

SWICK MINING SERVICES LTD

ABN 20 112 917 905

CORPORATE GOVERNANCE STATEMENT

The Board and management of the Company are committed to high standards of corporate governance practices. Copies of relevant corporate governance policies and charters are available in the corporate governance section of the Company's web-site at www.swickmining.com.

This Corporate Governance Statement is current as at 30 June 2021 and was approved by the Board on 29 August 2021.

Board composition

Details of the skills, experience and expertise relevant to the position of each director and Board committee member and their term of office and membership of each board committee and attendance at committee meetings, are set out in the Directors' Report section of the annual report.

The Board sets out below details of those corporate governance matters where the Company's practices depart from Corporate Governance Recommendations. Unless otherwise stated, corporate governance practices were in place for the entire financial year.

Recommendation	Current practice
1.1 Disclose the respective roles and responsibilities of the board and management as set out in the board charter; and those matters expressly reserved to the board and those delegated to management.	The Board's primary role is to formulate the strategic direction of the Company and to oversee the Company's business activities and management. The Board Charter sets out the functions reserved for the Board and those delegated to senior management. A copy of the Board Charter is available on the Company's web-site.
1.2 Companies should undertake appropriate checks before appointing a director or senior executive or putting someone forward to security holders for election, as a director; and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Prior to a candidate being considered for appointment as a director of the Company, relevant enquiries are made as to the person's character, experience, education, criminal record and bankruptcy history. Biographical details and other relevant information of directors standing for re-election are provided to shareholders in the notice of meeting. These requirements are contained in the Remuneration and Nomination Committee Charter, a copy of which is available on the Company's web-site.
1.3 Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.	Each director and senior executive of the Company has an agreement in writing with the Company, which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities. These requirements are contained in the Remuneration and Nomination Committee Charter.
1.4 The company secretary should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Board is responsible for the appointment and removal of the Company Secretary. The Board Charter sets out that the Company Secretary is accountable to the Board on all matters relating to the proper functioning of the Board.
1.5 Companies should have and disclose a diversity policy.	A copy of the Company's Diversity Policy is available on the web-site. The Company aims to achieve an appropriate mix of diversity on its Board, in senior management and throughout the organisation.

Recommendation	Current practice																
	<p>Measurable diversity objectives have not yet been established as the Board is continuing to assess the merits of setting achievable targets. The proportion of female employees in the whole organisation is 5.4%. (2020: 6.4%). There are presently no females in senior executive positions and on the Board.</p> <p>The appropriate mix of skills and diversity for membership of the Board is considered by the Remuneration and Nomination Committee as part of ongoing nomination and succession planning and which recognises the value of balanced gender representation.</p>																
<p>1.6 Companies should have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and whether a performance evaluation has been undertaken during or in respect of that reporting period.</p>	<p>The Board has adopted a formal process for an annual self-assessment of its collective performance, the performance of individual directors and of Board committees. The Board is required to meet annually with the purpose of reviewing the role of the Board, assessing its performance over the previous 12 months and examining ways in which the Board can better perform its duties. A formal assessment was undertaken in February 2021, using a self-assessment checklist as the basis for evaluation of performance against the requirements of the Board Charter.</p>																
<p>1.7 Companies should have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and whether a performance evaluation was undertaken during or in respect of that reporting period.</p>	<p>The performance of senior executives is reviewed annually by the Managing Director through a formal performance appraisal meeting, incorporating measurement against key performance indicators which are based on business plan initiatives. Formal appraisals of senior management were conducted during the year in accordance with performance evaluation policies. An annual performance appraisal of the Managing Director is undertaken by the Chairman and the Managing Director conducts a performance review of senior executives. The formal evaluation procedures are set out in the Board Charter.</p>																
<p>2.1 The Board should establish a nomination committee.</p>	<p>The Board has established a Remuneration and Nomination Committee which comprises a majority of independent directors and is chaired by an independent director. A copy of the charter is available on the Company's web-site. Details of membership of the Committee are set out in the Directors' Report.</p>																
<p>2.2 Companies should have and disclose a board skills matrix.</p>	<p>Requirements for the appropriate mix of skills and experience on the Board are contained in the Board Charter. The current skills matrix for the Board is as follows:</p> <table border="1" data-bbox="794 1738 1463 2063"> <thead> <tr> <th data-bbox="794 1771 1305 1805"><i>Experience and skills</i></th> <th data-bbox="1321 1738 1463 1805"><i>Number of directors</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="794 1805 1305 1839">Accounting and finance</td> <td data-bbox="1321 1805 1463 1839">3</td> </tr> <tr> <td data-bbox="794 1839 1305 1872">Business development and marketing</td> <td data-bbox="1321 1839 1463 1872">4</td> </tr> <tr> <td data-bbox="794 1872 1305 1906">Research and development</td> <td data-bbox="1321 1872 1463 1906">3</td> </tr> <tr> <td data-bbox="794 1906 1305 1939">Strategic planning and risk management</td> <td data-bbox="1321 1906 1463 1939">5</td> </tr> <tr> <td data-bbox="794 1939 1305 1973">Mining and drilling industries</td> <td data-bbox="1321 1939 1463 1973">4</td> </tr> <tr> <td data-bbox="794 1973 1305 2029">Public company directorship and management</td> <td data-bbox="1321 1973 1463 2029">5</td> </tr> <tr> <td data-bbox="794 2029 1305 2063">Governance and compliance</td> <td data-bbox="1321 2029 1463 2063">3</td> </tr> </tbody> </table>	<i>Experience and skills</i>	<i>Number of directors</i>	Accounting and finance	3	Business development and marketing	4	Research and development	3	Strategic planning and risk management	5	Mining and drilling industries	4	Public company directorship and management	5	Governance and compliance	3
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	<p>Geographical</p> <table data-bbox="794 286 1390 349"> <tr> <td>Australia</td> <td>5</td> </tr> <tr> <td>North America</td> <td>5</td> </tr> </table> <p>Details of each director’s relevant skills and experience are set out in the annual report.</p>	Australia	5	North America	5
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<p>2.3 Disclose the names of directors who are considered to be independent.</p>	<p>The independent directors of the Company are Andrew Simpson, Ian McCubbing, Stuart Carmichael and Alan Bye. The Board has adopted ASX recommended principles in relation to the assessment of directors’ independence, other than the Board does not believe that length of service is a potential indicator that independence may have been compromised.</p>				
<p>2.4 A majority of the board should be independent directors.</p>	<p>The Board comprises five directors, four of whom are independent.</p>				
<p>2.5 The chair should be an independent director and should not be the same person as the CEO.</p>	<p>Andrew Simpson is an independent director. The roles of Chairman and Chief Executive Officer are not combined.</p>				
<p>2.6 Companies should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>New directors are provided with an induction including comprehensive briefings with the Chairman and senior executives, visits to operating sites and provision of information on the Company including Company and Board policies. Induction requirements are included in the Remuneration and Nomination Committee charter.</p> <p>All directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake professional development programs to develop and maintain the skills and knowledge needed to perform their role as directors of the Company.</p> <p>Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company’s expense, subject to the prior written approval of the Chairman, which will not be unreasonably withheld.</p>				
<p>3.1 Companies should articulate and disclose their values</p>	<p>A Code of Conduct has been established which sets out a statement of the Company’s identity, purpose and commitment to values, including the Company’s primary objective of maximising shareholder returns through profitable growth and the development of stable and sustainable drilling operations whilst acting lawfully, ethically and responsibly. A copy of the Code of Conduct is available on the Company’s web-site.</p>				
<p>3.2 Companies should have and disclose a code of conduct and ensure that the board is informed of any material breaches of that code.</p>	<p>The Code of Conduct applies to all directors and employees, to guide compliance with the legitimate interests of all stakeholders. Material breaches of the code must be reported to the Board.</p>				
<p>3.3 Companies should have and disclose a whistleblower policy and ensure that the board is informed of any material incidents reported under that policy.</p>	<p>The Company has established a Whistleblowing Policy for the legitimate reporting of illegal or unethical practices by company employees. Any material incidents are to be</p>				

Recommendation	Current practice
	reported to the Board. A copy of the Whistleblowing Policy is available on the Company's web-site.
3.4 Companies should have and disclose an anti-bribery and corruption policy and that the board is informed of any material breaches of that policy.	The Company has established an Anti-Bribery and Anti-Corruption Policy to provide a framework for the Company to conduct its business activities fairly, honestly and with integrity and in compliance with all applicable laws, rules and regulations. Any material breaches under the policy are required to be reported to the Board. A copy of the Anti-Bribery and Anti-Corruption Policy is available on the Company's web-site.
4.1 The Board should have an audit committee.	The Board has established an Audit and Corporate Governance Committee which comprises a majority of independent directors and is chaired by an independent director. A copy of the charter is available on the Company's web-site. Details of membership of the Committee are set out in the Directors' Report.
4.2 The board should receive a declaration from the CEO and CFO that financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	The Board requires that the Chief Executive Officer and Chief Financial Officer provide a declaration prior to the approval of the Company's financial statements for each financial period.
4.3 Companies should disclose their process to verify the integrity of any periodic corporate report they release to the market that is not audited or reviewed by an external auditor.	The Audit and Corporate Governance Committee is responsible for establishing procedures for the verification of the integrity of any unaudited periodic reports released publicly by the Company. Suitable procedures for the efficient and effective verification of market reports are currently being evaluated.
5.1 Companies should have and disclose a written policy for complying with their continuous disclosure obligations under the Listing Rules.	The Board recognises the obligations of continuous disclosure and the Company has a formal written policy for the continuous disclosure of any price sensitive information concerning the Company. A copy of the Continuous Disclosure Policy is available on the Company's web-site.
5.2 Directors should receive copies of all material market announcements promptly after they are released.	The Continuous Disclosure Policy requires that all members of the Board are to promptly receive copies of all material market announcements issued by the Company.
5.3 Companies that give a new and substantive investor presentation should release a copy of the presentation materials on the ASX ahead of the presentation.	The Continuous Disclosure Policy sets out the requirement for any material investor or analyst presentations intended to be made by the Company to be firstly released to the ASX.
6.1 Provide information about itself and its corporate governance policies via its web-site.	Information relating to the Company and its governance practices is available on the Company's web-site.
6.2 Companies should have an investor relations program that facilitates effective two-way communication with investors.	The Board has adopted a written policy covering arrangements to promote communications with shareholders. A copy of the Shareholder Communications Policy is available on the web-site.

Recommendation	Current practice
6.3 Disclose how the company facilitates and encourages participation at meetings of security holders.	The Shareholder Communications Policy sets out policies and practices to encourage effective participation by shareholders at general meetings of the Company.
6.4 All substantive resolutions at a meeting of security holders should be decided by a poll rather than by a show of hands.	The Company ensures that any substantive resolutions to be considered at shareholders meetings are decided by a poll rather than by a show of hands. This requirement is contained in the Shareholder Communications Policy.
6.5 Give security holders the option to receive communications from and send communications to the Company and its security registry electronically.	The Company and the share registry offer mechanisms for electronic communication by shareholders, including an e-mail alert facility available through the Company's web-site. Requirements are contained in the Shareholder Communications Policy.
7.1 The board should have a committee or committees to oversee risk.	<p>No separate risk committee has been established. The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for internal control and risk management is delegated to the appropriate level of management within the Company with the Managing Director having ultimate responsibility to the Board for the risk management and control framework. The Audit and Corporate Governance Committee is responsible for the oversight of risks relating to the finance functions of the Company, specifically in relation to managing exposure to credit, liquidity and market risks.</p> <p>A risk register has been developed which details material business risks arising from the Company's operations. The risk register is presented to the Board annually and is reviewed and updated on a periodic basis.</p> <p>The Company has procedures in place covering the oversight and management of material business risks arising within the minerals drilling industry. These policies and standards include management of hazards and exposures inherent in the Company's business operations.</p> <p>Details of risk management practices are set out in the Risk Management Statement in the corporate governance section of the web-site.</p>
7.2 The board or a committee of the board should review the Company's risk management framework at least annually and that the company is operating with due regard to the risk appetite set by the board; and disclose, in relation to each reporting period, whether such a review has taken place.	The Board conducts an annual review of the risk management framework. These reviews cover the process for the identification, assessment and management of material business risks. Management is required to report to the Board on the Company's risk register and risk mitigation strategies on a regular basis. The Board has reviewed the risk register and risk management framework during the reporting period.
7.3 Disclose whether the Company has an internal audit function.	The Company does not have a separate internal audit function as the Board believes that existing internal controls and management systems provide sufficient assurance that the Company's risk management, governance and internal control processes are operating effectively. Senior management periodically undertake internal reviews of financial and operating systems and processes. External

Recommendation	Current practice
	<p>reviews of specific business activities or processes are undertaken as required.</p> <p>Operational, financial, legal, compliance, strategic and reputational risks are managed primarily by senior executives as part of the day-to-day management of the Company's affairs. The support of relevant external professional advisers is engaged as required.</p>
<p>7.4 Disclose whether the Company has any material exposure to environmental or social risks and how it manages those risks.</p>	<p>The Company undertakes minerals drilling, mineral analysis technology and related activities and faces risks inherent in its business operations, including economic, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for shareholders.</p> <p>Material risks associated with economic, environmental and social sustainability are included in the Company's risk register to ensure that they form part of a robust risk assessment and management process.</p> <p>One of the Company's core values is safety and it prioritises safety and health to people, the environment and community. The Company views sustainable and responsible business practices as an important long term driver of performance and shareholder value and is committed to transparency, fair dealing, responsible treatment of employees and partners and positive interaction with the community.</p> <p>The systems and processes implemented to manage material risks include clearly defined management responsibilities and organisational structure; delegated limits of authority; treasury and accounting controls and reconciliations; comprehensive management reporting systems; budgeting and strategic planning processes; segregation of duties; appropriate policies and procedures that are widely disseminated to employees; and specific work health and safety policies and procedures.</p> <p>The Company has in place policies and procedures to identify, report and manage business risks as part of its management information and reporting systems.</p>
<p>8.1 The Board should establish a remuneration committee.</p>	<p>The Board has established a Remuneration and Nomination Committee which comprises a majority of independent directors and is chaired by an independent director. A copy of the charter is available on the Company's web-site. Details of membership of the Committee are set out in the Directors' Report.</p>
<p>8.2 Disclose the Company's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>The Company's remuneration policies are designed to align the interests of executive directors and management with the interests of shareholders and the Company's objectives by providing a fixed remuneration component and where appropriate, offering specific short-term (cash bonuses) and long-term (equity schemes) incentives linked to performance.</p>

Recommendation	Current practice
	<p>The structure for the remuneration of non-executive directors and senior executives is separate and distinct. Non-executive directors do not participate in remuneration schemes designed for executive directors or receive bonus payments or retirement benefits other than statutory superannuation.</p> <p>The remuneration policy statement is available in the corporate governance section of the web-site.</p>
<p>8.3 If a company has an equity-based remuneration scheme it should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy.</p>	<p>Under the Company's Securities Trading Policy, directors, officers and employees of the Company are prohibited from entering into arrangements for the hedging, or otherwise limiting their exposure to risk in relation to unvested shares, options or rights issued or acquired under the Company's employee equity scheme.</p>
<p>9.1 Where a director who does not speak the language in which board or security holder meetings are held, companies should disclose the processes in place to ensure the director understands and can contribute to the discussions at those meetings.</p>	<p>In the event that a director of the Company is not proficient in the English language, the Board Charter sets out that board and corporate documents will be translated into the director's native language and a translator is to be present at all relevant board and shareholder meetings.</p>
<p>9.2 Companies established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	<p>The Company ensures that shareholders meetings are convened at places and times convenient for attendance by shareholders.</p>
<p>9.3 Companies established outside Australia should ensure that their external auditor attends their AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>Under the Shareholders Communication Policy, the Company's external auditor is required to attend annual general meetings and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report</p>

Further information about the Company's corporate governance practices is set out on the Company's web-site at www.swickmining.com/our-company/corporate-governance/.