

29 October 2024

Corporate Governance Statement

Prepared under ASX Listing Rule 4.10.3.

Introduction

The Board of Directors of Alara Resources Limited (**Company** or **Alara**) is committed to maintaining a high standard of corporate governance for the Company and the entities which it controls (**Consolidated Entity** or **Group**). The Company has a set of structures, values and behaviours which underpin all its decision making and activities to ensure transparency, fair dealing and protection of the interests of stakeholders – including shareholders, personnel, suppliers and the communities in which it operates¹.

Alara's Board of Directors supports the Corporate Governance Principles and Recommendations, 4th Edition (**Governance Principles**) made by the ASX Corporate Governance Council (**Council**). The Company's practices are largely consistent with the Governance Principles. The Board considers that the implementation of a small number of Governance Principles is not appropriate, for the reasons set out below in relation to the principles concerned. The Company uses best endeavours to comply with the Governance Principles to the greatest extent practical for a company with its size and type of operations.

As required by the ASX Listing Rules, this Corporate Governance Statement (**Statement**) discloses the extent to which the Company followed the Governance Principles during the Reporting Period.

The Company has also prepared and lodged on ASX an *Appendix 4G – Key to Disclosures*, which reports on the Company's compliance with the Governance Principles. The *Appendix 4G – Key to Disclosures* may also be downloaded from the Company's website at www.alararesources.com.

The Company's latest Annual Report which also contains corporate governance information, may also be downloaded from the Company's website. The Corporate Governance page of the Alara website contains the charters, codes and policies which are referred to in this Statement, at: www.alararesources.com/corporate-governance

The names of the Directors currently in office and their qualifications and experience are stated in the Company's latest Annual Report.

Principle 1 – Lay Solid Foundations for Management and Oversight

1.1. Board of Directors - Role and Responsibilities

In general the Board is responsible for and has the authority to determine all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the corporate governance of the Company. The Board recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company's stakeholders as a whole.

The Board also ensures that the Company complies with all its contractual, regulatory and social obligations. The Board has the final responsibility for the success of the Company's operations. Where the Board considers that particular expertise or information is required which is not available from within its members, appropriate external advice may be taken and considered before a decision is made.

1 This Statement was approved by the Board. It details the Governance practices in place for the Alara Consolidated Entity for its financial year ended on the most recent 30 June. Details of Director and Committee Memberships are, however, current at the date of lodgment of this document on ASX.

Without limiting the Board's role, the Board's principal functions and responsibilities include the matters set out below, subject to delegation to Senior Management as specified elsewhere in this Statement or as appropriate:

- (a) formulation and approval of the Company's strategic direction, objectives and goals,
- (b) prudential control of the Company's finances and operations and monitoring financial performance,
- (c) resourcing, review and monitoring of Senior Management;
- (d) ensuring that adequate internal control systems and procedures exist and are complied with,
- (e) identification of significant business risks and ensuring that risk is adequately managed,
- (f) timeliness, accuracy and effectiveness of communications with and reporting to Shareholders and the market, and
- (g) establishment and maintenance of appropriate ethical standards.

The Board takes advice from the Audit and Risk Management Committee and the Remuneration and Nomination Committee on matters within their respective Charters, however the Board retains final decision-making authority on those matters.

The Company has adopted a formal Board Charter, which may be downloaded from the Corporate Governance section of the Company's website.

The Board Charter sets out the principles under which the Board operates and describes its functions; it prescribes the way in which the Board may delegate any of its functions to management. The Charter is intended to create an appropriate, practical and consistent framework of control for the Group to ensure compliance with statutory and corporate governance practice requirements by the Board and management of the Group.

1.2. Senior Management – Role and Responsibilities

The role of Senior Management is to deliver the strategic direction and goals determined by the Board.

The Board has delegated to the Managing Director, and through the Managing Director to other Senior Management, responsibility for the day-to-day management of the Group, which includes:

- (a) achievement of the Group's strategies, goals and objectives;
- (b) management of the Group's operations, finances and risk management practices and policies;
- (c) compliance with statutory, regulatory and other legal requirements and the Group policies;
- (d) establishing and maintaining effective and positive relationships with business partners, shareholders, the investment community, government and regulatory authorities, local communities and other Group stakeholders; and
- (e) reporting to the Board on the above matters.

Senior Management may also be delegated responsibility for other matters under policies adopted by the Board.

The Company undertakes an appropriate investigation before appointing a person to an executive role. The suitability of an executive candidate is assessed through a process of interviews, meetings and background and reference checks, with the involvement of external consultants where appropriate.

1.3. Board Nominations

The Board (on recommendations received from the Remuneration and Nomination Committee) considers proposals for the appointment of Directors which arise from time to time. The Board determines the appointment of Directors having regard to their skills and experience in businesses with relevant similarities to that of the Company, or their business skills gained in other industries which are relevant to Alara's operations. In doing so, the Board has regard to the extent to which it comprises Directors with skills identified in the Board Skills Matrix, set out in Section 2.3 below.

The Company undertakes appropriate checks before appointing a person, or putting forward a candidate for election, as a Director. Candidates are assessed through interviews, meetings and background and reference checks. These checks may be conducted both by external consultants or by Directors.

The Company provides Shareholders with all information in its possession relevant to the decision on whether or not to elect, or re-elect, a Director.

1.4. Terms of Appointment – Directors and Senior Executives

Each new Non-Executive Director executes an agreement with the Company stating the terms of their appointment, including remuneration; role, duties and accountabilities; term of office, including the right to stand for re-election; the level of commitment expected; performance review; rights of access to corporate information and confidentiality; Director's indemnity and insurance; disclosure of conflicting interests and interests in Company securities; the right to seek independent professional advice and compliance with key Company policies, including the Board Charter, Code of Conduct and the Share Trading Policy. The Company's Non-Executive Directors have not been appointed for fixed terms, save that they are subject to re-election every three years in accordance with the Company's Constitution and ASX Listing Rules.

The Managing Director has a written employment agreement with the Company setting out his duties, obligations and remuneration. The Company Secretary is engaged under a consultancy agreement with the Company which sets out the role and responsibilities and remuneration of the position.

The material terms of engagement with the Company's "Key Management Personnel" are outlined within the Remuneration Report in the Company's latest Annual Report.

The Company's Constitution requires one third of the Directors (or if that is not a whole number, the whole number nearest to one third) to retire at each Annual General Meeting (**AGM**). The Director(s) who retire under this rule are those who have held office the longest since last being elected or appointed. If two or more Directors have been in office for the same period, those Directors may agree which of them will retire. The retirement rule does not apply to the Managing Director. A Director appointed by the Board since the last AGM is subject to retirement and election at the following AGM and is also not taken into account in determining the number of Directors who must retire by rotation at that meeting. This rule does not apply to the Managing Director.

The initial appointment and last re-election dates of each current Director (as at the date of this Statement) are listed below.

Director	First Appointed	AGM Last Elected
Stephen Gethin, Chairman	28 June 2020	2020 AGM (First elected). Re-elected at the 2023 AGM on 28 November 2023.
Atmavireswar Sthapak, Managing Director	22 September 2015	Exempt from re-election under the Corporations Act.
Vikas Jain, Non-Executive Director	6 April 2016	2022 AGM (re-elected). Due for re-election at the 2025 AGM.
Sanjeev Kumar, Non-Executive Director	23 October 2021	2021 AGM (first elected). Re-elected at 2024 AGM on 29 November 2024.
Devaki Khimji, Non-Executive Director	2 February 2022	2022 AGM (first elected). Due for re-election at the 2025 AGM.
Farrokh Masani, Alternate Director for Devaki Khimji	2 February 2022	(Not applicable, remains an alternate for Ms Khimji while she is a Director or until his appointment is terminated).

1.5. The Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, to support the Board to enable it to comply with procedures, its legal obligations and the principles in this Statement. The Company Secretary is also responsible to the Board to oversee and coordinate disclosure of information to ASX, as well as providing ASX liaison. The Company Secretary is accountable to the Managing Director for all other matters included within his role. The Company Secretary at the date of this Statement is Dinesh Aggarwal (appointed 2 July 2020), whose qualifications and experience are stated in the Company's latest Annual Report.

1.6. Diversity

The Board and the Senior Management and personnel of the Group is culturally diverse, and possesses the appropriate range of skills and qualifications. The Company recognises the positive advantages of a diverse workplace, and is committed to:

- (a) creating a working environment conducive to the appointment and retention of quality Directors, Senior Management and other personnel, and
- (b) promoting a corporate culture which embraces diversity.

All of the Company's employees are based in Oman. The female workforce participation rate in the Omani economy as a whole is estimated at 28% at 30 June 2024, although the female participation percentage in the mining industry is understood based on anecdotal evidence to be lower than this. Females currently comprise approximately 15% of the Company's workforce.

The Company was exclusively focused on getting its Wash-hi Majaza copper-gold processing plant in Oman into production during the reporting period under tight financial constraints. This included the need to hire a substantial number of employees in a short period. Given the rapid change to the Company's workforce during that period, implementing a diversity policy was not practical. Now that the Company's mine has gone into production it will implement a diversity policy consistently with Omani law.

The Board monitors the extent to which the level of diversity in the Company is appropriate on an ongoing basis and periodically considers measures to improve it. The Company has adopted a Diversity Policy and the policy is implemented.

The Board has delegated the responsibility of monitoring and ensuring workplace diversity to the Managing Director.

The Company has one woman on its Board out of 5 Directors. Excluding Directors, the Consolidated Entity had no female senior executives at the end of the reporting period.

1.7. Performance Review and Evaluation

The Board as a whole has responsibility to review its own performance, the performance of individual Directors and of the Board Committees. The Chairman also speaks to Directors individually regarding their role and performance as a Director.

Board evaluations are conducted initially by the Chairman (who is also Chair of the Remuneration and Nomination Committee) via questionnaires and interviews covering matters such as each Director's individual contribution, Board and Committee performance and the functioning of Board and Committee processes. The overall outcomes are discussed by the Board, with measures taken to improve the effectiveness and efficiency of the Board and Committees (as appropriate). A Board performance evaluation was conducted during the Reporting Period.

The Remuneration and Nomination Committee is responsible for reviewing the performance and remuneration of the Managing Director and Executive Directors (where applicable). The Committee reports to the Board on the results of its review and makes recommendations arising from it. A Managing Director's performance evaluation was conducted during the Reporting Period.

The Company has an Employee Appraisal, Remuneration, Bonus and Performance Management Policy with the following purpose:

- (a) The Policy aims to ensure equity, consistency and fair remuneration treatment for all employees,
- (b) Formal employee performance appraisals and remuneration reviews are undertaken at least annually,
- (c) The Company makes a clear correlation between performance (via bonus and other programs) and remuneration, to ensure that superior employee performance is recognised and rewarded; and
- (d) Where an employee is under-performing, the Company will collaborate with that employee to assist them, via a Performance Management System, to reach the required standard.

During the Reporting Period the Company's Senior Management comprised the Managing Director. The review of his performance is the responsibility of the Board as a whole. The Board conducted a review of the Managing Director's performance during the Reporting Period.

2 – Structure the Board to be Effective and Add Value

2.1. Board of Directors – Composition, Structure and Process

The Board is structured to have a size and composition appropriate to discharge its responsibilities and duties, having regard to the Company's current size and scope of operations. The names of the Directors currently in office and their qualifications and experience are stated in the Company's latest Annual Report. Directors are, generally, initially appointed by the Board and must then seek election at the next Annual General Meeting of Shareholders after their appointment (as outlined in Section 1.4 above). They are then subject to the requirement to retire and, if they wish, stand for re-election at least every three (3) years or when their term expires (if shorter than three years).

2.2. Nomination Committee

Alara does not have a stand-alone Nomination Committee as a result of the size and composition of its Board. Instead, the Board has a combined Remuneration and Nomination Committee. At the date of this Statement, this Committee is comprised of Non-Executive Chairman of the Board, Mr Stephen Gethin (as Committee Chairman), Managing Director Mr Atmavireswar Sthapak and Non-Executive Director Mr Vikas Jain.

The Remuneration and Nomination Committee Charter sets out its purpose, key responsibilities, composition, membership and powers of the Committee. The Committee's key responsibilities under its nomination function are to make recommendations to the Board on various matters related to its composition, including:

- the appointment of the Chairman and Managing Director,
- the necessary and desirable qualifications, experience and competencies of Directors and the extent to which these are reflected in the Board,
- the development and review of the Board succession plan, and
- Board diversity.

The Managing Director does not participate in deliberations of the Remuneration and Nomination Committee concerning his own performance or remuneration.

The [Remuneration and Nomination Committee Charter](#) may be obtained from the Corporate Governance section of the Company's website.

The number of Committee meetings and Committee members' attendance during the Reporting Period are disclosed in the Company's latest Annual Report.

2.3. Skills, Knowledge and Experience

The Board ensures that its members have an appropriate mix of skills, knowledge and experience to enable it to perform its responsibilities and be equipped to navigate the Company through the many opportunities and challenges which it faces.

Directors are appointed based on the specific business, corporate and governance skills and experience required by the Company. The Board recognises the need for Directors to have a relevant blend of skills and personal experience in a range of disciplines required for the proper management and oversight of the Company's operations, having regard to the scale and nature of its activities.

While recognising that each Director will not necessarily have experience in each of the following areas, the Board seeks to ensure that its membership includes an appropriate mix of Directors with experience in the resources sector, operations, general management, accounting and finance and corporate affairs.

The skills matrix summarising the Directors' qualifications and experience relevant to the Consolidated Entity as at the end of the Reporting Period is set out in the table over the page.

Skills and Experience (out of 5 Directors)			
Leadership and Governance		Geographical Experience	
Executive Management	5	Middle East	5
Corporate Governance	4	Asia Pacific	5
Strategy	5	Europe	2
Exploration and Geology		Finance and Risk	
Geology	1	Accounting	2
Resource Definition	1	Finance	3
Operations		Joint ventures	5
Health and Safety	3	Risk Management	5
Project Delivery	4	People	
Mining Operations	2	Human Resources	4
Communities	4	Corporate	
Sector Experience		Legal	1
Base Metals	3	Investor Relations	4
Precious Metals	2	Acquisitions	4
Commodities sales and marketing	4	Regulatory compliance	4

The diverse qualifications, skills and experiences of the Directors, disclosed in the Company's latest Annual Report, represents a mix which the Board believes is appropriate to have among its members. The Board reviews its Skills Matrix at least annually.

2.4. Chairman

The Non-Executive Chairman leads the Board and is responsible to ensure that the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board. The Chairman of the Company is Mr Stephen Gethin, whose qualifications and experience are stated in the Company's latest Annual Report.

2.5. Managing Director

The Managing Director is responsible and accountable to the Board for the Company's management. The Managing Director of the Company is Mr Atmavireshwar Sthapak, whose qualifications and experience are stated in the Company's latest Annual Report.

2.6. Executive Directors

The Company has no Executive Directors other than the Managing Director.

2.7. Non-Executive Directors

The Company recognises the importance of Non-Executive Directors and the external perspective and advice which they bring to the Board. The Company has four Non-Executive Directors, being Chairman Mr Stephen Gethin, Mr Vikas Jain, Mr Sanjeev Kumar and Ms Devaki Khimji.

2.8. Independence

In accordance with the Governance Principles an independent Director is a Non-Executive Director who:

- (1) has not previously been employed in an Executive capacity within the Consolidated Entity, unless a period of at least three years has elapsed between ceasing such employment and serving on the Board;
- (2) does not receive performance-based remuneration (such as options or performance rights) from, or participate in an employee incentive scheme of, the Group;
- (3) is not, and has not within the last three years been, a principal or senior employee of a material professional adviser to the Group;

- (4) is not, and has not within the last three years been, in a material business relationship (e.g. supplier, professional adviser, consultant or customer) with the Group, or an officer of or otherwise closely associated with someone with such a relationship;
- (5) is not a substantial shareholder of the Company or an officer/employee of or professional adviser to, or otherwise closely associated with, a substantial shareholder of the Company;
- (6) has no material contractual relationship with the Company or its controlled entities, other than as a director;
- (7) has no close personal ties with any person who falls within any of the categories described above; and
- (8) has not been a Director of the Company for such a period that their independence from management and substantial shareholders may have been compromised. Although there is no specified length of service beyond which a Director is no longer considered independent; the Board will regularly assess whether any Director who has served for more than 10 years who would otherwise meet the independence criteria should no longer be regarded as independent.

Where any of the above criteria exist, the Company will assess its materiality to determine whether it may interfere, or reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

The Board assesses the independence of Directors annually, or more frequently if circumstances require.

As at the date of this Statement:

- Chairman Mr Stephen Gethin does not meet the independence criteria, having been Alara's Company Secretary from 2018 to 2020, as a director of a professional advisory firm which provided his services as Secretary to Alara under an outsourcing arrangement. The Company regards Mr Gethin as not meeting the independence criteria in a technical respect only, and that he brings essentially the same qualities to the Board as an independent director.
- Mr Atmavireswar Sthapak does not meet the independence criteria, being the Managing Director.
- Mr Vikas Jain does not meet the independence criteria, as he is a substantial shareholder of the Company. He is also a substantial shareholder in a company which has a 35% interest in a joint venture with Alara.
- Mr Sanjeev Kumar meets the independence criteria for a Director.
- Ms Devaki Khimji does not meet the independence criteria for a Director. She is the Managing Director of a substantial shareholder of the Company. She is also the Managing Director of and a substantial shareholder in a company which has a 19% interest in a joint venture with Alara.

2.9. Induction and Professional Development

It is Board policy to ensure that Directors and Senior Management are equipped with the knowledge and information they need to discharge their responsibilities effectively and that individual and collective performance is regularly and fairly reviewed.

The Company has a program for inducting new Directors. This includes giving new Directors access to all employees to gain full background on the Company's operations. Directors are encouraged to attend director training and professional development courses, as may be required to enable them to develop and maintain the skills and knowledge needed to effectively perform their roles as Directors, at the Company's expense.

Directors are encouraged and are given the opportunity (where practicable) to broaden their knowledge of the Consolidated Entity's business by visiting the locations where it conducts operations and to remain abreast of developments impacting the business.

2.10. Board Meetings

The Board holds monthly meetings and holds additional meetings whenever necessary to deal with specific matters requiring attention. Directors' Circulating Resolutions are also used where appropriate to address urgent matters, in addition to Board meetings.

2.11. Conflicts of Interest

To ensure that Directors are at all times acting in the interests of the Company, Directors must:

- (1) disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director, or their duties to any other party, and the interests of the Company in carrying out the Company's activities, and
- (2) if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot, or is unwilling to, remove a conflict of interest then the Director must, as per the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters to which the conflict relates (except with the approval of the remaining Directors, subject to the Corporations Act).

2.12. Related-Party Transactions

Related-party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain Shareholders' approval for the related party transaction, or the transaction is entered into subject to Shareholders' approval, the Board may not approve it. The Company also discloses related-party transactions in its Annual Report as required under the Corporations Act and the Accounting Standards.

2.13. Share Dealings and Disclosures

The Company has adopted a Securities Trading Policy, which applies to Directors and employees of the Consolidated Entity and contractors who have agreed to be bound by it. The policy:

- (a) explains the type of conduct in relation to dealings in the Company's securities that is prohibited by law or by the Consolidated Entity, including insider trading; and
- (b) establishes procedures for buying, selling or otherwise dealing in the Company's securities (generally and during specified prohibited periods). The policy requires executive personnel to obtain prior approval from the Company Secretary or the Chairman of the Board, as appropriate. Approval during prohibited periods will only be granted where there is severe financial hardship or exceptional circumstances.

A copy of the Company's [Securities Trading Policy](#) may be obtained from the Company's website.

2.14. Company Information and Confidentiality

All Directors have the right to access all relevant Company books and speak to Senior Executives. In accordance with legal requirements and agreed ethical standards, Directors and employees have agreed to keep confidential all information received in the course of the exercise of their duties and must not disclose non-public information, except where it is authorised by the Company or legally required.

2.15. External Directorships

A Director may serve on the board of another company, either in a non-executive capacity or (in the case of an Alara Non-Executive Director) in an executive capacity, provided that these commitments do not materially interfere with their ability to perform their duties as an Alara Director. An Alara Executive Director may serve on the board of a joint venture company in which Alara has an interest, in an executive or non-executive capacity.

2.16. Directors' and Officers' Deeds

The Company has entered into deeds with its Directors to regulate certain matters between the Company and each officer, both during the time the officer holds office and after the officer ceases to be an officer of the Company (or of any of its wholly owned subsidiaries). A summary of the terms of such deeds is contained within the Remuneration Report in the Company's latest Annual Report.

Principle 3 – Instil a Culture of Acting Lawfully, Ethically and Responsibly

3.1. Code of Conduct

The Company maintains a culture of acting lawfully, ethically and responsibly. Alara has adopted a formal Code of Conduct (**Code**) which expresses the key behaviours it expects from its personnel to maximise shareholder value in a lawful and ethical way.

Management has responsibility for instilling the values in the Code across the Company's operations. The Company ensures that personnel receive training on an ongoing basis on the values which it expects them to uphold.

The Code sets and creates awareness of the standard of conduct expected of Directors, officers, employees and contractors in carrying out their roles.

The Company seeks to uphold a culture which maintains and enhances its reputation as a valued corporate citizen of the countries in which it operates and an employer which personnel wish to work for. The Code sets out policies in relation to various corporate and personal behaviours including safety, discrimination, the environment, communities, heritage, respecting the law, anti-corruption, interpersonal conduct, conflict of interest and alcohol and drugs.

The Code's objective is to provide a benchmark for professional and personal behaviour throughout the Consolidated Entity, to safeguard the Consolidated Entity's reputation and to make clear the consequences of breaching the Code. The Board is informed of any material breaches of the Code.

All Group personnel receive a copy of the Code when they start with the Group and can access the Code from the Corporate Governance section of the Company's website or request a copy from their reporting manager or the Company Secretary.

The Code may be downloaded from the Corporate Governance section of the Company's website.

3.2. Whistleblower Policy

The Company has a formal Whistleblower Policy, designed to ensure that any concerns about unlawful or unacceptable conduct can be raised on a confidential basis, without fear of reprisal or discriminatory treatment. This policy promotes a responsible culture of reporting any issues where the interests of Shareholders, personnel or external parties could be adversely affected, or actual or potential non-compliance with law, corporate reporting and disclosure, accounting standards, accounting controls, auditing practices and other principles which safeguard the integrity of the Company's operations. The Policy required the Board to be informed of any incident reported under it.

A copy of the Whistleblower Policy may be viewed and downloaded from the Corporate Governance section of the Company's website.

3.3. Anti-Bribery and Anti-Corruption Policy

Alara has a zero-tolerance approach to bribery and corruption. The Company is committed to acting professionally, fairly and with integrity in all its operations. To better facilitate this objective, the Company has a formal Anti-Bribery and Anti-Corruption Policy. This policy provides Company personnel with a clear set of rules to ensure that Alara conducts its activities in a way which is free from bribery or corruption, in Australia and in the other countries in which it operates. The policy requires the Board to be properly informed of any material breach.

A copy of the Anti-Bribery and Corruption Policy may be obtained from the Corporate Governance section of the Company's website.

Principle 4 – Safeguard Integrity in Corporate Reporting

4.1. Audit Committee

The Audit Committee and Risk Management currently comprises Non-Executive Director Mr Vikas Jain (Chairman of the Committee), independent Non-Executive Chairman of the Board Mr Stephen Gethin (as a Committee member) and that managing Director Mr Atmavireshwar Sthapak. Their qualifications and experience are stated in the Company's latest Annual Report.

The Audit and Risk Management Committee Charter sets out its purpose, key responsibilities, composition, membership and powers of the Committee. The Committee's audit function includes reviewing and approving the audited annual and auditor-reviewed half-yearly financial reports, reviewing the performance of the auditor and oversight of the appointment or removal of the external auditor from office. Under its risk management function, reviews and monitors major legal compliance issues and ensures that a risk management framework is in place

and is being implemented correctly. The Committee makes recommendations to the Board within its areas of responsibility.

The **Audit and Risk Management Committee Charter** may be downloaded from the Corporate Governance section of the Company's website. The number of Committee meetings and Committee members' attendance during the Reporting Period are disclosed in the Company's latest Annual Report.

The number of times that the Audit Committee met during the Reporting Period, and the individual attendances of Committee members at those meetings, are disclosed in the Company's latest Annual Report.

4.2. CEO and CFO Declarations

Before approving the Company's financial statements for a period (i.e. the half-year and full-year reports) the Board receives written assurances from the Managing Director (being the CEO equivalent) and the CFO that, in their respective opinions:

- the Company's financial records have been properly maintained,
- the financial statements comply with the Accounting Standards and give a true and fair view of the Company's financial position and performance, and
- they have formed those opinions on the basis of a sound system of risk management and internal control, which is operating effectively,

as required under section 295A of the Corporations Act and the Governance Principles.

Before approving the Company's financial statements for any relevant period the Board receives and acknowledges these declarations.

4.3. External Auditor

The Company's external auditor (**Auditor**) is selected for professional competence, reputation and the provision of value for professional fees. Within the audit firm, the partner responsible for the conduct of the Company's audits is rotated every five years. The external Auditor attends the Company's AGMs (in person or by teleconference) and is available to answer Shareholders' questions about the conduct of the audit and the preparation and content of the Auditor's Report.

4.4. Integrity of Periodic Corporate Reports

Preparation of financial content of the Company's periodic reports is the responsibility of the CFO and is subject to review and approval by the Board before release on ASX. The Chairman, an experienced corporate lawyer, is responsible to the Board for the non-financial content of periodical reports.

Principle 5 – Make Timely and Balanced Disclosure

5.1. Continuous Disclosure to ASX

The Company has a Continuous Disclosure Policy to ensure timely and balanced disclosure of all material matters affecting its operations. This policy creates awareness among personnel of types of matters which are required to be promptly disclosed to the market consent procedures to ensure that any information of that kind is promptly reported through the appropriate channel for consideration by the Managing Director, the Chairman and the Company Secretary. These officers determine whether the information requires disclosure under ASX listing rule 3.1 or any other applicable rule and prepare announcements for Board approval (if time permits) and released to the market.

In accordance with the Corporations Act and ASX Listing Rule 3.1, the Company immediately notifies ASX of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities, subject to exceptions permitted by that rule. A reasonable person is taken to expect information to have a material effect on the price or value of the Company's securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

All personnel are under written confidentiality obligations to the Company which, amongst other things, are intended to prevent the premature disclosure of information.

In general, the Company does not respond to market speculation or rumours unless required to do so by law or the ASX Listing Rules.

The Company may request a trading halt from ASX to prevent trading in its securities if the market appears to be materially uninformed. The Managing Director and, where the Managing Director is not available, the Company Secretary (in consultation with the Board), are authorised to determine whether to seek a trading halt.

A copy of the Continuous Disclosure Policy may be viewed and downloaded from the Corporate Governance section of the Company's website.

5.2. Board Notification

The Board has appointed the Company Secretary as the person responsible for communicating with the ASX and overseeing and coordinating the timely disclosure of information to ASX. The Company Secretary performs this function in consultation with the Managing Director and the Chairman. The Board reviews and approves announcements before release, where time permits. Where there is insufficient time to enable a Board review before releasing an announcement, the Managing Director in conjunction with the Chairman have authority to review and approve announcements for release.

5.3. Investor/Analyst Presentations

Before making any presentation to investors or analysts the Continuous Disclosure Policy requires the Company to release the presentation on ASX.

Principle 6 – Respect the Rights of Security Holders

6.1. Market and Shareholder Communications

The Company's core mission is to increase Shareholder value. The Directors are the Shareholders' representatives. Shareholders need a clear, accurate and up-to-date understanding of the Company's operations and performance to enable them to be aware of how their Directors are fulfilling that mission. In order to properly perform their role, the Directors must be able to ascertain the Shareholders' views on matters affecting the Company.

The Board thus considers it paramount to ensure that Shareholders are informed of all major developments affecting the Company and have the opportunity to communicate their views to the Board. Information is communicated to Shareholders and the market through various means including:

- (a) the Annual Report which is distributed to Shareholders if they have elected to receive a printed version,
- (b) the AGM and other general meetings, notices of which are sent to Shareholders, called in accordance with the Corporations Act to obtain Shareholder approvals and report to them in person,
- (c) Half-yearly Directors' and Financial Reports,
- (d) Quarterly Activities and Cash Flow Reports,
- (e) the Managing Director answering Shareholder questions (where appropriate, having regard to the need to avoid selective disclosure and not to disclose market-sensitive information before it is disclosed on ASX) by email or telephone, and
- (f) other announcements released to ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information sent to Shareholders to keep them updated on the Company's activities.

All of the above documents are available for download from the Company's website. Information about the Company's operations is also available on the Company's website.

The Managing Director has general responsibility to speak to the media, investors and analysts on the Company's behalf.

The Company actively promotes communication with Shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements may be downloaded from its website: www.alararesources.com or the ASX website: www.asx.com.au under ASX code "AUQ".

Alara has outsourced its Share Registry function to Automic Group (**Automic**). Automic has offices in Perth and Sydney. The Automic investor portal is at <https://investor.automic.com.au>

6.2. Shareholders' Meetings

Shareholders communicate with Directors through various other means including:

- (a) The Company's AGM. AGM documents containing comprehensive information relevant to how Shareholders may wish to vote on resolutions being considered are provided before the meeting, in accordance with the Corporations Act. The Managing Director addresses Shareholders at the AGM to update them on the Company's activities;
- (b) Shareholders having the opportunity to ask questions of Directors at the AGM;
- (c) the presence of the Auditor at the AGM (in person or by teleconference, as practicable and appropriate) to take Shareholders' questions on any issue relevant to their capacity as Auditor; and making Directors available to meet Shareholders at the AGM.

Shareholders who are unable to attend the AGM or a general meeting may submit questions and comments before the meeting to the Company or to the Auditor (in the case of the AGM).

The Company Secretary is the primary contact for shareholder enquiries. Where required the Secretary will consult with the Managing Director or the Chairman to ascertain the information required for an appropriate response. Company policy is that market-sensitive information not previously publicly disclosed is not given to shareholders or any other person in response to a query, except to a regulator where required by law.

6.3. Notice of General Meetings

The Company releases a market announcement on ASX before each AGM advising Shareholders of the:

- (a) proposed date and location of the AGM; and
- (b) closing date for the receipt of nominations of candidates for election as a Director.

The Company encourages Shareholders to elect to receive AGM documents (Notice of Meeting and a proxy form) by electronic means, as permitted by the Corporations Act. The great majority of Shareholders have taken this option. The Company also lodges a copy of its Notice of Meeting (**NoM**) for its AGMs and any Extraordinary General Meetings when they are dispatched to shareholders. Shareholders may locate and download the NoM for any meeting from the ASX website (www.asx.com.au) by searching for ASX code "AUQ" and also at the Company's website: www.alararesources.com. Shareholders may request a copy of the meeting documents (including a proxy form) by telephoning the Company's secretarial office (+61 8 9240 4211) or by email: cosec@alararesources.com.

6.4. Substantive Shareholder Resolutions

All substantive Shareholders' resolutions considered at AGMs are decided by a poll. Important issues are presented to the shareholders in separate resolutions. The Company releases an ASX announcement before the commencement of its AGM general containing a summary of the proxy votes received, and the announcement after the meeting containing the results of polls on all resolutions.

6.5. Electronic Communication

Shareholders are encouraged to register/check and update (if required) their email address and Annual Report and Notice of Meeting communication preferences with Automic Share Registry via its Investor portal <https://investor.automic.com.au>.

Principle 7 – Recognise and Manage Risk

7.1. Risk Committee

As a consequence of the size and composition of the Company's Board, the Board does not have a stand-alone Risk Committee. However, The Company has a combined Audit and Risk Management Committee (refer Section 4.1). The **Audit and Risk Management Committee Charter** may be downloaded from the Company's website.

During the Reporting Period, the Committee did not review the Company's risk management framework. The Board proposes to have the Committee review the risk management framework in the current financial year.

7.2. Internal Control and Risk Management

The Board is responsible for, and takes advice from the Audit and Risk Management Committee on, the overall internal control framework and oversight of the Company's policies on, and management of, risks that have the potential to impact significantly on operations, financial performance or reputation.

The Board recognises that no cost-effective internal control system will preclude all errors and irregularities. The Company's internal controls are based, in part, on the appointment of suitably qualified and experienced management personnel and external consultants. The effectiveness of internal controls are continually reviewed by management, and at least annually by the Board. On a day-to-day basis, managing the various risks inherent in the Company's operations is the responsibility of the Managing Director.

The Company has strong and clear internal control and accounting systems to manage financial risks, including risks as to the accuracy of financial information and reports.

Health and safety risk potentially the most important risk facing a resource company. Apart from the inherent unacceptability of threats to life or health, safety incidents have the potential to seriously damage the Company's reputation and ability to conduct its operations. The Company takes a "zero tolerance" approach to any situation which might compromise the health or safety of staff, contractors or members of the community. This risk is addressed by comprehensive safety policies and training and a requirement that any safety incident or "near miss" is reported to the Board.

Operations risk encompasses risks arising from day-to-day operations. Operational risk covers circumstances which may result in direct or indirect loss to the Company, including from inadequate or detrimental planning, processes, decision-making, exercise of judgment, personnel, systems or external events. The Managing Director has delegated responsibility from the Board to identify operations risks generally, to put in place systems to control and eliminate or minimise them and to monitor compliance with those systems, subject to accounting to the Board in real time regarding critical matters of this kind. The Company has clear accounting and internal control systems to manage risks to the accuracy of financial information and other financial risks.

The Board has final responsibility for operational risk management. It discharges this function by receiving regular reports from the Managing Director on any significant item relevant to operational risk and the measures being taken to address it. The Board may give direction to the Managing Director on any matter affecting operational risk where it considers it appropriate.

Compliance risk is the risk of failure to comply with any applicable legal requirement or industry standard, and the corresponding impact on the Company's business, reputation and financial condition. The Company's risk management strategy ensures compliance with all legislation affecting the Company's activities, in Australia and in the other countries where it operates. A key principle of the Company's compliance strategy is to foster an integrated approach where line managers are responsible and accountable for compliance, within their job descriptions and within overall guidance developed by the Managing Director. The Company's compliance strategy is kept current with advice from senior external professionals and the ongoing training of Senior Management involved in compliance. The Company has policies on responsible business practices and ethical behaviour, including conflict of interest and share trading policies, to ensure legal compliance and maintain confidence in its integrity.

Market risk encompasses risks to the Company's performance from changes in resource prices, currency exchange rates, capital markets and economic conditions generally. The Audit Committee regularly assesses the Company's exposure to these risks and the Board (taking advice from the Audit and Risk Management Committee) sets the strategic direction for managing them. Further details are in the *Financial Risk Management Note* to the financial statements in the Company's latest Annual Report.

The Company's approach to risk management is not stationary; it evolves constantly in response to developments in operations and changing market conditions.

Alara maintains and regularly trains personnel in various policies designed to ensure responsible business practices and ethical behaviour, including a Board Charter, Code of Conduct, Continuous Disclosure Policy, Anti-Bribery and Anti-Corruption Policy, Whistleblower Policy and Securities Trading Policy.

Management has reported to the Board on the effectiveness of the Company's management of material business risks for the latest financial year.

7.3. Environmental and Social Risks

The Company has exposure to environmental and social risks by virtue of the fact that operates a copper-gold mining and processing project in Oman.

Environmental risk

The Company's copper-gold concentrate plant was designed having regard to the need to comply with local environmental laws and international environmental good practice. The processing plant approval contains environmental conditions. Suitably qualified and experienced environmental consultants and engineers were engaged to advise on policies and systems for managing the Company's environmental risk in the process of designing and constructing its copper-gold processing facility and are engaged on an ongoing basis to ensure that compliance with approval conditions, laws and good practice is maintained.

Social risk

One aspect of social risk is linked to environmental risk. One of the main social risks of a resource production company is the damage to its social licence which could occur if it caused material harm to the environment. The Company's policy for managing environment risk is also therefore relevant to managing this risk.

Social risk for a resource company may also arise from any issues with landowners in the vicinity of its operations. The Company's flagship Wash-hi – Majaza copper gold project (**Project**) is built on land on which there were no freehold, leasehold or traditional land ownership titles of individuals or communities. The Company maintains good relations with local communities who live in proximity to its operations. This includes implementing programs to enable their members to benefit from employment opportunities presented by the Company's mine. The Company consults with local communities about any development which may affect their interests and takes their concerns into account.

Social risk for any company, including Alara, may also arise from issues regarding labour relations practices or a significant workplace health or safety breach. The Company provides remuneration and other benefits to its employees in accordance with their agreements and all applicable laws, whichever is the higher standard. The Company takes safety extremely seriously in all its operations, including at its mine site, where the highest risk of a safety incident exists. The Board receives regular safety reports from the Managing Director. Any incident resulting in lost working time or a "near miss" which could have resulted in lost time must be immediately reported to the Board. The Company's policies require a prompt investigation to be conducted into any workplace safety incident (including "near miss") to ascertain how any such incident occurred and what changes to systems must be made to avoid a similar incident occurring again. The Company has and implements a range of detailed policies to ensure zero harm to personnel or others potentially affected by its activities. These policies also serve to minimise the social risk attendant on a risk of either of the above kinds materialising. The Company has maintained an extremely good safety record.

7.4. Internal Audit

The Company does not have an independent internal audit function. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function in the manner disclosed below, the expense of an independent internal auditor is not considered appropriate.

The Audit and Risk Management Committee performs all key elements of an internal audit function, including:

- (a) assessing whether risk management, control, and governance systems are in place, are being followed and are providing the protection which they are designed to provide,
- (b) evaluating information security and associated risk exposures,
- (c) evaluating regulatory compliance programs, in consultation with external legal counsel,
- (d) evaluating the Company's preparedness for business interruption, and
- (e) oversight of the Company's anti-fraud programs.

The Audit Committee delegates to one or more appropriate Senior Executives the authority to implement any non-strategic amendments to risk management systems required as a result of changed circumstances, or where the potential for improvement has been identified; reporting all such matters to the Managing Director

promptly, and to the Audit Committee/Board for consideration at its next meeting. The Audit Committee may also seek recommendations from appropriate Senior Executives where strategic changes to risk management and internal control processes are required.

Principle 8 – Remunerate Fairly and Responsibly

8.1. Remuneration Committee

The Board has a combined Remuneration and Nomination Committee. This Committee is comprised Non-Executive Chairman of the Board, Mr Stephen Gethin (as Chairman of the Committee), Mr Vikas Jain and Mr Atmavireshwar Sthapak. The qualifications and experience of Committee members are stated in the Company's latest Annual Report.

As a consequence of the size and composition of the Company's Board, the Board does not have a stand-alone Remuneration Committee.

The Remuneration and Nomination Committee Charter sets out its purpose, key responsibilities, composition, membership and powers of the Committee. The Committee's remuneration function includes responsibility to make recommendations to the Board on policy governing the remuneration benefits of the Managing Director, including equity-based remuneration, and to assist the Managing Director to determine the remuneration of Senior Management.

The [Remuneration and Nomination Committee Charter](#) may be downloaded from the Company's website.

The number of Committee meetings and Committee members' attendance during the Reporting Period are disclosed in the Company's latest Annual Report.

8.2. Remuneration Policy

Details of the Company's remuneration policy are contained in the Remuneration Report within the Company's latest Annual Report.

8.3. Equity Based Remuneration Scheme

The Company has an Employee Share Option Plan (**ESOP**) which was approved by Shareholders at the 2014 AGM. A summary of the terms of ESOP is set out in Annexure A to Alara's Notice of AGM and Explanatory Statement announced on ASX on 2 October 2014.

The Company's policy is to require Director and employee option holders not to enter into transactions in associated products which limit the economic risk of holding unvested options. Also, under the Company's Securities Trading Policy, Director and employee option-holders may not:

- (a) hedge or limit their exposure to risk in any unvested options in the Company, or
- (b) use any securities in the Company held by them as security for borrowing or other obligations (including a margin lending facility) without the written consent of the Trading Officer.

The Company's [Securities Trading Policy](#) may be downloaded from the Company's website.