's reasoning for any departure is explained.

This Statement has been approved by the Board of Evolution and is current as at 22 October 2020, and should be read in conjunction with the information presented in the corporate governance section on the Evolution Mining Limited website at [www.evolutionmining.com.au](http://www.evolutionmining.com.au), the FY20 Annual Report and the Appendix 4G released on the ASX Market Announcements platform on 23 October 2020.

The Company advises that it complies with all the ASX Governance Principles other than the chair of the board being a non-independent executive director (Recommendation 2.5).

## GOVERNANCE FRAMEWORK



## 1. BOARD OF DIRECTORS AND MANAGEMENT

### Role of the Board

The Board is the governing body of the Company and its role is to represent and serve the interests of shareholders by overseeing and appraising the Company's values, strategies, policies and performance, and to provide overall strategic guidance to and effective oversight of management. In fulfilling these duties, the Directors must act in the best interests of the Company as a whole and each member of the Board is committed to spending sufficient time to enable them to effectively carry out their duties as a Director of the Company. The Board and the Company act within a statutory framework, principally the Corporations Act, and the Constitution of the Company. Subject to this statutory framework, the Board has the authority and the responsibility to perform the functions, determine the policies and control the affairs of the Company. The Board must ensure that Evolution Mining operates in accordance with good corporate governance and prudent commercial principles which satisfy shareholders, consistent with maximising the Company's long-term value.

### Responsibilities of the Board and Board Processes

The Board's functions and the functions delegated to Senior Executives are set out in the Board Charter which is available on the Company's corporate governance page on the Company's website and can be accessed [here](#).

In general, the Board is ultimately responsible for, and has the authority to determine all matters relating to the policies, practices, management and operations of the Company. The Board is responsible for establishing the corporate governance standards and management framework. This framework divides the functions of running the Company between the Board, the Executive Chairman and Senior Executives. The Board guides and monitors the business affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board is required to do all things that may be necessary to be done in order to carry out the objectives of the Company. The Board delegates authority to Senior Executives to carry out delegated duties in support of the objectives of the Company. It is the role of Senior Executives to manage the Company in accordance with the agreed strategy and delegations of the Board and the responsibility of the Board to oversee the activities of Senior Executives in carrying out

# Corporate Governance Statement

---

these delegated duties.

The key functions of the Board include:

- **Leadership:** Together with the Senior Executives, approving the Company's statement of values and code of conduct which underpins the desired culture within the Company
- **Strategy:** Endorsing and supporting the strategic plan for the Company
- **Leadership selection:** Together with the Nomination and Remuneration Committee, selecting the CEO or Executive Chairman, ensuring adequate succession and ratifying the appointment, removal and remuneration of the Senior Executives
- **Delegation of authority:** Adopting clearly defined delegations of authority from the Board to management
- **Performance review and remuneration:** Together with the Nomination and Remuneration Committee, developing criteria for, and evaluating the performance of the Executive Chairman and Senior Executives and approving the overall remuneration framework of the Company consistent with its values and strategic objectives
- **Financial position:** Taking steps designed to protect the Company's financial position and its ability to meet its debts and other obligations as they fall due
- **Governance:** Evaluating the Company's compliance with corporate governance standards, approving the annual corporate governance statement, reviewing and monitoring the effectiveness of the Company's policies, standards and practices directed to ensuring that the Company complies with applicable laws and regulations and conforms with the highest standards of financial and ethical behaviour
- **Financial oversight:** Approving an annual budget for the operational and financial performance of the Company and monitoring performance on a regular basis
- **Financial and other reporting:** Determining that the Company has instituted adequate reporting systems and internal controls (both operational and financial) together with appropriate monitoring of compliance activities aimed at ensuring the integrity of financial and other reporting, including that the Company's financial reports are true and fair and are in conformity with Australian Accounting Standards
- **External audit:** Together with the Audit Committee, selecting and recommending

the appointment of the external auditor to shareholders at general meetings if and when new auditors are appointed

- **Risk management and sustainability:** Together with the Risk and Sustainability Committee, setting the risk appetite, reviewing and monitoring the material risks of the Company as advised by management, overseeing the integrity and effectiveness of the risk management and control systems and, compliance with the Company's sustainability performance standards, practices and governance arrangements
- **Disclosure:** Ensuring that the Company has processes in place for making timely and balanced disclosure of all material information
- **Board performance and composition:** Together with the Nomination and Remuneration Committee, evaluating effectiveness of the Board performance on an annual basis, determining its size and composition and adopting formal processes for the selection of new directors and recommending them for the consideration of shareholders at the general meetings with adequate information to allow shareholders to make informed decisions
- Performing such other functions as are prescribed by law

As at the date of this report, the Board has established the following committees to assist it in discharging its functions:

- Audit Committee
- Nomination and Remuneration Committee
- Risk and Sustainability Committee

The Board holds regular meetings and is expected to meet periodically throughout the year. Timetables for Board and Committee meetings are agreed annually in advance. Directors' attendance at meetings this year is set out in the Directors' Report section of the 2020 Annual Report. Information for Board meetings are prepared and circulated in advance. Senior Executives are regularly involved in Board discussions.

Day to day management of the operations of the Company is delegated by the Board to the Executive Chairman and Senior Executives subject to the delegation of authority limits approved by the Board. Whilst retaining control of decision making on strategic matters and policy, the Board has delegated to Senior Executives responsibility for:

- **Strategy:** Executing strategies as approved by the Board
- **Policies:** Ensuring compliance to all policies,

# Corporate Governance Statement

standards, procedures and codes approved by the Board

- **Operational performance:** Operating the Company's businesses and operations within the parameters approved by the Board from time to time, keeping the Board informed of all material developments relating to the businesses and operations, including its compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or code of conduct of the Company
- **Financial performance:** Developing business plans, budgets and strategies for the Board's consideration and, to the extent approved by the Board, implementing these plans, budgets and strategies
- **Risk management:** Establishing and maintaining effective risk management frameworks, systems, policies, standards and procedures to effectively manage financial, health, safety, environment, community and other operational risks and where those risks could have a material impact on the Company's businesses and operations, formulating strategies for managing these risks for consideration by the Board
- **Reporting:** Managing the Company's current reporting mechanisms to ensure that these are functioning effectively, and which ensures that the Board is provided with timely, accurate and sufficient information regarding the Company's current and future operating and financial performance and results, and potential material risks
- **Continuous disclosure:** Ensuring that the Board is fully informed about all material matters pertaining to the Company and that the Company meets its continuous disclosure obligations
- **Selection of Executive Management:** Making recommendations for the appointment of Senior Management, determining terms of appointment, evaluating performance and developing and maintaining succession plans for Senior Management

The Board receives regular updates from the Executive Chairman on matters of strategic, operational or financial importance occurring outside of the Board meeting cycle.

## Board Appointments

It is the function of the Nomination and Remuneration Committee under their Charter to identify and recommend candidates for the Board after considering the necessary and desirable competencies of new Board

members, to determine the appropriate mix of skills and experience and how these candidates can contribute to the strategic direction of the Company. When considering Board appointments, the Company ensures that appropriate checks are undertaken on the candidate's character, education, qualifications, criminal record and bankruptcy history and that sufficient information is provided to shareholders when a candidate is standing for election or re-election as a Director to enable them to make an informed decision on whether or not to elect or re-elect the candidate. Information regarding the Director who was re-appointed in the 2020 Financial Year at the Annual General Meeting held on 28 November 2019 was provided in the Notice of Meeting dispatched to shareholders on 24 October 2019. All other changes to the composition of the Board, including the Directors appointed during the 2020 financial year are detailed on page 84 of the FY20 Annual Report.

## Induction and Independent Advice

During the 2020 financial year, one additional and two replacement directors were appointed to the Board, namely Mr. Jason Attew, Ms Vicky Binns and Mr. Peter Smith. New Directors are appointed through a written agreement with the Company that sets out all their duties, rights and responsibilities. In addition, the Company Secretary is responsible for ensuring that the new Directors are provided with an information pack consisting of a detailed overview of the strategy, vision and values, details of each operation, the Company and organisational structure, the constitution, policies and charters of the Company. New Directors are also provided with the Board schedule for the current and next calendar years. All Directors have the opportunity to visit at least two of the operations each year on a rotational basis as part of obtaining first hand exposure to the operations, their management and personnel. During the year ended 30 June 2020, site visits were impacted by travel restrictions as a consequence of the COVID-19 pandemic. As such, the Directors were only able to visit the Cracow and Mt Rawdon Operations. Two of the new Board members who were not impacted by the travel restrictions were able to visit the Cowal Operation in the last quarter of FY20.

Each Director has the right of access to all Company information and to Senior Executives. Further, each Director and the Board collectively, subject to informing and with the approval of the Executive Chairman, has the right to seek independent professional advice from a suitably qualified advisor, at the Company's expense, to assist them to carry out their responsibilities. Where appropriate, a copy of this advice is to be

# Corporate Governance Statement

---

made available to all other members of the Board.

## Company Secretary

The Company Secretary is Evan Elstein, who reports directly to the Board through the Executive Chairman on all matters to do with the proper functioning of the Board. For matters relating to the Executive Chairman, the Company Secretary liaises directly with the Lead Independent Director. All Directors have access to the Company Secretary, who advises the Board and its committees on corporate governance matters, attends and takes minutes at all Board and Board sub-committee meetings, communicates with the ASX and ASIC on all regulatory matters, monitors adherence to Board policies and procedures, assists with the continuing professional development of Directors on governance and regulatory matters and retains all professional advisors at the Board's request. Overall, the Company Secretary is instrumental in promoting good governance practice by facilitating the Board and its committees to function effectively in accordance with their charters and good practice.

## Board Composition, Experience and Skills

The composition of the Board is reviewed by the Board, in conjunction with the Nomination and Remuneration Committee from time to time, having regard to the ongoing requirements of the Company. The objective is that the Board should be of a size and composition that is conducive to effective decision making with the benefit of a variety of perspectives, skills and experience to meet the Board's responsibilities and objectives. As at 30 June 2020, the Board comprised of eight Directors, including Mr Jacob Klein, who is the Executive Chairman, and Mr Lawrence Conway, who is the Finance Director and six Non-Executive Directors. Mr Freestone retired from the Board effective 30 November 2019 and Mr Johnstone retired from the Board effective 30 March 2020, whilst three new directors were appointed. Under the Board Charter, the composition of the Board should comprise a majority of Non-Executive Directors who should also be Independent Directors. As at 30 June 2020, the Board comprised of a majority of Independent Directors. The current six Non-Executive Directors have a mix of commercial, exploration, project development, mining and financial skills and experience.

Further details about the Directors including skills, experience and term of office are set out in this report and in the FY20 Annual Report on pages 77-79 and pages 101-102. In addition to the Annual Report, the table on page 6 sets out the

skills, attributes and experience of the Directors serving on the Board as at 30 June 2020.

## Independence

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer, and the importance of ensuring that Directors are free from interests and relationships that could reasonably be perceived to materially interfere with the Director's ability to exercise independent judgement and act in the Company's best interests.

The Board, at least annually, reviews the independence of each Non-Executive Director. This assessment may occur more than once each year if there is a change in circumstances that may impact upon the independence of a Non-Executive Director. Individual Directors must not participate in assessing their own independence and must provide to the Board all information relevant to the assessment.

In assessing independence, the Board considers all circumstances relevant to determining whether the Non-Executive Director is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with that Director's ability to exercise unfettered and independent judgement on Company issues. Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards. The Board has accepted the following definition of an independent director:

*An independent director is a director who is not aligned with the interests of management or a substantial holder member 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 and unfettered exercise of their judgement of issues before the Board.*

In assessing independence, the Board will also consider the factors set out in Box 2.3 of the ASX Governance Principles, including whether during the previous three years. Directors have been independent of management and free of any interest, position, association or business or other relationship, or has been director of the Company for such a period that their independence from management and substantial holders may have been compromised.

It is the approach and attitude of each Non-Executive Director which determines their independence, and this must be considered in relation to each Director, while taking into account all other relevant factors as described herein.

# Corporate Governance Statement

Determination of the independence of each Director is made with reference to the factors set out above. As at 30 June 2020, the Board comprises a majority of six Independent directors.

Directors are initially appointed by the full Board subject to election by shareholders at the next general meeting. Under the Company's constitution the tenure of a Director is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. There is no maximum age for Directors.

The Board has made the determination that, Mr McKeith, Mr Askew, Mr Attew, Mr Smith, Ms Hall and Ms Binns are all Independent Directors. Mr Klein is the Executive Chairman and Mr Conway is the Finance Director and Chief Financial Officer and are therefore not considered to be independent.

The length of service and an assessment of the independence of each Director is detailed in the table below:

Name of Director	Position	Length of Service (as at 30 June 2019)	Independent
Mr Jacob Klein	Executive Chairman	8 years 8 months	No
Mr Lawrence Conway	Finance Director & CFO	8 years 8 months	No
Mr Thomas McKeith	Lead Independent Director	6 years 6 months	Yes
Mr James Askew	Non-Executive Director	8 years 8 months	Yes
Ms Andrea Hall	Non-Executive Director	2 year 9 months	Yes
Mr Jason Attew	Non-Executive Director	7 months	Yes
Mr Peter Smith	Non-Executive Director	3 months	Yes
Ms Victoria Binns	Non-Executive Director	3 months	Yes

## Chair of the Board

Mr Klein is the Executive Chairman of the Company. In this role, Mr Klein is required to operate as the Chairman of the Board and also in the capacity of a role equivalent to a Chief Executive Officer. As a result, there is not a clear division of responsibility between these functions and as an Executive Chairman, Mr Klein is not independent of the Company. Notwithstanding

the ASX Corporate Governance Council's recommendation that listed companies should have an Independent Director as Chairman, the Board believes Mr Klein to be the most appropriate person to act as Chairman of the Company at this time for the reasons set out below:

- Mr Klein was instrumental in the formation of Evolution Mining and since his appointment to the Board in 2011, has overseen its rapid growth and success, helping to create Australia's third largest gold producer<sup>1</sup> and one of the lowest cost gold producers globally
- He has extensive skills and experience in managing and developing mining companies

The dual role of Mr Klein is balanced by the appointment of Mr McKeith as Lead Independent Director. In this role, Mr McKeith chairs the discussions of the Non-Executive Directors and represents the Board and the Company in situations where the Executive Chairman may be conflicted. As such, the Board believes Mr Klein is the best person to undertake the Executive Chairman role and does not believe it is necessary at this stage to appoint an Independent Chair of the Board.

(1) As at 8 October 2020 by market capitalisation

# Corporate Governance Statement

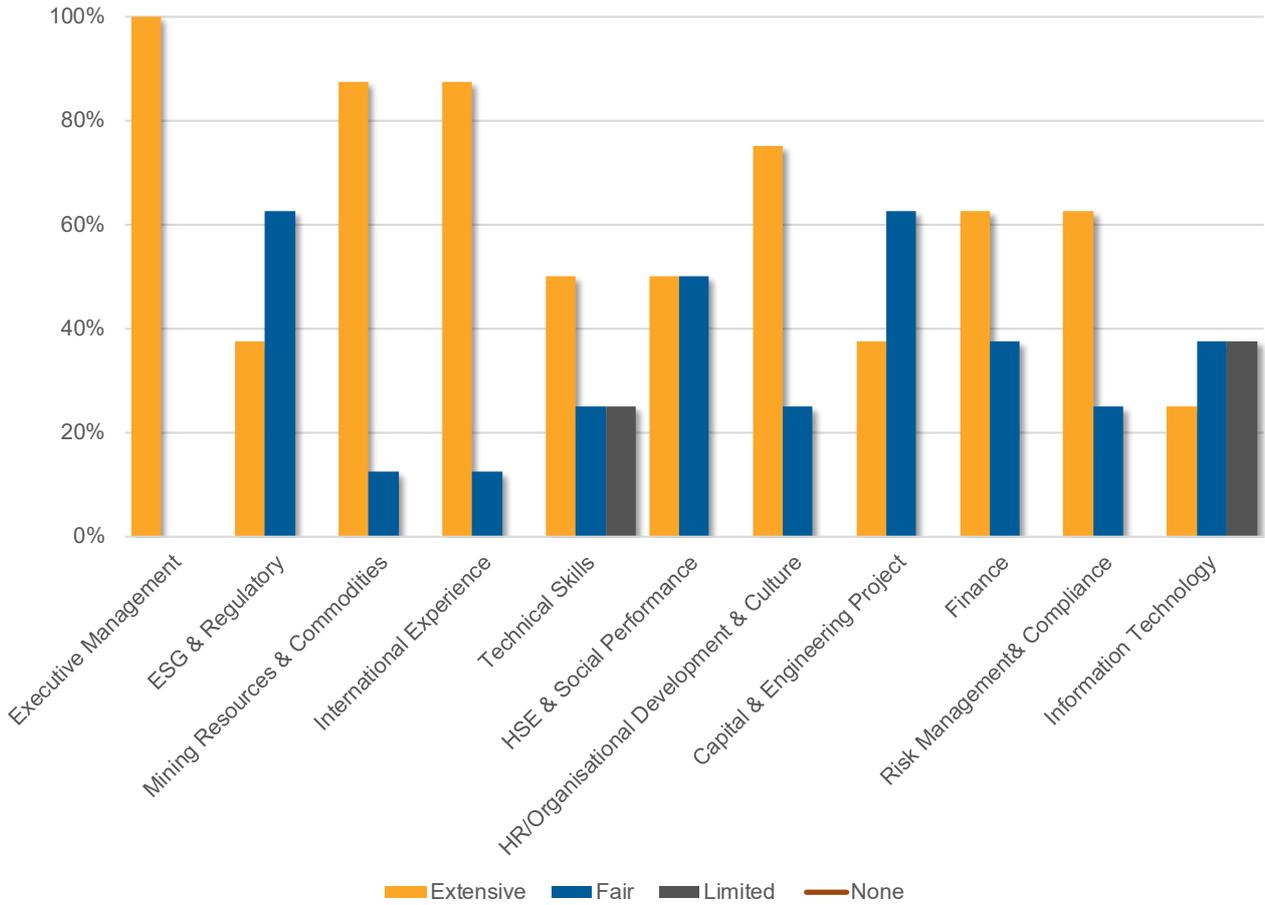
## Board Skills and Experience

The Board devised a Board Skills Matrix appearing in the table below, to measure skills that are considered relevant to the nature of the Company and industry in which it operates. Each director has self-assessed their skills and experience against the board skills matrix by giving a rating per skill. The outcome is summarised in the table and graph below:

Board Skills and Experience	Out of 8 Directors
<b>BOARD &amp; EXECUTIVE MANAGEMENT</b>	
Experience at board, CEO, CFO, other office or similar level, in medium to large entities, including with listed entities with oversight of core operational and strategic functions and programmes	8
<b>ENVIRONMENTAL, SOCIAL, GOVERNANCE &amp; REGULATORY</b>	
Experience in organisations with a strong focus on, and adherence to high environmental, social and governance (ESG) standards, including the development of ESG related policies, principles and standards and dealing with regulatory or governmental matters in an executive or board capacity	3
<b>MINING, RESOURCES AND COMMODITIES</b>	
Senior executive management, advisory or board experience in mid - large mining, resource and/or commodity organisations	7
<b>INTERNATIONAL</b>	
Multi-jurisdictional experience in mining, resource and/or commodity sectors	7
<b>TECHNICAL</b>	
Technical knowledge and experience with mining geology, metallurgy, engineering or processing	4
<b>HEALTH, SAFETY, ENVIRONMENT &amp; SOCIAL PERFORMANCE</b>	
Executive management or board sub-committee experience with responsibility for, or oversight of, workplace health, safety, environment and social responsibility programmes and the identification, monitoring and control of associated risks	4
<b>HUMAN RESOURCES/ ORGANISATIONAL DEVELOPMENT &amp; CULTURE</b>	
Senior executive experience in workplace relations, employee life cycle management, including talent and succession planning and remuneration policy development or relevant board sub-committee experience	6
<b>CAPITAL &amp; ENGINEERING PROJECTS</b>	
Senior executive management experience with large scale capital or engineering projects	3
<b>FINANCE</b>	
Senior executive experience in financial accounting and reporting, financial risk management and controls, treasury, corporate finance or mergers and acquisitions experience	5
<b>RISK MANAGEMENT AND COMPLIANCE</b>	
Senior executive experience in operational risk management, including identification, monitoring, mitigation and compliance	5
<b>INFORMATION TECHNOLOGY</b>	
Executive management experience in information technology, including data analytics, cyber risk and security and IT project delivery	2

# Corporate Governance Statement

## Chart 2: Board Skills Matrix Outcomes



## 2. BOARD SUB COMMITTEES

Details of the current membership and composition of each of the standing Board Committees is set out below:

	Membership	Composition <sup>2</sup>	Role	Meetings
<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>▪ At least three Non-Executive Directors</li> <li>▪ Majority must be independent</li> <li>▪ Chairperson must be an independent Non-Executive Director</li> </ul>	<ul style="list-style-type: none"> <li>▪ Andrea Hall (Chair)</li> <li>▪ Jason Attew</li> <li>▪ Victoria Binns</li> </ul>	<p>The role of the Audit Committee is to:</p> <ul style="list-style-type: none"> <li>▪ Assist the Board in carrying out its responsibility to exercise due care, diligence and skill in relation to the Board's reporting of financial information, application of accounting policies, financial management, internal control systems, business policies and procedures, compliance with applicable laws and regulations, and monitoring and controlling of business risks</li> <li>▪ Provide a formal forum for communication between the Board, auditors and senior management</li> <li>▪ Ensure the effectiveness of tax risk management and compliance</li> <li>▪ Improve the effectiveness of the external audit function and the communication between the Board and the external auditors</li> <li>▪ Ensure the effectiveness of the internal controls</li> </ul>	Minimum four per year
<b>Risk and Sustainability Committee</b>	<ul style="list-style-type: none"> <li>▪ At least three Non-Executive Directors</li> <li>▪ Majority must be independent</li> <li>▪ Chairperson must be an independent Non-Executive Director</li> </ul>	<ul style="list-style-type: none"> <li>▪ James Askew (Chair)</li> <li>▪ Andrea Hall</li> <li>▪ Peter Smith</li> </ul>	<p>The role of the Risk and Sustainability Committee is to:</p> <ul style="list-style-type: none"> <li>▪ Advise and support the Board of Directors on all matters pertaining to the Sustainability of the Company and group level risk appetite, risk management, and mitigation of all material risks arising from the Company's activities</li> <li>▪ Oversee the Company's risk management systems, sustainability programs and mitigating controls on behalf of the Board and regularly providing a report of its activities to the Board</li> <li>▪ Maintain free and open communication between the Committee and Senior Executives, as appropriate</li> </ul>	Minimum three per year
<b>Nomination and Remuneration Committee</b>	<ul style="list-style-type: none"> <li>▪ At least three Non-Executive Directors</li> <li>▪ Majority must be independent</li> <li>▪ Chairperson must be an independent Non-Executive Director</li> </ul>	<ul style="list-style-type: none"> <li>▪ Thomas McKeith (Chair)</li> <li>▪ James Askew</li> <li>▪ Jason Attew</li> </ul>	<p>The role of the Nomination and Remuneration Committee is to review and make recommendations to the Board on the following:</p> <ul style="list-style-type: none"> <li>▪ Executive and Non-Executive Director and Key Management Personnel remuneration</li> <li>▪ The implementation of, and amendment of, any Executive incentive plans</li> <li>▪ The annual performance review of the Executive Chairman</li> <li>▪ Board composition, competencies and diversity</li> <li>▪ Succession planning for the Board, Executive Chairman and Key Management Personnel</li> <li>▪ Director induction programs and continuing development</li> <li>▪ The process for evaluating the performance and effectiveness of the Board, the sub-committees of the Board and individual directors</li> <li>▪ Board appointments, re-elections and terminations</li> <li>▪ Director independence</li> <li>▪ Any other matters referred to the Committee by the Board</li> </ul> <p>In carrying out its role, the Nomination and Remuneration Committee is to take cognisance of regulations regarding appointments and remuneration, particularly the relevant provisions of Employment Law and the Corporations Act.</p>	Minimum three per year

(2) All current members of the each of the Board Committees are independent Non-Executive Directors (NEDs)

# Corporate Governance Statement

## Nomination and Remuneration Committee

The Board has established a Nomination and Remuneration Committee. In accordance with its Charter, the Nomination and Remuneration Committee is structured such that it consists solely of Non-Executive Directors, is chaired by an independent Non-Executive Director and has at least three Non-Executive Directors as members. The Charter was last updated on 14 August 2019 and is reviewed bi-annually. The Charter is available on the Company's corporate governance page on the Company's website and can be accessed [here](#).

The Chairman of the Nomination and Remuneration Committee is Mr Thomas McKeith. The other members of the Committee at 30 June 2020 were Mr James Askew and Mr Jason Attew. All Committee members are Non-Executive Directors and the Board considers all of the Non-Executive Directors on the Committee to be independent. The following change to the composition of Committee was made effective 1 December 2019:

- Mr Jason Attew was appointed as a member of the Committee, replacing Mr. Freestone who retired as a Director of the Company and as a member of the Nomination and Remuneration Committee at that date

Other Board members, including the Executive Directors, are invited to attend these meetings and the Vice President People and Culture regularly attends and presents at the Committee meetings at the discretion of the Committee.

Details of the number of meetings held and the Directors' attendances during the financial year ending 30 June 2020 are set out below and in the Directors' Report section of the 2020 Annual Report.

Name of Director	Position	Independent	No. of Meetings Held While a Member	No. of Meetings Attended
<b>Current Members</b>				
Mr Thomas McKeith	Chair	Yes	4	4
Mr James Askew	Non-Executive Director	Yes	4	4
Mr Jason Attew	Non-Executive Director	Yes	2	2
<b>Retired during the period</b>				
Mr Graham Freestone	Non-Executive Director	Yes	2	2

The Company Secretary is also the Secretary to the Committee and copies of the minutes of the meeting are distributed to the Board ahead of the next full Board meeting. The Chair of the Nomination and Remuneration Committee reports to the Board on the Committee's discussions, conclusions and recommendations.

## Audit Committee

The Board has established an Audit Committee to assist the Board to safeguard the integrity of financial reporting. The responsibilities of the Committee are set out in a formal Charter approved by the Board.

The Charter sets out the purpose, membership, responsibilities, authority and reporting requirements of the Committee. The primary responsibilities of the Committee are detailed in the Charter and include the following areas:

- Audit
- Reporting
- Financial Risk Management
- Financial Governance

This Charter was last updated on 12 February 2019 and is reviewed bi-annually. The Charter is available on the Company's corporate governance page on the Company's website and can be accessed [here](#).

As at 30 June 2020, the Chair of the Audit Committee is Ms Hall. The following changes to the composition of Committee were made during the year:

- Mr Freestone retired as a member of the Committee 30 November 2019
- Mr Attew was appointed as a member of the Committee 1 December 2019
- Mr Colin Johnstone retired as a member of the Committee on 30 March 2020
- Ms Victoria Binns was appointed as a member of the Committee 1 April 2020

The Board considers all of the Non-Executive Directors on the Committee to be independent and the composition of the Audit Committee satisfies the Board's requirements in performing the Committee's function given the size and complexity of the Company at present. The Executive Chairman, the Chief Financial Officer, senior members of the finance team, the external auditor as well as the internal auditor attend Committee meetings at the discretion of the Committee. Other Board members are invited to attend these meetings. Further details of the members of the Audit Committee and their attendance at Committee meetings are set out below and in the Directors' Report section of the

# Corporate Governance Statement

2020 Annual Report.

Name of Director	Position	Independent	No. of Meetings Held While a Member	No. of Meetings attended
<b>Current Members</b>				
Ms Andrea Hall	Chair	Yes	4	4
Mr Jason Attew	Non-Executive Director	Yes	2	2
Ms Victoria Binns	Non-Executive Director	Yes	1	1
<b>Retired during the period</b>				
Mr Graham Freestone	Non-Executive Director	Yes	2	2
Mr Colin Johnstone	Non-Executive Director	Yes	3	2

The Committee meets with the external auditor without senior management on general matters concerning the audit and on other matters. The Company Secretary is also the Secretary to the Committee and copies of the minutes of the meeting are distributed to the Board ahead of the next full Board meeting. The Chair of the Audit Committee reports to the Board on the Committee's discussions, conclusions and recommendations and both external and internal auditors have a direct line of communication at any time to the Chairman of the Committee and the Chairman of the Board.

## Risk and Sustainability Committee

The Board has established a Risk and Sustainability Committee and its role to oversee the Company's risk and sustainability management systems, policies, practices and plans on behalf of the Board and report the results of its activities to the Board is set out in its Charter. The Charter was last updated on 20 October 2020, is reviewed bi-annually and is available on the Company's corporate governance page on the Company's website and can be accessed [here](#).

The responsibilities of the Risk and Sustainability Committee include oversight of the following areas:

- Health, Safety and Security
- Environment and Tailings Dam Governance
- Community and Social Performance
- Operational Risk Management
- Business Risk Management
- Legal and Regulatory Compliance

The Company is committed to the identification, monitoring and management of material business risks of its activities via its risk management framework. The Sustainability Policy, the Strategic Planning Policy and Sustainability Performance Standard are available on the Company's corporate governance page on the Company's website and can be accessed [here](#).

The Chairman of the Risk and Sustainability Committee is Mr James Askew. The other members of the Committee at 30 June 2020 were Mr Smith and Ms Hall. The following changes to the composition of the Committee were made during the year:

- Mr McKeith retired from the Committee 30 November 2019
- Ms Hall was appointed as a member of the Committee 1 December 2019
- Mr Johnstone retired, and Mr Askew was appointed as the Chair of the Committee 30 March 2020
- Mr Smith was appointed as a member of the Committee 1 April 2020

The Board considers all of the Non-Executive Directors on the Committee to be independent. The composition of the Risk and Sustainability Committee satisfies the Board's requirements in performing the Committee's function given the size and complexity of the Company at present. The Chief Operating Officer and the Vice President Sustainability attend and present at Committee meetings at the discretion of the Committee. Other Board members are invited to and regularly attend these meetings. Further details of the members of the Risk and Sustainability Committee and their attendance at Committee meetings are set out below and in the Directors' Report section of the FY20 Annual Report.

Name of Director	Position	Independent	No. of Meetings Held While a Member	No. of Meetings Attended
<b>Current Members</b>				
Mr James Askew	Chair	Yes	3	2
Ms Andrea Hall	Non-Executive Director	Yes	2	2
Mr Peter Smith	Non-Executive Director	Yes	1	1
<b>Retired during the period</b>				
Mr Thomas McKeith	Non-Executive Director	Yes	1	1
Mr Colin Johnstone	Non-Executive Director	Yes	2	1

# Corporate Governance Statement

---

The Company Secretary is also the Secretary to the Committee and copies of the minutes of the meeting are distributed to the Board ahead of the next full Board meeting. The Chair of the Risk and Sustainability Committee reports to the Board on the Committee's discussions, conclusions and recommendations.

## 3. BOARD AND EXECUTIVE REMUNERATION

### Executive Service Agreements & Non-Executive Director Remuneration

The Leadership Team comprises of the Executive Chairman and the six Senior Executives who report directly to the Executive Chairman. Each Senior Executive is employed under an Executive Service Agreement which sets out the employment terms, duties and responsibilities, remuneration details and the circumstances under which employment can be terminated.

The Board (with the assistance of the Nomination and Remuneration and Committee) has established a policy to ensure that it remunerates fairly and responsibly. The remuneration philosophy of the Company is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and maintain talented and motivated Directors and employees. The Nomination and Remuneration Committee is responsible for the oversight of the Company's equity plans.

Upon the establishment of the Company in 2011, the Nomination and Remuneration Committee was charged with the responsibility for making recommendations to the Board regarding the principles of remuneration to be applied to the Senior Executives of the Company, having regard to the ASX corporate governance principles and the remuneration practices of Australian mining companies of a comparable size to the Company.

During FY19, an independent remuneration consultant, Mercer Australia, (Mercer) was engaged to provide relevant benchmark data and analysis and prepare a report (The Mercer Report) to assist the Nomination and Remuneration Committee amongst other items, to determine the appropriate levels for Non-Executive Directors fees and Senior Executive remuneration. As a result of the review, the Board approved an increase to the long-term incentive proportion of the remuneration structure for all participant levels of the LTI Program. For the key management personnel (KMP), in conjunction with this change, the Board has agreed with KMP members that

their total fixed remuneration (TFR) will remain unchanged for the three year period ending on 30 June 2022, based on current role scope and form of the Company. Overall, the Board believes this aligns to the Company's philosophy of promoting a high achieving culture where the KMP and the broader workforce are incentivised to deliver sustainable business outcomes while increasing shareholder value.

Furthermore, the Board approved an increase in the overall fees paid to Non-Executive Directors with effect from 1 July 2020. The aggregate maximum Directors' fee pool limit was increased from A\$950,000 to A\$1,200,000 and was approved by shareholders at the Annual General Meeting held on 28 November 2019, with the objective of ensuring that the Non-Executive Director Fee Pool could accommodate additional Non-Executive Directors being appointed to the Board (if required) and to enable the Company to maintain remuneration arrangements that are market competitive, so it can continue attract and retain high calibre individuals as Non-Executive Directors.

Details of the Non-Executive Director Equity Plan are provided on page 127 of the FY20 Annual Report.

Non-Executive Directors do not receive retirement benefits, other than statutory superannuation entitlements.

Further details on the structure of Executive Directors', Non-Executive Directors' and KMP remuneration are set out in the Remuneration Report in the Directors' Report section of the FY20 Annual Report.

Personnel of the Company are not permitted to enter into transactions which limit the economic risk of any unvested entitlements awarded under any equity-based remuneration scheme, or otherwise awarded, or which will be offered by the Company in the future.

## 4. BOARD AND EXECUTIVE PERFORMANCE

### Evaluating Performance

The Board has in place a performance appraisal and remuneration system for the Executive Chairman and Senior Executives designed to enhance performance. Management performance is formally reviewed twice per year.

The criterion for the evaluation of the Executive Chairman and Senior Executives is their performance against agreed key performance indicators. The outcomes of the Senior Executives' annual performance review are discussed with

# Corporate Governance Statement

the Board. The performance of the Executive Chairman is also monitored and assessed by the members of the Nomination and Remuneration Committee, as input to determine future remuneration.

The Board periodically reviews its own performance and that of the individual Directors with the most recent review having been conducted in May 2019 in an externally facilitated workshop. The workshop included:

- A self-evaluation component
- An individual feedback component
- A discussion on the composition of the Board and the Committees
- A discussion on the effectiveness of the performance of the Board, the Committees and individual Directors

The output materials arising from the workshop were subsequently circulated to and discussed with all Board members.

As a consequence of the COVID-19 travel restrictions and the Board's desire to hold discussions on its own performance and that of the individual directors in person, the Board has determined to hold the next review at the first opportunity when the Board is physically together in one location, which is expected to be in 2021 calendar year.

## 5. ETHICAL AND RESPONSIBLE DECISION MAKING

### Code of Conduct

The Company is committed to its core values of Safety, Excellence, Accountability and Respect. These values are the cornerstones of how the Company operates and the Code of Conduct has been developed to provide clarity on the standards of personal and corporate behaviour for Evolution Mining employees, Directors, and third-party service providers, and the responsibility and accountability required of the Company's employees for reporting and investigating unethical practices. The Code of Conduct is also reflective of the Company's commitment to recognising its legal obligations, the legitimate expectations of stakeholders and promoting practices necessary to maintain confidence in the Company's integrity.

The Company has continued to build a strong culture with the values guiding behaviours and decisions in the workplace every day.



**Safety:** Think before we act, every job, every day



**Excellence:** We take pride in our work, deliver our best and always strive to improve



**Accountability:** If it is my responsibility, I own it - good or bad



**Respect:** We trust each other, act honestly and consider each other's opinion

The Board has adopted a Board Code of Conduct that deals with:

- Obligations under legislation
- Personal behaviour
- Conflicts of interest
- Remuneration, expenses and other benefits
- Access to information and records
- Trading in Company securities

One of the Board's key aims is to avoid conflicts of interest (both real and apparent) and to ensure that all Board issues receive proper consideration, unfettered by outside or personal influences. If a conflict does exist, there are various courses of action available, depending upon the significance of the conflict.

A copy of the Board Code of Conduct Policy is available on the Company's website under the corporate governance page or can be accessed [here](#).

### Whistleblower Policy

The company has a Whistleblower policy that aims to encourage the reporting of matters which may (or may be perceived to) be in contravention of the Company's values or the ongoing commitment to create and maintain a high achieving and positive working environment, free of unethical, unlawful or undesirable conduct or practices.

The policy details the mechanism by which individuals can raise concerns anonymously and how Evolution will investigate matters independently whilst providing support and protecting anonymity.

A copy of the Whistleblower Policy is available

# Corporate Governance Statement

on the Company's website within the corporate governance page or can be accessed [here](#).

## Anti-Bribery and Corruption Policy

The Company has an Anti-Bribery and Corruption Policy that applies to all Evolution Directors, Officers and employees. The policy has been created to provide clarity on the Company's commitment to comply with the laws and regulations of the countries within which Evolution operates and to ensure that all business is conducted ethically and in accordance with the Company's values.

The policy details the Company's commitment to:

- Ensure that employees are aware of their obligations to avoid personal, financial or other interest which may conflict with their duties and responsibilities to Evolution
- Oppose all forms of bribery and corruption
- Support an open and supportive environment, where matters are raised appropriately
- Investigate, address and report on actual (or perceived) non-compliance of the policy
- Periodically review and make changes to this policy

A copy of the Anti-Bribery and Corruption Policy is available on the Company's website, under the corporate governance page or can be accessed [here](#).

## 6. DIVERSITY AND INCLUSION

Evolution's values of Safety, Excellence, Accountability and Respect are about ensuring we have the best talent highly engaged in delivering optimal value for our stakeholders. In order to achieve this, the Company is committed to a culture that is inclusive and which can benefit from diversity of thought, ideas, backgrounds and experiences.

A copy of the Diversity and Inclusion Policy is available on the Company's website, under the corporate governance page or can be accessed [here](#).

The Company's Diversity and Inclusion Policy recommends an inclusive workplace culture that supports diversity and includes the following key objectives:

- Attract and retain a skilled and diverse workforce that best represents the talent available in the communities where our assets are located and our employees reside

- Promote and maintain a work environment that values and utilises the contributions of employees with diverse backgrounds, experience and perspectives through improved awareness of the benefits of workplace diversity, human resources policies, systems and processes and successful management of diversity
- Reinforces our organisational values of Safety, Excellence, Accountability and Respect
- Ensure that succession and talent management processes provide the necessary learning and development opportunities to develop a broader and more diverse pool of skilled and experienced employees, that over time, will be considered for advancement to more senior roles, including the Leadership Team and the Board
- Ensure appropriate selection criteria based on diverse skills, experience and perspectives is used when hiring internal and external staff, at all levels, including Board member appointments
- Ensure that applicants and employees of all backgrounds are encouraged to apply for and have a fair opportunity to be considered for all available roles
- Ensure compliance with all equal opportunity and anti-discrimination legislation
- The Nomination and Remuneration Committee is responsible for reviewing and reporting on the relative proportion of males and females in the workforce

At the end of the 2020 financial year, the relative proportion of males and females at Board, Senior Management and all levels is detailed below:

	Male	Female	% change in female workforce from FY19
Board	75.0%	25.0%	75% ▲
Senior management <sup>3</sup>	83.6%	16.4%	48% ▲
Group-wide	82.9%	17.1%	8% ▲

<sup>3</sup> 'Senior Management' is defined as Group/Site Managers and above

Whilst recognising that mining is a heavily male dominated industry, the Board is committed to driving improved representation of female talent across all levels of our workforce. As illustrated in the above table, our targeted talent attraction and sourcing activities in the 2020 financial year have resulted in significant increases in female participation across the business. In appointing an additional female Director during the year, it is encouraging to note the progress made

# Corporate Governance Statement

---

towards the target of 30% female representation, which the Board believes is achievable by 2023 as part of a board renewal process. Overall, the percentage of female Directors has increased to 25%, whilst at the Non-Executive Director (NED) level, female representation has increased to 33.33% (two of six). This brings significant value-adding experience to the business, along with the opportunity for these members to be important role models for others within the Company and industry. Building upon this diversity of thought and experience will be a continued focus of attention whenever we consider any new Board and senior management appointments.

In the last financial year, all Evolution employees participated in a Dignity & Respect training program. This was a new program that concentrated on providing all employees with an overview of the Company's commitment to an inclusive, diverse and high achieving culture. Designed as a facilitated and interactive session, it presented participants with an opportunity to discuss the standards that management has set, share their own personal and professional experiences and to understand the support that the Company provides to ensure these standards are met. We received positive feedback on these sessions and will commit to ongoing training, to ensure that we can build upon this success.

Our commitment to an inclusive and diverse workforce is further illustrated in our continued investment in our pipeline developmental programs. These programs concentrate on bringing the next generation of talent and diverse thinking into our industry. It is exciting to acknowledge that we have exceeded last year's target to have 50% female participation in our Graduate and Vacation Programs. 64% of our current (2020) graduate intake and 60% of the students employed on the (2019/20) Summer Vacation Program are female and we continue to focus on growing and retaining this diverse talent, through effective leadership, support and development.

Supporting our first nation communities also remains a key focus of our commitment to diversity and inclusion. Within the Company's workforce, 7% of direct employees identify as Indigenous or First Nation peoples (an increase of 46% from the last reporting period). We continue to build strong relationships with our Aboriginal and Torres Strait Islander communities (ATSI) and support the communities through having targeted training and employment programs.

Partnerships with organisations such as Work180 and the Jonathon Thurston (JT) Academy continue to support our commitment to diversity within the workplace and our focus on training all employees on Dignity & Respect will further support and encourage our inclusive company

culture.

## 7. SHAREHOLDER ENGAGEMENT AND MARKET COMMUNICATIONS

### Continuous Disclosure

The Board has designated the Executive Chairman, Chief Financial Officer, Company Secretary and the General Manager Investor Relations as the individuals responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

The Audit Committee reviews and makes recommendations to the Board regarding approval of all financial reports. Where a periodic corporate report is not required to be audited or reviewed by an external auditor, the Company conducts a comprehensive internal verification process to verify the integrity and accuracy of all commentary and quantitative data and to ensure that it provides investors with appropriate information to make informed investment decisions.

The Board has established a written policy for ensuring compliance with ASX listing rule disclosure requirements and accountability at Senior Executive level for that compliance. A copy of the Continuous Disclosure Policy is available on the Company's corporate governance page on the Company's website and can be accessed [here](#).

In accordance with this policy, Senior Executives that become aware of potentially price sensitive information must immediately report this to the individuals noted above.

The policy is periodically reviewed by the Board to ensure that it is effective and remains consistent and current with relevant laws and ASX requirements and was last reviewed and updated in September 2019.

The Board provides shareholders with timely, factual and clear information by applying this policy. The policy includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX, posting them on the Company's website and issuing media releases to enable investors to assess the impact of the information when making investment decisions.

The Board respects the rights of its shareholders by promoting effective communication with shareholders and encourages shareholder participation at General Meetings. To facilitate this, the Company has established a Shareholder Communication Policy which is available on the Company's corporate governance page on the

# Corporate Governance Statement

---

Company's website or can be accessed [here](#). The policy was last reviewed and updated in September 2019.

The Board encourages full participation of shareholders at the general meetings, to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions. The Company also invites its external auditor to attend the Annual General Meeting (AGM) and to be available to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report. For the 2020 AGM, having regard to travel restrictions and social distancing protocols brought about the COVID-19 pandemic, the Directors have determined that a virtual AGM meeting will be held so as to provide more opportunity for shareholder engagement and participation.

The Company conducts conference calls following the release of its Quarterly, Half Year and Full Year results. Conference calls may also be conducted following the release of material, price sensitive information, such as a major acquisition or discovery. The details of the conference call are lodged with the ASX and published on its website. The conference calls are hosted by the Executive Chairman and members of the Senior Executive team and are open for analysts and the media to attend via telephone. Sufficient time is allowed for questions and answers. Shareholders are able to listen to a live audio stream of the conference call which is subsequently uploaded to the Company's website at the conclusion of each conference call and can be accessed at any time. The contact details of the General Manager Investor Relations is also provided in each announcement which gives shareholders an additional opportunity to communicate directly with the Company.

From time to time, briefings are arranged to give analysts and others who advise shareholders an understanding of the Company's activities. Under the COVID-19 travel restrictions and social distancing protocols, the meetings conducted since March 2020 have all been virtual. In conducting briefings, the Company takes care to ensure that any price sensitive information released is made available to all shareholders (institutional and private) and the market at the same time. These announcements are lodged with the ASX and then posted on the Company's website.

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

The Company has a comprehensive website ([www.evolutionmining.com.au](http://www.evolutionmining.com.au)) which provides detailed information about the Company for

investors and other stakeholders, including:

- An overview of the Company's history, strategy, vision and values
- Biographical profiles of the Board of Directors and the Leadership Team
- An overview of each asset in the Company's portfolio
- An Investor Centre which includes ASX announcements, presentations and periodic reports
- A Corporate Governance section which contains the Company's constitution and the core charters, policies, codes and standards as well as other governance and public reports
- Details of dividends paid and declared
- Details of upcoming events including the date, time and venue for the AGM once known
- The current price of the Company's securities
- Contact information for each office, site and key functions and personnel

## 8. AUDIT

### Internal Audit

The Company has an internal audit function that assists the Board by undertaking an objective evaluation of the Company's internal control framework. The internal audit role is currently filled by the Group Manager - Tax and Internal Audit who reports through to the Chief Financial Officer. The Group Manager - Tax and Internal Audit attends the Audit Committee meetings to present internal audit activities, findings and recommendations. For the five and a half year period ending 30 June 2020, the Company had engaged Protiviti, a global governance, risk and internal audit consulting services firm, to assess the framework and the related internal controls, express an opinion as to their adequacy, identify any weaknesses inherent therein, and to make recommendations as regards ongoing testing and review. Following a tender process conducted in the last quarter of FY20, the Company has engaged Deloitte as the internal audit services provider for a two year term with effect from 1 July 2020. The internal auditor will continue to be invited to attend the Audit Committee meetings on a regular basis to provide an update to the Committee on their activities and communicates regularly with the Company's external auditor, independent of Management.

The Audit Committee is responsible for overseeing the internal audit function and its key roles in this

# Corporate Governance Statement

---

regard are:

- Reviewing the performance of the internal auditor and the approval of the annual internal audit plan
- Reviewing significant internal audit findings and action taken by Management to address these
- Facilitating a direct line of communication from the internal auditor which is independent of Management

When requested by the Board, the Audit Committee also reviews the processes and internal controls that Management have put in place to ensure compliance with laws, regulations and internal codes of conduct.

## External Audit

The Company's external auditor is PricewaterhouseCoopers (PwC). All Audit Committee and Board papers are available to the external auditor and they are invited to attend all Audit Committee meetings and are available to Audit Committee members at any time. The external auditor also attends the Annual General Meeting to answer any questions from shareholders relevant to the audit and the preparation and content of the auditors' report. In the 2020 financial year, PwC attended all four Audit Committee meetings.

## Attestations by Executive Chairman and Chief Financial Officer

In accordance with recommendation 4.2 of the ASX Corporate Governance Principles and Recommendations, the Executive Chairman and Chief Financial Officer are required to state in writing to the Board 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 of the entity in accordance with Section 295A of the Corporations Act
- That an opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively

## 9. RISK AND SUSTAINABILITY

### Risk Management

The Company publishes a comprehensive Sustainability Report on an annual basis. The objective of the Company's sustainability efforts is to deliver long-term stakeholder value through safe, low-cost gold production in an environmentally and socially responsible manner. To support and guide the Company's efforts to enhance its sustainability performance, the following set of principles also aligned with the UN Sustainability Goals (SDGs) have been developed:

- Be an employer of choice attracting the most talented people and foster a safe, diverse and inclusive workplace
- Demonstrate robust risk management and safety leadership
- Contribute positively to local, regional and national sustainability efforts by achieving an outstanding level of environmental stewardship
- Actively manage climate related risks and opportunities including improving energy efficiency and the responsible management of water
- Protect and enhance our reputation as a trusted partner and provide community benefits that endure beyond the life of our mines
- Advance the outcomes for indigenous peoples and protect their Cultural Heritage
- Respect the human rights of all our stakeholders.
- Be transparent at all levels of Corporate Governance, comply with applicable laws and regulations and operate at the highest standards of financial and ethical behaviour
- Relentlessly strive for operational excellence through an innovative culture and inspired people delivering to plan

The Company has a Sustainability Policy that incorporates statements related to Risk, Health, Safety, Environment and Social Responsibility and a Strategic Planning Policy. These are supported by Sustainability Performance Standards, Strategic Planning Standards and a Risk Management Framework, which together provide the governance and integrated approach for the effective management of risk and sustainability performance. The Sustainability Performance Standards prescribe the minimum level of social and environmental performance that must be achieved by all Company assets, the minimum requirements for managing

# Corporate Governance Statement

---

sustainability threat-based risks associated with operational and exploration activities and for identifying opportunities that have the potential to drive value creation for the Company and the communities in which it operates. The Sustainability Performance Standards were last reviewed and updated in July 2020.

The Senior Executives, the Risk and Sustainability Committee, the Tailings Storage Facility (TSF) Governance Committee and the Board regularly review the risk portfolio of the business and the effectiveness of the Company's management of risks. The TSF Governance Committee was established by the Board in 2018 with an objective of supporting and assisting the Senior Executives and the Risk and Sustainability Committee to recognise and monitor all risk associated with tailings management arising from the Company's activities. It meets four times per year. The primary responsibility of the TSF Governance Committee is to oversee the Company's TSF risk assurance processes, management systems, policies, standards, practices and plans on behalf of the Leadership Team and report the results of its activities through to the Risk and Sustainability Committee.

The Vice President Sustainability has responsibility for Health, Safety, Environment, Risk and Social Responsibility and the associated management, identification, monitoring, reporting and mitigation of environmental, health, safety and social responsibility risks. The management and reporting of risks are communicated by Management to the Executive Chairman and is included in the Board material at regular Board and Risk and Sustainability Committee meetings.

The Board has ultimate responsibility for the oversight and management and satisfies itself annually, or more frequently as required, that Management has developed an effective Risk Management Framework and implemented a sound system of risk management and internal control to manage the Company's material business risks. The Board delegates the detailed work of this task to the Risk and Sustainability Committee, who oversee the adequacy and content of risk reporting from Management. Based on reports compiled throughout the year, Management prepares regular reports to indicate the effectiveness of the Company's management of its material business risks for the Risk and Sustainability Committee, which will ultimately be provided to the Board for its review.

The Company manages the risks listed above, and other day-to-day risks through an established management framework which conforms to Australian and international standards and guidelines. The Company's risk reporting and control mechanisms are designed to ensure strategic, operational, community,

legal, reputational and other risks are identified, assessed and appropriately managed. These are reviewed by the Risk and Sustainability Committee throughout the year. The financial reporting and control mechanisms are reviewed during the year by Management, the Audit Committee and the internal and external auditors.

## Social Performance

The Company has an established social responsibility function, operating both at a group level and at each of its operations. The Company has developed a community engagement framework, including a set of principles, policies and standards designed to provide a structured and consistent approach to community activities across the Company. The Sustainability Performance Standards developed in FY19 include a set of Social Responsibility Performance Standards, which include the minimum requirements for engaging with its stakeholders. All of the operations are subject to functional risk control audits annually which are also validated by external auditors.

The Company recognises that proactive engagement with the community is integral to building trust and to deliver positive legacy. Failure to appropriately manage or meet local community stakeholder expectations may lead to dissatisfaction which has the potential to disrupt or prevent production and exploration activities and impact reputation. As such, the Sustainability Policy, the social responsibility components of the Sustainability Performance Standards and the Strategic Planning Standards are designed to support the Company's objectives of working with its community stakeholders to achieve their future aspirations and ensuring that, as a member of these communities, the Company strives to make a positive difference and to earn the trust of its community stakeholders. Ultimately, the Company seeks an outcome where its communities are better off overall for the Company having been there. The following set of community principles guides the Company's approach to all stakeholder engagements:

- Everyone plays a role in building positive community relations
- We consider our community impact with each decision that we make
- We want every interaction with our community stakeholders to be positive and aligned with our values
- We listen and communicate regularly with our stakeholders about the things that matter to them, in an honest, timely and transparent way
- We work closely with our stakeholders, we

# Corporate Governance Statement

---

share ideas and we look for opportunities to collaborate

- We value our stakeholders, respect their beliefs, backgrounds and aspirations and we strive to achieve outcomes of mutual benefit
- We strive to always leave a positive legacy so our communities are better off overall for Evolution having been there

The Company's social responsibility policies, procedures and standards cover various areas including Human Rights, Land Access, Stakeholder Engagement, Cultural Heritage and Traditional Custodians. Through the Sustainability Performance Standards focused on Social Responsibility, the Company ensures that every person covered by the standards recognises, understands and accepts their responsibility to:

- Ensure social permissions and legislative permits are gained with appropriate legally acquired land titles prior to exploration or mining activities commencing
- Build trusting relationships by regularly listening to and engaging clearly, honestly and transparently with our stakeholders and, through consultation, mitigate potential and actual social impacts
- Build cross-cultural competency and work collaboratively with Traditional Custodian groups in the spirit of reciprocity, transparency and mutual future interest
- Respect and protect local culture and heritage within the Company's influence and wherever possible, design and locate activities to avoid disturbance of cultural heritage
- Respect human rights, and identify and mitigate all actual and potential human rights threats (including modern slavery) or impacts across our assets or with our business partners and other relevant stakeholders

The Company is committed to identifying opportunities to form partnerships to deliver sustainable community development projects that create shared value, both for the Company and for its community stakeholders. This is a key initiative aimed at providing long-term, sustainable outcomes for the community that last beyond the life of the mine through local economic development, education and training outcomes, environmental outcomes or sustainable health outcomes. Examples of the Company's Sustainability Projects can be found [here](#) and within the Sustainability Report issued each year.

## Health, Safety and Environment

The Company has an established Health, Safety and Environment (HSE) function within the Sustainability team and has developed a HSE management system and framework which outlines the Company's approach to managing the risk associated with HSE aspects. The management system includes the requirement for the operations to implement the Sustainability Policy and Sustainability Performance and Strategic Planning Standards. These include the requirement to implement Critical Control plans, risk registers, standard operating procedures and a risk management process. It is an expectation that all incidents and hazards are reported and investigated to reduce the risk of occurrence in a future event. These systems are overseen by the established internal audit and monitoring programs in place including external verifications.

In relation to the management of environmental risk, a key component of the Company's Sustainability Performance Standards and the Strategic Planning Standards are the management of the core risk areas including waste rock management, tailings management, hazardous materials management, water management and energy efficiency.

The Company employs the services of environmental specialists to assist in the management of environmental aspects and impacts across the Company's operations.

All of the operations are subject to functional risk control audits every year. These focus on compliance with Health and Safety requirements, environmental protection and risk management. The findings of these audits are communicated through to the Leadership Team and the Risk and Sustainability Committee, and action items are tracked within the Company's HSE data management system. Matters relating to HSE are recorded in a database and communicated widely across the organisation on a monthly, quarterly and annual basis and the Company's HSE performance is monitored and reviewed by the Risk and Sustainability Committee at each meeting.

The mining operations across the Company are required to maintain and monitor a site risk register which outlines all key operational risks, including HSE and the appropriate control measures in place to mitigate those risks. These are reviewed and supported by on site Committees and the Site Leadership Teams. The site risk register rolls up to the Company risk register which is reviewed at regular intervals by the Risk and Sustainability Committee and the Senior Executives.

# Corporate Governance Statement

---

Examples of the Company's management of material, economic, environmental and social responsibility risks and the systems it has in place to manage these risks will be included in the 2020 Sustainability Report.

While the Company has implemented Sustainability and Strategic Planning Policies, and Standard frameworks to ensure the health and safety of its employees, contractors and members of the community affected by its operations as described herein and in the Annual Report, there is no guarantee that such measures will eliminate the occurrence of incidents which may impact the community or result in personal injuries, damage to property or interruption to its production or exploration activities, and in certain instances such occurrences could give rise to regulatory fines and/or civil liability, despite the Company's best efforts to avoid such occurrences.