



**Corporate Governance Policy
Strategic Energy Resources Limited
ACN 051 212 429**

Approved and adopted on 24 July 2019



Corporate Governance Policy

1. Lay solid foundations for management and oversight

1.1. Board role and responsibilities

Strategic Energy Resources Limited ('SER' or 'Company') has established clear roles and responsibilities for its Board in its Board Charter (Appendix A).

The SER Board is responsible for leading SER, setting its objectives and establishing a strategy for achieving them. The Board also provides guidance to management.

The Board Charter sets out:

- the roles and responsibilities of the Board
- the composition of the Board
- SER's approach to independent directors and independent decision-making
- the roles and responsibilities of the Chairperson and Company Secretary
- performance evaluation of the Board and senior executives, and
- procedure for the selection and replacement of new directors.

Management is responsible for implementing the Board's strategic vision. Due to its size, SER primarily uses consultants and contractors, rather than directly employed management.

The Board will review the Board Charter annually.

1.2. Diversity

The SER Board has adopted a Diversity Policy on achieving gender, age and ethnic diversity in the Company's employees (Appendix B).

The Chairperson is responsible for ensuring the policy is brought to the attention of all employees and for monitoring compliance with the policy.

1.3. Reporting

SER will, in its annual Corporate Governance Statement, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 2.

2. Structure the Board to add value

SER's Board is of an appropriate size, composition, skill set and commitment to discharge its duties effectively and efficiently.

2.1. Board Composition

The composition of the Board is set out in the Board Charter, as are policies surrounding Board succession and replacement and the nomination and appointment of new directors.

2.2. Board skills matrix

SER maintains a Board Skills Matrix setting out the mix of skills and diversity that the Board currently has, or is looking to achieve, in its membership. The Board Skills Matrix is at Appendix C.

2.3. Independent directors, directors' interests and independent decision-making

SER acknowledges that the Board should ideally be composed of a majority of independent directors. SER is not currently too small for this to be practical.

SER requires all its directors to be independent in their decision-making. This is set out in more detail in the Board Charter (Appendix A).

2.4. Reporting

SER will, in its annual Corporate Governance Statement, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 2.

3. Promote ethical and responsible decision-making

3.1. Code of Conduct

The SER Board has adopted a Code of Conduct (Appendix E) to promote ethical and responsible decision-making by directors, management and employees. The Code embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of shareholder opportunity.

The Board is responsible for ensuring that training on the Code of Conduct is provided to staff and officers of SER.

The Board is responsible for making advisers, consultants and contractors aware of the Company's expectations set out in the Code of Conduct.

3.2. Reporting

SER will, in its annual Corporate Governance Statement, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 3.

4. Safeguard integrity in financial reporting

4.1. Responsibility of the Board

The SER Board shall review the integrity of the Company's financial reporting, oversee the independence and competence of the external auditors and review management's implementation of SER's risk management policies.

The Board shall provide appropriate quality assurance regarding procedures and processes in relation to the following responsibilities:

- External audit function:
 - reviewing and overseeing the planning process for external audits
 - reviewing the overall conduct of the external audit process including the independence of all parties to the process
 - reviewing the performance of the external auditors
 - consider the reappointment and proposed fees of the external auditor, and

- where appropriate, seeking tenders for the audit and, where a change of external auditor is recommended, applying to shareholders for shareholder approval.
- reviewing the quality and accuracy of published financial reports
- reviewing the accounting function and ongoing application of appropriate accounting and business policies and procedures
- reviewing SER's internal control systems, and
- overseeing the implementation of the company's risk management program.

4.2. Verification of financial reports

The CEO (or equivalent) and CFO (or equivalent) are required by the Company to state the following in writing prior to the Board approving the Company's financial statements for a financial period:

- that the Company's financial reports contain a true and fair view, in all material respects, of the financial condition and operating performance of the Company and comply with relevant accounting standards, and
- that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control, which is operating effectively in all material, respects in relation to financial reporting risks.

4.3. Reporting

SER will, in its annual Corporate Governance Statement, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 4.

5. Make timely and balanced disclosure

5.1. Disclosure policy

The SER Board has adopted a Continuous Disclosure and Communications Policy (Appendix F) to ensure timely and accurate disclosure of price-sensitive information to shareholders through the ASX.

The Continuous Disclosure and Communications Policy ensures that:

- all investors have equal and timely access to material information concerning the company, including its financial position, performance, ownership and governance, and
- announcements are subject to a vetting and authorisation process designed to ensure they
 - are released in a timely manner
 - are factual
 - do not omit material information, and
 - are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

5.2. Reporting

SER will, in its annual Corporate Governance Statement, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 5.

6. Respect the right of shareholders

SER respects the rights of its shareholders and is committed to providing them with the information and facilities to exercise their rights effectively, including:

- giving shareholders ready access to information about SER and its governance policies on its website
- communicating openly and honestly with shareholders,

- encouraging and facilitating the participation of shareholders in meetings, and
- making available the contact details of the Company Secretary for all and any contact and request that the investor deemed relevant.

SER has adopted guidelines of the ASX Corporate Governance Council for improving shareholder participation through the design and content of notices and through the conduct of the meeting itself.

6.1. Reporting

SER will, in its annual Corporate Governance Statement, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 6.

6.2. Recognise and manage risk

The SER Board has established a risk management framework to enable it to identify and manage risk on an ongoing basis.

6.3. Review by the Board

The Board's collective experience will enable accurate identification of the principal risks that affect SER's business. Key operational risks and their management will be recurring items for deliberation at Board meetings. SER does not have a separate risk committee due to its small size.

When reviewing risk management policies, the Board should take into account SER's legal obligations and should also consider the reasonable expectations of SER's stakeholders, including: shareholders, employees, customers, suppliers, creditors, consumers and the community.

The Board will review SER's risk management framework at least annually to satisfy itself that it continues to be sound.

6.4. External auditor

The company, in general meeting, is responsible for the appointment of the external auditors of SER.

The Board will review the scope, performance and fees of the external auditors at least once a year.

6.5. Economic, environmental and social sustainability

SER understands that operating in an economic, environmental and socially responsible way is better for both the community and SER itself.

SER is committed to working with shareholders and stakeholders to make sure its operations are economically, environmentally and socially sustainable.

6.6. Reporting

SER will, in its annual Corporate Governance Statement, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 7.

7. Remunerate fairly and responsibly

SER has a clear remuneration policy for its directors and senior executives which clearly aligns remuneration to the creation of value for shareholders.

SER considers itself to be currently too small to have a remuneration committee.

7.1. Director and senior executive remuneration policy

SER's remuneration policy is structured for the purpose of:

- motivating senior executives to pursue the long-term growth and success of SER, and
- demonstrating a clear relationship between senior executives' performance and remuneration.

The Board's responsibility is to set the level and structure of remuneration for officers (including but not limited to directors and secretaries) and executives, for the purpose of balancing SER's competing interests of:

- attracting and retaining senior executives and directors, and
- not paying excessive remuneration.

Executive directors' remuneration should be structured to reflect short and long-term performance objectives appropriate to SER's circumstances and goals.

Executive directors' and senior executives' remuneration packages should involve a balance between fixed and incentive-based pay, reflecting short- and long-term performance objectives appropriate to SER's circumstances and goals.

The total maximum remuneration of non-executive directors is the subject of a Shareholder resolution in accordance with SER's Constitution and the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to SER of the respective contributions by each non-executive director.

The Board may award additional remuneration to non-executive directors called upon to perform extra services or make extra exertions on behalf of SER.

Each of the non-executive directors receives a fixed fee for their services as directors. There is no direct link between remuneration paid to any of the directors and corporate performance, such as bonus payments for achievement of certain key performance indicators.

No director may be involved in setting their own remuneration or terms and conditions and in such a case relevant directors are required to be absent from the full Board discussion.

The Board will review the remuneration policies of all Directors and senior executives officers on at least an annual basis.

7.2. Reporting

SER will, in its annual Corporate Governance Statement, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 8.

8. Corporate Governance Framework

The Company's Corporate Governance Framework shall be read together with the Company's Constitution, subject to the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules, and when inconsistencies arise the Constitution shall prevail.

9. Appendices

- A. Board Charter
- B. Audit and Risk Committee Charter
- C. Remuneration and Nomination Committee Charter
- D. Diversity Policy
- E. Privacy, Security and Data Protection Policy
- F. Code of Conduct
- G. Continuous Disclosure and Communications Policy
- H. Securities Trading Policy
- I. Health, Safety and Environment Policy
- J. Related Parties Transaction and Conflict of Interests Policy

Board Charter

Purpose

The Board Charter sets out how Strategic Energy Resources (SER) and its subsidiaries are governed and the roles and responsibilities of the Board of SER.

Role of the Board

The Board is responsible for the protection and enhancement of long-term shareholder value. This includes responsibility for corporate governance policies and practices.

The role of the Board is to provide the overall strategic direction for SER and to guide and monitor the business and affairs of SER on behalf of its shareholders by whom it is elected and to whom it is accountable.

The Board operates under SER's Constitution, from which it derives its ultimate authority.

Responsibilities of the Board

The Board is responsible for:

The Goals and Strategy of SER

- formulating SER's business, corporate and financial goals and objectives
- setting the strategic direction to achieve these goals and objectives
- monitoring implementation and performance towards these goals and objectives

Management Oversight

- identifying, assessing and appointing Directors to the Board
- appointing members to Board Committees (if applicable)
- reviewing the performance of the Board, its Committees and Directors
- ensuring the Board is and remains appropriately skilled to meet the changing needs of the company
- appointing the senior management team
- appointing consultants to help the Board carry out its functions
- developing and implementing succession plans for key executive appointments
- approving remuneration for Board members and the senior management team and, as appropriate approving corporate remuneration policies.
- monitor the performance and remuneration of key executives and senior management against measurable and qualitative objectives
- modelling SER's corporate values

Ethical Standards

- defining and promote ethical standards and behaviours within SER
- encouraging a culture of corporate and social responsibility
- approving and monitor compliance with SER's Code of Conduct (Appendix E)

Financial and Operational Oversight

- approving capital management plans and decisions, including capital structures, financing arrangements and dividend policy
- approving business plans and budgets
- monitoring the financial and operational performance of the SER on an on-going basis
- delegating appropriate levels of authority to senior management and setting specific limits of authority for senior management to commit to new expenditure and enter into new contracts without prior Board approval
- monitoring the integrity of reporting and approving accurate financial reports and statements

- overseeing SER's accounting and financial management systems and procedures, including the adequacy of its internal control systems and procedures.

Corporate Governance and Risk Management

- adopting current ASX principles of good governance and applying them to SER as appropriate
- establishing effective audit and risk management controls to protect SER's assets
- recommending to shareholders the appointment and removal of the SER's external auditor, including terms and conditions of appointment and remuneration
- monitoring the risk management policies and processes
- monitoring the compliance of regulatory obligations.

Shareholders and Stakeholders

- ensuring that shareholders are informed of all major developments affecting SER's state of affairs
- ensuring effective and timely reporting to stakeholders
- reviewing the effectiveness of shareholder and stakeholder communication
- reviewing and approving the release of announcements made to the Australian Securities Exchange
- approving and monitoring compliance with the SER's disclosure obligations and compliance with the SER's Continuous Disclosure Policy (Appendix F).

Composition of the Board

The Board will be of a size and composition to enable it to discharge its duties effectively and deliver value to shareholders.

The Board will be composed of members with appropriate and diverse mix of skills.

The Board will maintain a Board skills matrix (Appendix C), which it will use to consider new appointments.

The SER Board will be of sufficient size to ensure the requirements of business can be met but not so large as to make it unwieldy.

Board size and composition will be reviewed regularly.

In considering new members, the Board will look for a mix of skills, personal qualities, expertise and diversity that will complement SER's business.

Independent directors

The Board should ideally comprise a majority of independent directors although SER's size is such that this is currently impractical. SER will keep this matter under review.

SER will regularly review whether each non-executive director is independent and each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independence status changes this should be disclosed and explained to the market in a timely fashion

In-line with ASX Guidelines, the Board considers a director to be independent if the director complies with the following criteria:

- should not have any business dealing which could materially affect their independent judgment
- has not been in an executive or advisory capacity to SER for the last three years
- does not have a material contractual relationship with SER other than as a director
- is not a material customer of, or supplier to, SER
- is not a substantial shareholder or associated with a substantial shareholder of SER
- does not have any close family ties with any person who falls within any of the categories described above
- has not been a director of the Company for such a period that his or her independence may have been compromised.

In each case, the materiality of the interest, position, association or relationship needs to be assessed as to whether it might interfere with a director's capacity to bring an independent judgement and to act in the best interests of the entity and its shareholders.

Directors Interest and Independent Decision-Making

Directors must disclose their interests.

All directors – whether independent or not – should bring an independent judgement to bear on Board decisions and must immediately declare to the Board any potential or active conflict of interest. In the event of a conflict of interest or where a potential conflict of interest may arise, involved directors will withdraw from deliberations concerning the matter unless remaining directors resolve otherwise.

Subject to the reasonableness of the costs and Board consent, to facilitate independent decision-making, the Board and each individual Director may seek advice from independent experts whenever it is considered appropriate. Subject to the reasonableness of the costs and Board consent, individual directors may seek independent professional advice on any matter connected with the discharge of their responsibilities.

Chairperson

The Chairperson is responsible for:

- leading the Board and efficiently organising and conducting Board business.
- chairing Board meetings and shareholder meetings, including, setting the agenda for Board meetings
- facilitating the effective contribution of all directors and promote constructive and respectful relations between directors and between the Board and senior management.
- briefing directors on issues arising at Board meetings
- communicating with shareholders
- arranging Board performance evaluations, and
- overseeing the role of the Company Secretary, including, reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board.

Company Secretary

The Company Secretary is responsible for:

- monitoring the extent that Board policy and procedure are followed
- coordinating the timely completion and despatch of Board agendas and briefing material
- advising the Board on all matters of governance process, and
- ensuring that the business at Board meetings is accurately captured in the minutes.

The Company Secretary's advice and services are available to all directors and committees.

Performance Evaluation

The Chairperson is responsible for reviewing the performance of the Board, and each director at least once every calendar year.

The Board is responsible for reviewing the performance of its committees (if any) and senior management at least once every calendar year.

The Board Charter will be reviewed annually by the Board to ensure that it remains relevant to the company's operations, its changing business requirements and emerging best practice principles.

Procedure for selection/replacement of directors

If a vacancy occurs or if it is considered that the Board would benefit from the services and skills of an additional director, the Board selects a panel of candidates with appropriate expertise and experience and appoints the most suitable candidate.

The Board will undertake appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director.

Prior to appointment or being submitted for re-election non-executive directors should specifically acknowledge to the company that they will have sufficient time to meet what is expected of them.

Any Board appointees will be required to retire at the next annual general meeting and is eligible for election by the shareholders at that meeting.

The Board will provide shareholders with all material information in its possession relevant to a decision on whether to elect or re-elect a director.

Induction and education

The Board will implement an induction program to enable new directors to gain an understanding of:

- the company's financial, strategic, operational and risk management position
- the rights, duties and responsibilities of the directors, and
- the role of any Board committees in operation

Directors will have reasonable access to continuing education to update and enhance their skills and knowledge, including education concerning key developments in the company and the mining and resources industry.

Access to information

The Board has the right to obtain all information from within the company, which it needs to effectively discharge its responsibilities.

Senior executives are required, on request from the Board, to supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to make informed decisions.

Board Committees

At all times the Board retains full responsibility for guiding and monitoring the company; however, in discharging its stewardship it may consider the use of committees on a permanent or ad hoc basis, including:

- Audit and Risk Committee
- Nomination and Remuneration Committee.

Due to the size of the company and the current scale of activities, the Board has not established any committees at this time. Until such time as the Board determines that it is appropriate to establish such committees the functions of these committees will be performed by the full Board operating in accordance with the company's mechanisms designed to ensure independent judgment in decision-making and management of potential conflicts of interest.

Publication of Charter

Key features of this Charter will be outlined in SER's Corporate Governance Statement annually.

The Charter will be made available on SER's website.

Audit and Risk Committee Charter

Due to the size of the Company and Board, the Board fulfils the roles and responsibilities in relation to the Audit and Risk Committee.

Scope

The Audit & Risk Committee (**Committee**) is a Committee of the Board of the Company with the specific powers delegated under this Charter. The Charter sets out the Committee's function, composition, mode of operation, authority and responsibilities.

Function

The primary function of the Committee is to assist the Board in fulfilling its responsibilities relating to accounting and reporting practices of the Company. In addition, the Committee will:

- (a) oversee, co-ordinate and appraise the quality of the audits conducted by both the Company's external and internal auditors (if and when appointed);
- (b) determine the independence and effectiveness of the external and internal auditors;
- (c) maintain open lines of communications among the Board, the internal and external auditors to exchange views and information, as well as confirm their respective authority and responsibilities;
- (d) to review the financial information submitted by management to the Board for issue to shareholders, regulatory authorities and the general public; and
- (e) review the adequacy of the reporting, systems and accounting controls of the Company
- (f) the appropriateness of the accounting judgements or choices exercised by management in preparing the Company's financial statements;
- (g) the implementation and effectiveness of the Company's risk management and internal control policies and practices; and
- (h) the implementation and effectiveness of the Company's systems and processes for ensuring compliance with all applicable laws, regulations and Company policies.

The Committee is not required to personally conduct accounting reviews or audits and is entitled to rely on employees of the Company or professional advisers where appropriate.

Membership and Composition

The Board will endeavour to, where possible, appoint the members of the Committee as per the parameters below:

- (a) at least three members;
- (b) only Non-executive Directors;
- (c) a majority of Independent Directors;
- (d) an Independent Chairperson appointed by the Board and who is not the Chairperson of the Board; and
- (e) where possible, members with sufficient financial skills and experience relevant to the Committee's function.

Meetings

The Committee shall:

- (a) meet as frequently as required but at least two times per year; and
- (b) the minimum quorum for a Committee meeting is two members.

The secretary of the Committee is the Company Secretary.

The internal or external auditors may request a meeting and such a request is to be met.

Authority

In performing its functions in accordance with any applicable law, the Committee:

- (a) has unrestricted access to the external auditors, the internal audit firm, Senior Management and employees of the Company. Management and employees are directed to co-operate with Committee's requests or from external parties;
- (b) has unrestricted access to information and reports relevant to fulfilling its responsibilities;
- (c) may seek independent external advice on matters brought before the Committee or in relation to the functions and responsibilities of the Committee; and
- (d) shall have the power to conduct or authorise investigations into any matters within the Committee's scope of responsibilities or when requested by the Board.

Responsibilities

The Committee must promote an environment within the Company which is consistent with credible and objective financial reporting. In particular, the Committee must:

- (a) perform an independent review of financial information prepared by management for external reporting. This will include conducting reviews of the annual report, Directors' report, annual financial statements, half yearly financial statements and any other externally reported financial information required by law;
- (b) monitor the integrity and effectiveness of financial reporting processes;
- (c) review and assess the external audit arrangements and the results of the audit;
- (d) appoint, review and assess the internal audit arrangements, as applicable, and consider significant internal audit findings and management's responses and related actions;
- (e) review and ensure implementation of recent professional and regulatory announcements; and
- (f) ensure that appropriate policies are established and adequate systems are in place to identify and disclose related-party transactions and assess the propriety of any related party transactions.

Internal Audit Function

The Committee shall report to the Board on the internal audit function (if applicable) including:

- (a) monitoring the need for a formal internal audit function and its scope;
- (b) assessing the performance and objectivity of any internal audit procedures that may be in place;
- (c) reviewing risk management and internal compliance procedures;
- (d) monitoring the quality of the accounting function; and
- (e) reviewing the internal controls of the Company via consideration of any comments from the Company's internal and/or external auditors and/or commissioning an independent report on the Company's internal controls.

External Audit Function

The Committee shall report to the Board on external audit arrangements, including:

- (a) making recommendations to the Board on the appointment, re-appointment, replacement and remuneration of the external audit firm;
- (b) review and approve the terms of engagement for the external auditor;
- (c) review the scope of the external audit with the external auditor including identified risk areas;
- (d) monitor the performance of the external audit including assessment of the quality and rigour of the audit, quality of the service provided and the audit firm's internal quality control procedures;
- (e) review and assess non-audit services to be provided by the external auditor, with particular consideration to the potential to impair or appear to impair the external auditors' independence;
- (f) review and monitor management's responsiveness to the external audit findings; and
- (g) on a periodic basis, meet with the external auditor without the presence of management.

Appointment of External Auditor

Should a change in auditor be considered necessary, a formal tendering process will be undertaken. The Committee will identify the attributes required of an auditor and will ensure the selection process is sufficiently robust so as to ensure selection of an appropriate auditor.

The Committee and the Board will consider the appointment in conjunction with Senior Management.

Risk Management

Oversee the Company's Risk Management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.

In consultation with management:

- (a) prepare a risk profile which describes the material business risks facing the Group, including financial and non-financial matters and taking into account both the Group's legal obligations and the reasonable expectations of the Group's stakeholders (such as shareholders, employees, customers, suppliers, creditors, consumers and the broader community in which the Group operates); and
- (b) regularly review and update the risk profile and provide copies to the Board;
- (c) review and report to the Board (at least annually) on the effectiveness of the Company's internal controls regarding:
 - i. the Company's financial reporting systems and processes;
 - ii. due diligence for acquisitions and other new projects;
 - iii. compliance with confidentiality obligations; and
 - iv. information technology security.
- (d) review and report to the Board (at least annually) on the effectiveness of internal systems and processes for identifying, managing and monitoring material business risks, including:
 - i. breaches of contract or internal controls;
 - ii. litigation and claims; and
 - iii. fraud and theft.
- (e) obtain regular reports from management on the occurrence and/or status of any material breaches of internal controls or other material risk exposures or incidents and report to the Board (at each Board meeting or earlier, if appropriate) on such breaches, exposures and incidents and generally whether material business risks are being managed effectively;
- (f) review the scope of the internal and external auditors' review of internal control and risk management, review reports on significant findings and recommendations, together with management's responses;
- (g) recommend to the Board any changes to the Company's internal control and risk management framework from time to time as appropriate;

Rotation and Succession Planning

The Committee will discuss with the auditor the provisions the audit firm has in place for rotation of the lead engagement partner and the independent review partner. The Company shall require that the lead engagement partner be rotated at least every 5 years.

Reliance on information of professional or expert advice

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- (a) an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- (b) a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- (c) another Director or officer of the Group in relation to matters within the Director's or officer's authority.

Management Sign-off Procedures

The Committee will ensure that an Executive Officer and Chief Financial Officer prepare a written statement to the Board certifying that the Company's annual financial report and half yearly financial report present a true and fair view, in all material respects, of the financial condition of the Company and its operational performance and are in accordance with relevant accounting standards.

The statement is to be presented to the Board prior to the approval and sign-off of the respective annual and half yearly financial reports.

Minutes

Minutes must be prepared, approved by the Chair and circulated to members within three weeks of a meeting. The minutes must be ratified at the next meeting of the Committee. The Chairperson should report to the Board after each meeting.

Reviews

The Committee will review its performance on an annual basis.

The Committee should review this charter and its composition annually. The Board should consider the Committee's charter and/or composition.

Remuneration and Nomination Committee Charter

Due to the size of the Company and Board, the Board fulfils the roles and responsibilities in relation to the Remuneration and Nomination Committee.

Introduction

The Remuneration and Nomination Committee (**Committee**) has been established as a committee of the board of directors of SER (**Company**).

This Charter sets out the role, authority, responsibilities, composition and procedural requirements of the Committee.

Role and Objectives

The Committee's role and objectives are to support and advise the Board in fulfilling its responsibilities to shareholders and employees of the Company, by:

- (a) endeavouring to ensure that:
 - (i) the directors and senior executives of the Group are remunerated fairly and appropriately;
 - (ii) the remuneration policies and outcomes of the Group strike an appropriate balance between the interests of the Company's shareholders, and rewarding and motivating the executives and employees in order to secure the long-term benefits of their energy and loyalty;
 - (iii) the human resources policies and practices are consistent with and complementary to the strategic direction and objectives of the Group as determined by the Board;
 - (iv) short and long-term incentives are challenging and linked to the creation of sustainable shareholder returns; and
 - (v) any termination benefits are justified and appropriate;
- (b) reviewing and advising the Board on the composition of the Board and its Committees and the necessary and desirable competencies of Board members;
- (c) developing a process for the evaluation of the performance of the Board, its committees and individual executive and non-executive directors;
- (d) ensuring that proper succession plans for Board members and senior executives are in place for consideration by the Board; and
- (e) advising the Board on induction and continuing professional development programs for directors.

In order to fulfil its responsibilities, the Committee will have the right:

- (a) to obtain information from management; and
- (b) to seek advice from external consultants or specialists where the Committee considers that necessary or appropriate to allow the Committee to make its determinations or recommendations to the Board.

General remuneration responsibilities

In relation to its remuneration function, the Committee is required to review and make recommendations to the Board about (where applicable):

- (a) the terms of remuneration for the executive and non-executive directors and other senior executives of the Group from time to time including the criteria and processes for assessing performance;
- (b) the process for, and report to the Board on the outcomes of, remuneration reviews for:

- (i) each non-executive director;
 - (ii) the executives collectively; and
 - (iii) each executive director and other senior executives of the Company;
- (c) changes in remuneration, recruitment, retention and termination policies and practices, including superannuation and other benefits, personnel practices, and industrial relations strategies;
 - (d) compliance with relevant legal and regulatory requirements in relation to any such remuneration, equity plans and termination benefits, including obtaining any shareholder approvals which are necessary;
 - (e) employee equity plans and allocations under those plans;
 - (f) the disclosure of remuneration strategies, policies and practices within the Group and, if necessary, to the Australian Securities Exchange (ASX) and other regulatory authorities;
 - (g) the preparation and approval of the remuneration report to be included in the Annual Report in accordance with the Corporations Act 2001 (Cth);
 - (h) facilitating shareholder and other stakeholder engagement in relation to the Company's remuneration strategies, policies and practices; and
 - (i) whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees.

Specific remuneration responsibilities

In order to fulfil its responsibilities relating to remuneration, the Committee will (where applicable):

Executive remuneration generally

- (a) review and evaluate market practice and trends in remuneration matters;
- (b) review and make recommendations to the Board regarding executive remuneration generally including, but not limited to, base pay, incentive payments, equity awards and service contracts;
- (c) consider whether to seek shareholder approval of the executive remuneration and, if shareholder approval is not required, whether to disclose any specific remuneration terms (such as termination payments) to ASX;
- (d) oversee the implementation of executive remuneration within the Group;

Executive directors and senior management

- (e) review and make recommendations to the Board on the specific remuneration for each executive director (including base pay, incentive payments, equity awards, termination payments and service contracts), determine whether any shareholder approvals are required and ensure that any equity-based executive remuneration is made in accordance with shareholder approvals;
- (f) review and make recommendations to the Board regarding the specific remuneration (including base pay, incentive payments, equity awards, termination payments and service contracts) for each senior executive of the Company;

Non-executive director remuneration

- (g) review and establish the level of remuneration for non-executive directors, including fees, superannuation and other benefits. The level of director remuneration is to be set so as to attract the best candidates for the Board while maintaining a level commensurate with boards of similar size and type;
- (h) where necessary recommend that the Board seek an increase in the amount of remuneration for non-executive directors approved by shareholders;
- (i) consider if any equity based remuneration is appropriate for non-executive directors;

Equity based and long-term incentive plans (LTIs)

- (j) review, at least annually, and make recommendations to the Board regarding the design of all equity based and/or LTI plans;
- (k) keep all plans under review in the light of legislative, regulatory and market developments and make recommendations to the Board regarding proposed amendments to any such plans;

- (l) for each such plan, determine each year whether awards will be made under that plan;
- (m) review and make recommendations to the Board regarding proposed aggregate and individual awards under each plan, including determining the applicable eligibility criteria and vesting and exercise conditions;
- (n) review and make recommendations to the Board regarding the administration and allocation of individual interests in awards which are held in a trust or similar structure;
- (o) review and make recommendations to the Board regarding performance hurdles for such plans, if appropriate;
- (p) administer the operation of the plans, including determining disputes and resolving questions of fact or interpretation concerning the plans;

Short term incentives

- (q) review, at least annually, and make recommendations regarding short term incentives, performance targets and bonus payments for executives, management, employees and contractors; and

Performance reviews

- (r) review and report to the Board on the performance of executive directors, non-executive directors and senior executives each reporting period.

Nomination responsibilities

In relation to its nomination function, the Committee is required to:

- (a) develop and implement processes for the evaluation of the performance of the Board, its Committees and individual executive and non-executive directors and regularly review those processes;
- (b) establish criteria for Board membership;
- (c) review and make recommendations to the Board regarding the size and composition of the Board;
- (d) develop and review the process for the selection, appointment and re-election of directors;
- (e) establish a skills matrix setting out the mix of skills and diversity the Board has or is looking to achieve;
- (f) periodically assess the skills, experience and expertise required to discharge the Board's duties, having regard to the strategic direction of the Company, and make recommendations to the Board about the necessary and desirable competencies of directors, the time expected to be devoted by non-executive directors in relation to the Company's affairs, and plans for enhancing director competencies;
- (g) identify and make recommendations to the Board for the appointments of new Board candidates having regard to the policy stated in section on Selection and Appointment of new Directors noted below;
- (h) inform the Board of the names of directors who are retiring in accordance with the provisions of the Company's Constitution and make recommendations to the Board as to whether the Board should support the re-nomination of that retiring director;
- (i) establish and facilitate an induction program for new directors with all such information and advice which may be considered necessary or desirable for the director to commence their appointment to the Board, including information and advice regarding:
 - (i) the Company's financial, strategic, operational and risk management position;
 - (ii) the rights, duties and responsibilities of the directors;
 - (iii) the roles and responsibilities of senior executives; and
 - (iv) the role of Board committees;
- (j) develop and review continuous professional development programs for directors in order to enhance director competencies and develop and enhance directors' skills and knowledge on key developments effecting the Group and the industry in which it operates;
- (k) review nomination practices against measurable objectives for achieving gender diversity;
- (l) identify any specific responsibilities of individual Board members, including the Chair;

- (m) review the time required to be committed by non-executive directors to properly fulfil their duties and whether non-executive directors meet these requirements;
- (n) assist the Board in assessing the independence of each non-executive director;
- (o) review succession planning for Board members and provide advice to the Board on whether succession plans are in place to maintain an appropriate balance of skills, experience, expertise and diversity on the Board;
- (p) review succession planning for the Chief Executive Officer (If applicable) and other key executives of the Group;
- (q) review the performance of the Chair and report results of the evaluation to the Board; and
- (r) review the membership and performance of other Board committees and make recommendations to the Board.

Board Approvals

Before implementing any of the following proposals the Board will request the Committee to review the proposal and make a recommendation to the Board in relation to:

- (a) any change to the remuneration or contract terms of the executive directors and any other senior executives of the Company;
- (b) any amendment to any short-term incentive scheme adopted by the Company and allocation of sums under the short term incentive scheme to directors and senior executives;
- (c) the design of any new equity or share plan or executive incentive or option plan, or the amendment of any existing equity or share plan or executive incentive or option plan;
- (d) the total level of award proposed from equity or share plans or executive incentive or option plans; and
- (e) any proposed termination payment to the executive directors and any other senior executives of the Company which has not been previously reviewed and recommended by the Committee. A termination payment to any other departing executive must be reported to the Committee at its next meeting.

Selection and appointment of new Directors

Factors to be considered when reviewing a potential candidate for appointment as a director include:

- (a) the skills, experience, expertise and personal qualities that will best complement Board effectiveness;
- (b) the existing composition of the Board, having regard to the objective that the Board should comprise a mix of executive and non-executive directors and comprise directors with a broad range of skills, knowledge, expertise and experience from a diverse range of backgrounds;
- (c) the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other board or executive appointments);
- (d) potential conflicts of interest;
- (e) the independence of the candidate, with reference to the criteria for an independent director set out in the Board Charter; and
- (f) the Board's commitment to promoting diversity on the Board.

Detailed background information in relation to a potential candidate should be provided to all directors.

Appropriate checks should be undertaken before appointing a potential candidate or putting forward a candidate to shareholders for approval, which should include checks as to the person's character, experience, education, criminal record and bankruptcy history.

The identification of potential candidates may be assisted by the use of external search organisations as appropriate.

The Committee will report to the Board outlining the following details of the director selection process:

- (a) the process by which candidates are identified and selected, including whether an external search organisation was used and their recommendations; and
- (b) the factors taken into account in the selection process, and the reasons why the Committee is recommending the appointment of the candidate as a director.

A written agreement will be entered into for each director and senior executive setting out the terms of their appointment.

Composition

Where possible, the Committee will initially comprise a minimum of three members, a majority of whom should be independent non-executive directors.

It is intended that any future Committee will comprise a minimum of three members, all of whom will be non-executive directors and the majority of whom should be independent directors.

If the Chair of the Board is an independent director, the Chair of the Board will be the Chair of the Committee.

Otherwise, the Board will nominate the Chair of the Committee from time to time. The Chair of the Committee must be an independent director.

Procedural requirements

The Committee will meet as required but not less than once a year.

A quorum of the Committee will comprise two members, one of whom must be the Chair or, in the absence of the Chair, another independent director.

If the Chair is absent from a meeting and no acting Chair has been appointed, the members present may choose one of them to act as Chair for that meeting.

Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.

Each member of the Committee will have one vote.

The Chair will not have a casting vote. If there is a tied vote, the motion will lapse.

A member must not be present for discussions at a Committee meeting on, or vote on a matter regarding, their own election, re-election, removal, remuneration or a specific remuneration policy that affects them. However, a member who is a non-executive director may be present and vote in relation to the remuneration of all non-executive directors.

Any member of the Committee may, with the Chair's prior approval, invite any non-member to attend and participate in a meeting of the Committee. Any such invitee will not have any vote.

Following each meeting the Chair will report to the Board on any matter that should be brought to the Board's attention, and on any recommendation of the Committee that requires Board approval or action.

Minutes of meetings of the Committee will be prepared for approval by the Committee and circulated to the members of the Board.

The Company Secretary will attend all Committee meetings and provide such assistance as may be required by the Chair in relation to preparation of the agenda, minutes or papers for the Committee.

The Committee may have access to such internal resources, and seek such advice from any external advisers, consultants or specialists, as it may consider necessary or desirable to fulfil its objectives.

The Chair or, if the Chair is not available, a Committee member should attend the Annual General Meeting of the Company and be available to answer any questions from shareholders about the Committee's activities or, if appropriate, the Company's remuneration arrangements.

Annual Review

The Committee will prepare and provide to the Board annually:

- (a) a self-evaluation of its performance against its Charter, goals and objectives;
- (b) recommended goals and objectives for the coming year; and
- (c) recommended changes or improvements to its Charter if necessary.

The annual review may be done by way of an oral report to the Board by the Chair of the Committee.

Revision of this Charter

The Committee is responsible for reviewing the effectiveness of this Charter and the operations of the Committee and to make recommendations to the Board of any amendments.

Any amendment to this Charter must be approved by the Board.

Diversity Policy

SER is committed to workplace diversity at all levels and recognises the benefits arising from the recruitment, development and retention of a talented, diverse and motivated workforce from the widest pool of talent available.

Diversity within SER means all the things that make individuals different to one another, including, but not limited to, gender, ethnicity, religion, culture, language, disability, marital or family status, sexual orientation, gender identity and age. It involves a commitment to equality and treating one another with respect.

SER will engage talented people regardless of their gender, ethnicity, religion, culture, language, disability, marital or family status, sexual orientation, gender identity and age and taken into consideration only their skills, competency and suitability for the position and SER team.

Applicability

This policy applies to directors, all employees, contractors, consultants and advisers of SER and SER group companies and any joint ventures under SER's operational control.

Objectives

SER encourages diversity in employment, and in the composition of its Board, as a means of ensuring the company has an appropriate mix of skills and talent to conduct its business and achieve SER's goals.

SER will provide opportunities in respect to employment and employment conditions to achieve:

- a diverse and skilled workforce, leading to continuous improvement in SER's performance and achievement of corporate goals
- a workforce that best represents the talent available in the communities in which SER's assets are located and its employees reside
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff
- the development of necessary skills and experience for leadership roles
- improved employment and career development opportunities for women
- awareness in all staff of their rights and responsibilities with regard to fairness, equity and respect for all aspects of diversity, and
- workplaces that are free from all forms of discrimination, vilification and harassment.

Strategy

SER aims to achieve these objectives by:

- the Board establishing, and reviewing on an annual basis, measurable objectives in support of diversity that will be transparent, achievable over a period of time and fit for purpose
- recruiting and managing at all levels on the basis of merit, an individual's skills, experience and performance
- fostering an inclusive and supportive culture to enable people to develop to their full potential
- promoting diversity through actions and interactions, and
- taking action to prevent and stop discrimination, bullying and harassment.

Responsibilities

It is the responsibility of all directors, officers, employees, contractors and consultants to comply with the SER's Diversity Policy and report violations or suspected violations of this Diversity Policy.

The Board and Chairperson of SER are accountable for ensuring this policy is implemented. The Board of Directors will review SER's diversity practices regularly and will monitor progress toward the achievement of measurable objectives.

Privacy, Security and Data Protection Policy

This Policy applies to all personal information that may be collected by SER, or on its behalf, from shareholders, customers, agents, suppliers, contractors, advisors, financiers, joint venture partners or business partners or an employee of the aforementioned entities.

Overview

Personal information means information or an opinion about an identified individual, or an individual who is reasonably identifiable, whether the information or opinion is true or not, and whether the information or opinion is recorded in a material form or not.

Personal Information Collected by the Company

SER collects personal information as required in the course of its business as permitted by law to provide its products and information to customers and the community, in order to carry on its business and comply with relevant laws.

If an individual chooses not to provide certain personal information to SER, the Company may not be able to do business with that individual or their organisation or provide them with the information they require.

Personal information may be collected directly from an individual or, where appropriate or permissible or as generally contemplated, from a third party such as SER's share registry service and corporate reporting services. This includes personal information about individuals who are retail shareholders, and individuals who may be employed by or contracted to institutional shareholders.

SER may supplement the information it collects with information from other sources, such as publicly available databases and publications.

When SER collects personal information, it will, where appropriate, advise the individual whose personal information is being collected as to the reason it is collecting personal information and how the Company plans to use it and, if necessary, disclose the personal information.

Use of Personal Information

SER uses, discloses or otherwise processes personal information for the purpose for which it has been collected, for reasonably related secondary purposes, for purposes which have been consented to by the individual, and any other purpose permitted under the law. The Company may handle personal information in accordance with any exemptions available to it under the law.

Accuracy and Security of Personal Information

The Company takes all reasonable steps to secure personal information and to keep the information accurate and up-to-date. Personal information is stored either electronically or in hard copy and appropriate security measures are in place to protect this information.

SER's website does not provide facilities for the secure transmission of information across the internet. Users should be aware that there are inherent risks in transmitting information across the internet.

SER will take such steps as are reasonable in the circumstances to destroy or de-identify personal information when it is no longer required.

Access and Complaints

In most instances, individuals have a right to access and request corrections to personal information held by SER that relates to them. If an individual wish to access personal information held by SER, it may take

certain measures to verify the individual's identity before providing any details in relation to the information. Any concerns or complaints regarding privacy please contact our Company Office:

Attention: Strategic Energy Resources Limited
Level 4, 100 Albert Road
South Melbourne, VIC, 3205

Code of Conduct

This code of conduct aims to encourage the appropriate standards of conduct and behaviour of the directors, officers, employees and contractors (collectively called the “employees”) of SER.

General Principles

Employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation of SER, including by abiding by the following general principles:

- employees are to act honestly, in good faith and in the best interests of the company-as-a-whole
- employees have a duty to use due care and diligence in fulfilling the functions of their position and exercising the powers attached to their employment
- employees must recognise that their primary responsibility is to SER’s shareholders as a whole
- employees must not take advantage of their position for personal gain, or the gain of their associates
- directors have an obligation to be independent in their judgements
- confidential information received by employees in the course of the exercise of their duties remains the property of SER. Confidential information can only be released or used with specific permission from SER
- employees have an obligation, to comply with the spirit as well as the letter, of the law and with the principles of this Code.

SER views breaches of this Code as serious misconduct. Employees who have become aware of any breaches of this Code must report the matter immediately to their line manager or the Company Secretary. The line manager or Company Secretary has the responsibility to report the breach to the appropriate senior management and to advise the relevant employee of the outcome and actions implemented.

Any employee who in good faith, reports a breach or a suspected breach will not be subject to any retaliation or recrimination for making that report.

Employees who breach the policies outlined in the Code may be subject to disciplinary action, including the case of serious breaches, dismissal.

Directors

The following additional obligations apply to directors of SER and aim to ensure directors have a clear understanding of the company’s expectations of their conduct.

Fiduciary Duties

All directors have a fiduciary relationship with the shareholders of the SER. A director occupies a unique position of trust with shareholders, which makes it unlawful for directors to improperly use their position to gain advantage for themselves.

Duties of Directors

Each director must endeavour to ensure that SER is properly managed so as to protect and enhance the interests of all shareholders. To this end, directors need to devote sufficient time and effort to understand the company’s operations.

Directors should ensure that shareholders and the ASX are informed of all material matters that require disclosure and avoid or fully disclose conflicts of interest.

Conflict of Interest

At all times a director must be able to act in the interests of SER. Where the interests of associates, the personal interest of a director or a director's family may conflict with those of SER, then the Director must immediately disclose such conflict and either:

- eliminate the conflict, or
- abstain from participation on any discussion or decision-making process in relation to the subject matter of the conflict.

Executive directors must always be alert to the potential for a conflict of interest between their roles as executive managers and their fiduciary duties as directors.

SER has a Related Party Transactions and Conflicts of Interest Policy (Appendix I) that all employees are required to comply with.

Insider Trading

Information concerning the activities or proposed activities of SER, which is not public and which could materially affect the SER's share price must not be used for any purpose other than valid company requirements.

SER has a Securities Trading Policy (Appendix G) that all employees are required to comply with.

Stakeholders

The Board recognises that the primary stakeholders in the SER are its shareholders. Other legitimate stakeholders include employees, customers and the general community, especially those communities, included indigenous communities, which are affected by SER's operations.

SER's primary objective is to create shareholder wealth through capital growth and dividends by the continued development within the mining sector, and the provision of innovative customer and market focused solutions within the mining and related industries. This is achieved by:

- keeping the market informed of its exploration and mining activities
- actively progressing its exploration programmes, and
- seeking new opportunities within the mining sector.

The company is committed to conducting all its operations in a manner which:

- protects the health and safety of all employees, contractors and community members
- recognises, values and rewards the individual contributions of each employee
- achieves a balance between economic development, maintenance of the environment and social responsibility
- maintains good relationships with suppliers and the local community, and
- is honest, lawful and ethical.

All employees (including directors) are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the company.

Continuous Disclosure and Communications Policy

This policy is to be read in conjunction with other company policies, including but not limited to the Related Party Transactions and Conflicts of Interest Policy (Appendix I).

Applicability

This Policy applies to all SER employees including:

- executive and non-executive directors
- full-time, part-time and casual employees, and
- contractors, consultants and advisers.

It includes employees of any SER group companies and any joint ventures under SER's operational control.

Introduction

SER is listed on the Australian Securities Exchange (ASX) and is required to comply with the ASX listing rules.

This Policy is designed to:

- record and communicate SER's commitment to continuous disclosure
- provide a framework and strategy for SER to meet its obligations to disclose material information to the investment community, and
- outline the corporate governance standards applied by SER in its market communications' practices.

The Board will review this Policy regularly to determine whether it is effective in ensuring accurate and timely disclosure in accordance with SER's disclosure obligations.

Failure to comply with the Continuous Disclosure and Communication Policy may lead to a breach of applicable legislation, stock exchange listing rules or other regulations, which may result in Directors incurring personal liability. Disciplinary action, including dismissal, may be taken against any person who fails to comply with this Policy.

Continuous Disclosure

SER will, subject to exceptions set out in the applicable listing rules, immediately (promptly and without delay) notify the market by announcing to the stock exchange any information or major development related to the business of SER that:

- a reasonable person would expect to have a material effect on the price or value of its securities, and
- a reasonable investor is likely to use as part of the basis for making investment decisions.

The requirement to disclose this information does not apply if, and only if, each of the following conditions is and remains satisfied:

- a reasonable person would not expect the information to be disclosed and
- the information is confidential and the ASX has not formed the view that the information has ceased to be confidential and one or more of the following conditions apply:
 - it would be a breach of the law to disclose the information
 - the information concerns an incomplete proposal or negotiation
 - the information is generated for the internal management purposes of SER, or
 - the information is a trade secret.

In this event, the information will be kept confidential to the extent permitted by law until the Board determines it is necessary or appropriate to publicly disclose.

The SER Board

It is the Board's responsibility to effectively implement this Policy, including:

- ensuring that adequate processes and controls are in place for the identification of material information and the release of disclosable information
- the review of material information and determining whether it must be disclosed, and
 - overseeing compliance with relevant continuous and periodic disclose requirements.

The Board will use the external auditor and legal counsel in an advisory capacity where appropriate.

The Company Secretary

The Company Secretary is responsible for the administration of this Policy.

The Company Secretary releases any procedural announcements following circulation to the Board. Any material announcements are circulated to the Board for review and approval prior to releasing to the ASX.

The Company Secretary is responsible for ensuring that announcements are communicated to the relevant stock exchanges in accordance with applicable laws, listing rules and regulations, after approval by the Board.

Trading Halt

In order to facilitate an orderly, fair and informed market it may be necessary to request a trading halt from the ASX. The Chairperson will make the decisions relating to a trading halt.

Rumours

Subject to its continuous disclosure obligations, SER will not generally comment on rumours or market speculation.

Market Communication

SER's corporate governance framework is designed to ensure:

- timely and accurate information regarding SER, including its financial situation, performance, ownership, strategies, activities and governance is provided equally to all shareholders and market participants
- channels for disseminating information are adopted which are fair, timely and cost-efficient, and
- it does not communicate material price, or value sensitive information to any external party prior to that information being disclosed to all shareholders and market participants in compliance with its continuous disclosure obligations.

Website

All information disclosed in compliance with this Policy will be placed promptly on SER's website at www.strategicenergy.com.au. The website also includes a facility to allow interested persons to subscribe to electronically receive electronic public releases and other relevant information concerning SER.

Spokespersons

Otherwise than as approved by the Board, only the Chairperson is authorised to make any public statement on behalf of, or attributable to, SER.

If any other employee receives a request for comment from an investor, analyst or the media in relation to any matter concerning SER, they must advise that person that they are not authorised to speak on behalf of SER and must refer enquiries to the Chairperson.

The Chairperson is to be made aware of all external approaches from media, Government or financial agencies. Any written statements must be approved by the Chairperson prior to release. Any presentations or speeches that may attract media attention must be reviewed and cleared by the Chairperson or their designated delegate prior to the presentation.

Analyst and Investors' Briefings

SER conducts briefings for analyst, investor and media groups to discuss information that has been released to the market. The following protocols apply:

- no material information will be disclosed at these briefings unless it has been previously or simultaneously released to the market
- if material information is inadvertently released it will immediately be released to the stock exchanges and placed on the SER website
- questions at briefings that deal with material information not previously disclosed will not be answered, and
- all briefing and presentation materials will be disclosed to the market via the ASX and placed on SER's website prior to the commencement of the briefing.

Analyst Reports

Where requested to do so, SER may review analysts' draft models and research reports but will confine its comments to factual matters and material previously disclosed. SER may comment on analysts' earnings estimate to the extent of:

- acknowledging the current market range of estimates
- questioning an analyst's assumptions or sensitivities if the analyst's estimate is significantly at variance from current market range estimates, and
- advising factual errors where data is already in the public domain.

Shareholder Meetings

SER encourages and supports shareholder participation. Mechanisms for enabling shareholder participation will be reviewed regularly to encourage the highest level of anticipation and include:

- Notices of Meeting being prepared, and meetings being conducted, in accordance with industry best practice and the guidelines published by the ASX Corporate Governance Council, and
- the use of electronic communication to disseminate information relating to meetings and to facilitate shareholder voting in the most efficient manner.

Industry Conferences

This Policy applies to any form of communication such as a speech, roundtable discussion or informal conversation at a conference, by any director, officer, employee, agent and contractor of SER made at any industry conference or similar event.

Unintentional Disclosure

Any disclosure made, whereby any person who made the disclosure did not know or was reckless in not knowing that the information was both material information and has not been disclosed, is commonly referred to as unintentional disclosure.

If it is determined that there has been unintentional disclosure, the Board will immediately take all appropriate steps, including: disclosure of the material information that has been unintentionally disclosed; and notifying the person to whom the unintentional disclosure was made that such information has not been disclosed and must remain confidential and that they may not trade in the shares of SER with knowledge of such information until it is disclosed.

Securities Trading Policy

Insider Trading Prohibition

Directors, officers and employees¹ who wish to trade in SER securities must first have regard to the statutory provisions of the Corporations Act dealing with insider trading. Insider trading is the practice of dealing in a company's securities (which includes shares, options and rights) by a person in possession of information not generally available, but if it were generally available would, or would be likely to influence a person's decision to transact in the Company's securities. It may also include the passing on of this information to another or procuring another person to deal in the securities. **Insider trading is an offence which carries severe penalties, including imprisonment.**

In summary, directors, officers and employees of SER must not, whether in their own capacity or as an agent for another, subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any securities in the company, or procure another person to do so:

- if that director, officer or employee possesses information that a reasonable person would expect to have a material effect on the price or value of the securities or influence a person's decision to buy or sell the securities in the Company if the information was generally available;
- if the director, officer or employee knows or ought reasonably to know, that:
 - the information is not generally available; and
 - if it were generally available, it might have a material effect on the price or value of the securities or influence a person's decision to buy or sell the securities in the Company.

Further, directors, officers and employees must not either directly or indirectly pass on this kind of information to another person if they know, or ought reasonably to know, that this other person is likely to deal in the securities of the Company or procure another person to do so.

Closed Periods, Additional Periods and Prohibited Periods

In addition to the prohibitions on insider trading set out in the Corporations Act, SER requires that directors, officers and employees must not trade in the Company's securities during the 'Closed Periods' commencing two weeks prior to the release of the Company's quarterly cash flow reports (Appendix 5B).

There is an exception to this 'Closed Periods' trading if the circumstances are exceptional and the procedure for prior written clearance described below has been met.

In addition to the prohibitions on insider trading set out in the Corporations Act, SER requires that directors, officers and employees must not trade in SER securities within any period imposed by SER from time to time, because SER is considering matters that would require disclosure to the market but for Listing Rule 3.1 A ('Additional Period'), unless the circumstances are exceptional and the procedure for prior written clearance described below has been met. This prohibition is in addition to the Closed Periods. The Closed Periods, and the Additional Period are together referred to as a 'Prohibited Period' in this policy.

Please note that even if it is outside of a Prohibited Period, directors, officers and employees must not trade in SER's securities if they are in possession of inside information.

Exceptional Circumstances when trading may be permitted subject to prior written clearance.

A person may trade in the Company's securities inside a Prohibited Period, subject to obtaining prior written clearance in accordance with the procedure described below, in the following exceptional circumstances:

¹ In this policy, reference to directors, officers and employees includes all 'Connected Persons' of the directors, officers and employees. 'Connected Persons' means any person over whom the director, officer or employee has significant influence or control. Further, all references to officers includes a reference to 'key management personnel' as defined in AASB Standard 124 Related Party Disclosure, being those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the entity.

- if the person granting the prior written clearance is satisfied that the person seeking the clearance does not possess unpublished price sensitive information about the Company and the person seeking clearance is in severe financial hardship
- if the person granting the prior written clearance is satisfied that the person seeking the clearance does not possess unpublished price sensitive information about the company and there are other circumstances deemed to be exceptional by the person granting the prior written clearance, or
- where trading is required for compliance with a court order or court enforceable undertakings or for some other legal or regulatory requirement.

Procedure for Obtaining Clearance Prior to Trading

Directors, officers and employees must not trade in the Company's securities at any time outside a Prohibited Period unless the director, officer or employee first obtains prior written clearance from the Chairperson. The Chairperson will not unreasonably withhold clearance.

Directors, officers and employees must not trade in the Company's securities during a Prohibited Period, including in the exceptional circumstances referred to above, unless the director, officer or employee obtains prior written clearance from the Chairperson.

Should the Chairperson wish to trade securities, written clearance should be obtained from another member of the Board. Permission will not be unreasonably withheld.

A request for prior written clearance to trade during a Prohibited Period should be made in writing and given to the Company Secretary and the Chairperson. The request may be submitted by email.

Any written clearance granted under this policy will be valid for the period of 10 business days from the time which it is given, or such other shorter period as may be determined by the person granting the clearance. The expiry time of the clearance will be stated in the clearance granted. Written clearance under this policy may be given by email.

Trading which is not subject to this policy

The following trading by directors, officers and employees is excluded from this policy:

- transfers of securities already held into a superannuation fund or other saving scheme in which the director, officer or employee is a beneficiary
- an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the company's securities) where the assets of the fund or other scheme are invested at the discretion of a third party
- where the director, officer or employee is a trustee, trading in the company's securities by that trust provided the director, officer or employee is not a beneficiary of the trust and any decision to trade during a Prohibited Period is taken by the other trustees or by the investment managers independently of the director, officer or employee
- undertakings to accept, or the acceptance of, a takeover offer
- trading under an offer or invitation made to all or most of the security holders such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue
- the exercise (but not the sale of securities following exercise) of an option or right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and the company has been in an exceptionally long Prohibited Period or the company has had a number of consecutive Prohibited Periods and the director, officer or employee could not reasonably have been expected to exercise it at a time when free to do so, or

- trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in the trading policy and where:
 - (a) the director, officer or employee did not enter into the plan or amend the plan during a Prohibited Period; and
 - (b) the trading plan does not permit the director, officer or employee to exercise any influence or discretion over how, when, or whether to trade.

Please note that even if the trading is excluded from this Policy, directors, officers and employees must not trade in SER securities if they are in possession of inside information.

Trading in derivative products

The prohibitions on trading in SER securities imposed by the company and set out in this policy extend to trading in financial products issued or created over or in respect of SER's securities.

Long Term Trading

SER wishes to encourage directors, officers and employees to adopt a long-term attitude to investment in the company's securities. Therefore, directors, officers and employees are strongly discouraged from engaging in short term or speculative trading of SER's securities.

Prohibited Transactions

Directors, officers and employees are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes.

Requests for prior written clearance for the transactions set out in this section "Prohibited Transactions" should be made in accordance with the procedure set out above for trading during a Prohibited Period.

Notification

Directors must disclose details of changes in SER securities they hold (directly or indirectly) to the Company Secretary as soon as reasonably possible after the date of the contract to buy and sell the securities ('Contract Date') but in any event:

- no later than 3 business days after the Contract Date; or
- if they begin to have or cease to have a substantial shareholding or there is a change in their substantial holding, the business day after the Contract Date.

Directors are referred to the company's Director's Disclosure Obligations document and Director's Declaration of Interest Form. The Company Secretary is to maintain a register of clearances given in relation to trading in the company's securities. The Company Secretary must report all notifications of dealings in the company's securities to the next Board meeting of SER.

Directors are reminded that it is their obligation under section 205G of the Corporations Act to notify the market operator within 14 days after any change in a director's interest, if the company has not done so.

Breaches

Breach of the insider trading prohibition could expose directors, officers and employees to criminal and civil liability. Breach of insider trading law or this policy will be regarded by the company as serious misconduct which may lead to disciplinary action and/or dismissal.

This policy does not contain an exhaustive analysis of the restrictions imposed on, and the very serious legal ramifications of, insider trading. Directors, officers and employees who wish to obtain further advice in this matter, are encouraged to contact the Company Secretary.

This policy also applies to SER's related entities.

ASX Listing Rule Requirements

It is a requirement for admission to the official list of ASX, and an on-going requirement for listing, that the company has a policy for trading in company securities.

SER will give a copy of this policy to ASX for release to the market. The company will also give any amended version of this policy to ASX when it makes a change to: the periods within which directors, officers and employees are prohibited from trading in the company's securities; the trading that is excluded from the operation of the policy; or the exceptional circumstances in which directors, officers and employees may be permitted to trade during a Prohibited Period, within five business days of the amendments taking effect. SER will also give this policy to ASX immediately on request by ASX.

Health, Safety and Environment Policy

SER is committed to managing its activities in an environmentally responsible manner. Through effective management practices, SER aims to ensure activities have a minimum impact on the environment.

SER will:

- develop, implement and maintain project-specific Conservation Management Plans to identify, assess and minimise environmental risk at all stages of its operations as a fundamental part of its long-term strategy
- comply with all applicable legal and statutory requirements to which we subscribe as a minimum standard
- engage Stakeholders on their concerns, aspirations and values regarding the development, operation and closure aspects of our projects
- communicate our policy and environmental performance in an open, transparent and accurate manner
- minimise the environmental impacts of our operations through the efficient use of natural resources and the reduction of input materials and waste
- monitor our environmental footprint and risk through the measurement and reporting of environmental performance
- ensure that all SER employees and contractors are fully aware of this policy and their environmental responsibilities at all stages of the company's activities and operations.

SER is committed to exploring for minerals in a responsible manner that reflects the expectations of the broader community. High standards of environmental, health and safety management will be integrated into all its activities. In so doing, SER will strive to protect human health; minimise adverse impact on the natural, social and cultural environment while fostering beneficial outcomes; and return disturbed sites to a state compatible with a healthy environment.

SER's ultimate goal is for exploration to lay the foundation for the development, operation and rehabilitation of profitable mines in a manner that respects and responds to the social, environmental and economic needs of present generations and anticipates those of future generations in the communities and countries where it works.

In particular, SER believes that each and every employee of the company and its subsidiaries has a shared responsibility to apply this policy through:

Corporate commitment

- **Priority:** Recognising environmental, health and safety management as amongst its highest priorities
- **Legislation:** Complying with all applicable legal requirements in all countries and states within which it explores and operates. Applying corporate standards or sound management practices where legislation may be inadequate
- **Integrated Management:** Integrating environmental, health and safety principles and practices into the planning and day-to-day conduct of each exploration activity both in the field and the office
- **Adoption:** Adopting this policy while conducting work on the company's behalf. Encouraging joint venture parties to adopt the principles of this policy.

Public responsibility

- **Engaging Interested Parties:** Encouraging open and honest dialogue with landowners, land users, indigenous peoples, government authorities and other interested parties, and respecting and responding to concerns they may have

- **Accountability:** Monitoring and auditing its performance in a credible manner, to ensure compliance with corporate and legal requirements; and communicating the results to interested parties
- **Collaboration:** Working with government, industry, research bodies and the public to improve regulations, develop better practices, transfer knowledge and raise public awareness on environment, safety and social issues related to its industry.

Social Progress

- **Community Assistance:** Contributing to the quality of life (for example through education and health) of employees, local communities and host countries, while respecting their cultures, needs and priorities
- **Indigenous Cultures:** Respecting the rights and cultural beliefs of indigenous people who have an interest in the land being explored. Respecting and protecting sites and artefacts of cultural significance.

Environmental, health and safety stewardship

- **Risk Management:** Assessing each exploration activity to identify hazards that could result in harm to the environment, personal injury or illness, property damage, fire or security loss, and evaluating the level of risk they pose. Eliminating those hazards wherever feasible, otherwise managing them to minimise their associated risks.
- **Activity Management:** Minimising adverse impacts of our activities and managing associated risks requires planning; appropriate resources, information and training; sound economically feasible management practices and protection measures; use of personal protective equipment and adherence to standard work procedures.
- **Contingency Planning:** Implementing procedures and training employees to deal with likely incidents and emergency situations at each exploration site; and providing first aid, fire-fighting, spill response and communications equipment.
- **Rehabilitation:** Planning early for the cessation of exploration activities. Progressively, as each exploration activity is completed, rehabilitating affected land to a safe and stable state compatible with a healthy environment. Monitoring and maintaining rehabilitation to ensure its long-term success.
- **Continuous Improvement:** Striving to improve our performance through monitoring and auditing; regular review of policies and practices; and the investigation of incidents.

Economic benefits

- **Living Standard:** Integrating our activities with the economic development objectives of local communities and host countries in which we operate. For example, promoting the employment and training of local and national persons, and the utilisation of competitive local and national goods and services.

Related Parties Transaction and Conflict of Interests Policy

Related Party Transactions

The purpose of this policy is to establish a protocol for directors and management in negotiating and entering transactions between SER and related parties.

Transactions between SER and a related party raise a number of potential legal issues:

- there may be an actual or perceived conflict of interest on the part of a director and a director may have a material personal interest for the purpose of section 195 of the Corporations Act (the Act);
- a director could breach their duties owed to SER if they fail to separately consider and act in the best interests of the company, as distinct from the interests of the related party;
- a transaction could contravene Chapter 2E of the Act which, subject to certain exceptions, prohibits public companies from giving financial benefits to a related party of the public company without shareholder approval;
- directors, other persons involved in the negotiations and the related party may be liable for civil penalties for a breach of Chapter 2E;
- the ASX Listing Rules may require approval of the shareholders of SER where SER acquires or disposes of a substantial asset, or issues equity securities, to certain related and other parties.

Who is a related party of SER?

For the purpose of Chapter 2E², related parties of SER include:

- a director of SER or members of that director's immediate family such as a spouse, parent or child
- an entity which has the ability to control SER (Controlling Entity)
- directors of any Controlling Entity and their immediate families
- entities controlled by any of the above parties
- an entity which was a related party to SER within the previous 6 months
- an entity that believes it will become a related party in the future; and an entity acting in concert with a related party.

'Control' exists where a person has the ability to determine decisions in relation to the financial and operating policies of another entity.

The definition of 'related party' for the purpose of the ASX Listing Rules is similar.

What does 'giving a financial benefit' involve?

For the purpose of Chapter 2E, giving a financial benefit is interpreted broadly under the Corporations Act, having regard to the substance rather than the form of the transaction, and includes giving a financial benefit indirectly. Where there is a purchase or sale transaction, both parties to the transaction are 'giving a financial benefit' to the other. The fact that there is payment of consideration for the benefit, even if fair value, does not cause the transaction to escape Chapter 2E of the Act.

Examples of giving a financial benefit include:

- giving or providing finance or property;
- buying or selling an asset
- leasing an asset
- supplying or receiving services
- issuing securities or granting options, and
- taking up or releasing an obligation.

² In the event of any uncertainty, the definition of 'related party' in the Corporations Act and ASX Listing Rules will prevail.

Shareholder approval under Chapter 2E - exceptions

Shareholder approval will not be required for a related party transaction where the following circumstances apply:

- benefits to closely held (i.e. wholly-owned) subsidiaries
- where the transaction is conducted on an arm's length basis (or more favourable to SER than an arm's length basis)
- the financial benefit consists of reasonable remuneration or reimbursement to employees or officers
- payment of reasonable indemnities, insurance premiums and legal costs;
- small amounts paid to a director (less than \$5,000)
- benefits that do not discriminate unfairly between members, and
- payments made under an order of court.

Shareholder approval under the Listing Rules

Subject to a number of exceptions, under ASX Listing Rule 10.1, SER may not, without the approval of non-associated shareholders, acquire a substantial asset from, or dispose of a substantial asset to:

- a related party
- a subsidiary
- a substantial shareholder who has or who had at any time within 6 months prior to the transaction an interest in at least 10% of the voting securities in the company;
- an associate of any of the persons referred to above, or
- a person whose relationship to SER or to a person referred to above is such that, in Australian Securities Exchange (ASX) ASX's opinion, the transaction should be approved by the shareholders in the company.

An asset is a 'substantial asset' if its value, or the value of the consideration is, or in ASX's opinion is, 5 per cent or more of the equity interests in the company.

The ASX may deem shareholder approval is necessary even where the transaction falls below the 5 per cent threshold in certain circumstances.

Subject to a number of exceptions, under ASX Listing Rule 10.11, shareholder approval may be required for an issue of equity securities to a related party.

Procedures for related party transactions

All proposed or potential related party transactions must be disclosed to the Board of SER before they are entered into.

All related party transactions must be undertaken on arm's length terms or otherwise in compliance with Chapter 2E and the ASX Listing Rules.

Consideration of all proposed or potential related party transactions must be undertaken in compliance with section 195 of the Corporations Act, which may preclude a director.

Arrangements concerning related party transactions should generally be negotiated at arm's length by persons who are independent of the related party. This may require an independent committee of the Board to be formed to supervise negotiations.

Both before and during a related party transaction, the Board should be ensured the transaction meets the following criteria:

- It is in the best interests of existing shareholders - the obligation to act in the best interests of shareholders means that the Board is required to ensure that related party transactions are conducted at arm's length and on commercial terms

- Fair value and reasonable – the terms negotiated of the transaction must be at least as good as, or better than it would receive if it were dealing at arm’s length on a commercial basis.
- Properly documented – including records to justify the price and any other terms and conditions upon which the related party transaction is entered into, in particular the rationale for entering into the transaction.
- Independent Report – report as to the reasonableness of the price and other terms and conditions may be appropriate in certain circumstances.
- Appropriate disclosure.

Independent advice should be sought (where appropriate) in relation to whether a related party transaction is permitted by the Chapter 2E or the ASX Listing Rules, requires shareholder approval, is on arm’s length terms or requires disclosure to the market.

Conflicts of Interest

Under the Corporations Act and general law, directors and officers must avoid situations where their interests and the interests of the company conflict. Each director and officer has a duty to avoid conflicts of interest. Interests that give rise to a conflict include, without limitation:

- other directorships
- potentially conflicting duties owed to other entities
- outside investments of the director and officer and their related parties, and
- outside employment or engagements.

This policy intends to provide guidance to directors and officers in complying with their obligations to take all reasonable steps to avoid actual, potential or perceived conflicts of interests.

Declaration of Interests

Directors and officers are required to comply with the company’s Code of Conduct, which amongst other things, imposes obligations in relation to conflicts of interest. In addition to those obligations, directors and officers must comply with the following requirements:

- They must take all reasonable steps to avoid actual, potential or perceived conflicts of interests.
- In accordance with the Corporations Act, directors must disclose any conflicts of interest and, in certain circumstances, abstain from participating in any discussion or voting on matters in which they have a material personal interest.
- In the event that a director or officer becomes aware of any current or potential conflicts of interest, the director must immediately notify the Chair or the Company Secretary.
- Directors may choose to submit standing notices of interest to all board members, or must disclose his or her interest in a matter being considered by the board at that time.
- Directors and officers are expected to be sensitive to actual and perceived conflicts of interest that may arise and give ongoing consideration to this in view of the changing nature of the company’s business
- All related party transactions require proper approval from the board in accordance with the Related Party Transactions section of this policy.
- Director and officers must obtain the company’s consent before disclosing company information to another company or third party.

Procedures to manage conflicts of interest

Generally speaking, directors:

- must disclose to the board any actual or potential conflicts of interest which may exist or might reasonably be thought to exist as soon as they arise
- cannot receive the relevant board or board committee papers if the actual or potential conflict is recognised in advance of the circulation of the papers unless the other directors agree otherwise
- must absent themselves from the room when the board or committee discusses and votes on matters to which the conflict relates unless the other directors resolve that the director in question may stay

- cannot vote on the matter unless the other directors resolve that the director in question can vote
- must, if deemed appropriate by the board of the director, take such other steps as are necessary and reasonable to resolve any conflict of interest within an appropriate period.