

## 2019 Corporate Governance Statement

The Board and management of Investigator Resources Limited (**Investigator** or the **Company**) recognise their duties and obligations to shareholders and other stakeholders to implement and maintain a proper system of corporate governance. Investigator believes that good corporate governance helps ensure the future sustainability of the Company, adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council (**ASX Recommendations**) in the reporting period. The Recommendations are guidelines designed to improve the efficiency, quality and integrity of the Company. They are not prescriptive, so that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Recommendations, it must identify which Recommendations have not been followed and give reasons for not following them.

This Corporate Governance Statement (**Statement**) sets out a description of the Company's main corporate practices and provides details of the Company's compliance with the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation. This Statement should be read in conjunction with the material on our website [www.investres.com.au](http://www.investres.com.au), including the 2019 Annual Report.

This Statement is current as at 2 September 2019 and has been approved by the Board of Directors of Investigator Limited. The statement, with the supplementary policies and charters, are available on the Company's website [www.investres.com.au](http://www.investres.com.au).

### PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

#### RECOMMENDATION 1.1 - ROLE OF THE BOARD AND MANAGEMENT

The role of the Board is to approve the strategic direction of the Group, guide and monitor the management of the Company and its businesses and oversee the implementation of appropriate corporate governance with respect to the Group's affairs. The Board aims to protect and enhance the interests of its shareholders, while taking into account the interests of other stakeholders, including employees, customers, suppliers and the wider community.

The Board has a formal Board Charter which is available on our website at [www.investres.com.au](http://www.investres.com.au) that clearly sets out those matters expressly reserved for the Board's determination and those matters delegated to management.

The Board delegates responsibility for the day-to-day management of the Company and its business to the Chief Executive Officer (**CEO**). The CEO is supported by the senior executive team and delegates authority to appropriate senior executives for specific activities. The Board maintains ultimate responsibility for strategy, control and risk profile of the Group.

#### RECOMMENDATION 1.2 - APPOINTMENT OF DIRECTORS

The Board has guidelines for the appointment and selection of the Board which requires the Board to undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a Director.

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

### **RECOMMENDATION 1.3 - APPOINTMENT TERMS**

Non-Executive Directors have a written agreement with the Company setting out the terms of their appointment as directors. Directors also receive a deed of indemnity, insurance and access.

The CEO and Senior Executives all have written agreements with the Company setting out the terms of their employment.

Details of executive contracts in place are detailed in the Company's Annual Remuneration Report in the 2019 Annual Report.

### **RECOMMENDATION 1.4 - COMPANY SECRETARY**

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary's role includes advising the board and its committees on governance matters; monitoring that board and committee policy and procedures are followed; coordinating the timely completion and despatch of board and committee papers; ensuring that the business at board and committee meetings is accurately captured in the minutes; and helping to organise and facilitate the induction and professional development of directors.

All Directors have unfettered access to the Company Secretary and the appointment and removal of the Company Secretary must be made or approved by the Board.

Details regarding our Company Secretary, including experience and qualifications, is set out in the Directors' Report in our 2019 Annual Report.

### **RECOMMENDATION 1.5 - DIVERSITY**

The workforce of the Company comprises individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is valued and respected. The Company recognises the strategic and personal advantages that arise from a workplace where decisions are based on merit and where all employees are treated equally.

The Diversity Policy is available on the Company's website at ([www.investres.com.au](http://www.investres.com.au)).

The proportion of women on the Board, in senior executive positions and women across the entire organisation as at 30 June 2019 was as follows:

- Women on the Board – 0%
- Women in senior executive positions – 66%
- Women across the entire organisation – 25%

Due to the current size and composition of the organisation the Board does not consider it appropriate to provide measurable objectives in relation to gender. The Company is committed to ensuring that the appropriate mix of skills, expertise, and diversity are considered when employing staff at all levels of the organisation and when making new senior executive and Board appointments and is satisfied that the composition of employees, senior executives and members of the Board is appropriate.

## **RECOMMENDATION 1.6 - BOARD PERFORMANCE ASSESSMENT**

The Board is committed to formally evaluating its performance and individual Directors, as well as the governance processes supporting the Board. The Board does this through an annual assessment process.

The review process involves:

- completion of a questionnaire/survey by each director, facilitated by the Company Secretary;
- the preparation and provision of a report to each director with feedback on the performance of the Board based on the survey results; and
- The Board meeting to discuss any areas and actions for improvement.

A Board performance assessment took place during August 2019. An analysis of the data collected indicated that the Board is functioning effectively against the majority of its criteria.

## **RECOMMENDATION 1.7 - SENIOR EXECUTIVE PERFORMANCE ASSESSMENT**

No formal performance evaluation of Senior Executives took place during the period to June 2019, due to the change of Chief Executive Officer in August 2018 and the interim appointment of Andrew McIlwain, a Non-executive Director, as Acting Chief Executive Office. The Board intends on completing a formal performance evaluation in FY20.

## **PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE**

### **RECOMMENDATION 2.1 – NOMINATION COMMITTEE**

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the establishment of a nomination committee. All matters which might otherwise be delegated to committees are dealt with by the full Board. The Board Charter sets out the procedures adopted by the Board to satisfy itself of the matters which may otherwise be dealt with by Committees. The Board Charter may be viewed at the Company's website at [www.investres.com.au](http://www.investres.com.au) in the Corporate Governance section.

### **RECOMMENDATION 2.2 – BOARD SKILLS MATRIX**

The Company seeks to maintain a Board of Directors with a broad range of skills, experience and knowledge relevant to overseeing the business of a junior exploration Company. It is the Board's view that the current directors possess an appropriate mix of relevant skills, experience, expertise and diversity to enable the Board to discharge its responsibilities and deliver the Company's strategic objectives. This mix is subject to review on a regular basis as part of the Board's performance review process.

Full details of each Directors' relevant skills and experience are set out in the Company's 2019 Annual Report.

### **RECOMMENDATION 2.3 – INDEPENDENT DIRECTORS**

An independent Director is a Non-Executive Director who is not a member of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of judgement.

The Board regularly assesses the independence of each Non-Executive Director considering the information that each Director is required to disclose in relation to any material contract or other relationship with the Company, in accordance with the director's terms of appointment, the Corporations Act 2001, and the Board Charter.

When appointing an independent Director or reviewing the independence of its Directors, the Board will have regard to the definition of independent Director and the factors set out in the Recommendations, in particular the factors relevant to assessing the independence of a Director set out in Recommendation 2.3.

The Board's assessment of each current Director is set out below:

Director	Position	Independence Status	Appointment Date
David Ransom	Non-Executive Chairman	Independent	23 January 2017
Kevin Wilson	Non-Executive Director	Independent	18 September 2017
Andrew McIlwain	Executive Director/ Acting CEO	Non-Independent	20 June 2018

Mr Andrew McIlwain is considered a Non-independent Director in the basis that he was appointed as Acting Chief Executive Officer on 16 August 2018.

The Board has considered the holdings of shares in the Company by Non-Executive directors and is of the opinion that their respective interests in shares would not materially interfere with, or could be reasonably perceived to interfere with, the independent exercise of their judgement in their position as a Director. The Board considers that the independent Director is otherwise free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of his judgement, and that the Director is able to fulfil the role of independent Director for the purposes of the ASX Recommendations. The Board believe that the separation of the roles of Chairman and Chief Executive Officer, and the composition of the Board is appropriate.

Directors' shareholdings are set out in the 2019 Annual Report.

#### **RECOMMENDATION 2.4 – MAJORITY INDEPENDENCE**

The Board comprises a majority of independent directors being Mr David Ransom and Mr Kevin Wilson. As set out in the ASX Recommendations, the Board acknowledges that having a majority of independent directors makes it harder for any individual or small group of individuals to dominate the board's decision-making and maximises the likelihood that the decisions of the board will reflect the best interests of the entity and its security holders generally and not be biased towards the interests of management or any other person or group with whom a non-independent director may be associated.

#### **RECOMMENDATION 2.5 – INDEPENDENT CHAIR**

Mr David Ransom is the Non-Executive Chairman of the Company and is considered independent on the basis outlined in Recommendation 2.3. The Chair provides leadership to the Board in relation to all Board matters and is responsible for ensuring that the Board meets its responsibilities under the Board Charter. His role is set out in more detail in the Board Charter.

The roles of Chairman and CEO are exercised by different individuals, being Mr Dave Ransom and Mr Andrew McIlwain.

## **RECOMMENDATION 2.6 – INDUCTION, EDUCATION AND TRAINING**

New directors are provided with copies of all relevant documents and policies governing the Company's business, operations and management, at the time of joining the Board. The Company is able to provide appropriate professional development opportunities for directors to assist in their roles. Directors are also encouraged to personally undertake appropriate training and refresher courses conducted by the Australian Institute of Company Directors.

## **PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY**

### **RECOMMENDATION 3.1 – CODE OF CONDUCT**

As part of the Board's commitment to corporate governance, the Company has adopted a Code of Conduct to guide Directors and officers in carrying out their duties and responsibilities. The Code of Conduct outlines the obligations incumbent upon each director and officer, including compliance with all corporate governance practices and documents approved by the Board from time to time.

The Code of Conduct also encourages and permits Directors and officers to report to the Chairman any behaviour, practice or activity which they believe in good faith is:

- unethical or improper conduct;
- financial malpractice, impropriety or fraud;
- breach of laws or regulations; or
- auditing non-disclosure or manipulation of the external audit process.

The Company will ensure that any Director or officer making such a complaint in good faith will not be mistreated, disadvantaged in their position with Investigator or intimidated.

The Code of Conduct is available on the Company's website ([www.investres.com.au](http://www.investres.com.au)).

## **PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

### **RECOMMENDATION 4.1 – AUDIT COMMITTEE**

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the establishment of a separate audit committee. All matters which might otherwise be delegated to an audit committee are dealt with by the full Board. The Board Charter sets out the procedures adopted by the Board to satisfy itself of the matters which may otherwise be dealt with by Committees. The Board Charter may be viewed at the Company's website at [www.investres.com.au](http://www.investres.com.au) in the Corporate Governance section.

### **RECOMMENDATION 4.2 - ASSURANCES**

Prior to approval of the Company's annual financial statements, the Board obtains a declaration from the CEO and Chief Financial Officer that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

### **RECOMMENDATION 4.3 – EXTERNAL AUDITOR ATTENDS AGM**

The Company's external auditor attends every Annual General Meeting as required by the Corporations Act, and members are allowed a reasonable opportunity at the meeting to ask the auditor questions

relevant to the audit, their report and independence, and the accounting policies adopted by the Company.

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

### **RECOMMENDATION 5.1 – CONTINUOUS DISCLOSURE POLICY**

We are committed to providing information to shareholders and to the market in a manner that is consistent with the meaning and intention of the ASX Listing Rules and the Corporations Act.

The Company has established policies and procedures to ensure timely and balanced disclosure of all material matters concerning the Company, and to ensure that all investors have access to information on the Company's financial and operational performance. This ensures that the Company is compliant with the information disclosure requirements under the ASX Listing Rules.

These policies and procedures include a comprehensive Ethics and Disclosure Policy that includes processes to identify matters that may have a material impact on the price of the Company's securities, notify them to the ASX, post relevant information on the Company's website and issue media releases. The policy is available in the Corporate Governance section of the Company's website [www.investres.com.au](http://www.investres.com.au)

The Board has overarching responsibility for compliance with continuous disclosure obligations and Board approval is required for certain key matters (as set out in the Disclosure Policy) and matters may be referred to the Board for approval by the CEO or the Company Secretary.

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market and in compliance with our Securities Trading Policy (as applicable). In accordance with continuous disclosure obligations under the ASX Listing Rules, the Company has procedures in place to ensure that all price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely manner. The Company website includes a link to all information disclosed to the ASX.

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

### **RECOMMENDATION 6.1 – INFORMATION AND GOVERNANCE**

The Company's website [www.investres.com.au](http://www.investres.com.au) contains information about the Company, its corporate governance practices and policies and biographies of the Board members.

The Company also maintains a separate investor page on its website to provide shareholders with links to annual and interim reports, ASX announcements, presentations and other key information.

### **RECOMMENDATION 6.2 – INVESTOR RELATIONS PROGRAM**

The Company's Ethics and Continuous Disclosure Policy which is available on the Investigator website ([www.investres.com.au](http://www.investres.com.au)), sets out its processes regarding interaction with shareholders, media, analysts, investors and the public. Investigator commits to dealing fairly, transparently and openly with both current and prospective shareholders and will ensure that it complies with the Continuous Disclosure Policy to ensure that there is no selective disclosure of information.

Shareholders are actively encouraged to take advantage of the benefits of electronic communications.

Shareholders and investors can raise any issues or concerns at any time by contacting the Company by email at [info@investres.com.au](mailto:info@investres.com.au) or by writing to the CEO or Company Secretary at 18 King Street,

Norwood, South Australia 5067. Where possible, bearing in mind the Company's obligations under the Corporations Act, the ASX Listing Rules and the Continuous Disclosure Policy, responses will be provided.

### **RECOMMENDATION 6.3 – SHAREHOLDER MEETING PARTICIPATION**

Shareholders are forwarded the Company's Annual Report, if requested (it is otherwise made available on the Investigator website ([www.investres.com.au](http://www.investres.com.au)), and documents relating to each General Meeting, being the Notice of Meeting, any Explanatory Memorandum and a Proxy Form, and shareholders are invited to attend these meetings. Shareholders may elect to receive communications electronically.

The Board regards the AGM as an important opportunity to communicate with shareholders and it provides a key forum for shareholders to ask questions about the Company, its strategy and performance. At shareholder meetings, the Company will provide an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and the external auditor of the Company.

### **RECOMMENDATION 6.4 – ELECTRONIC COMMUNICATION WITH SHAREHOLDERS**

Shareholders are actively encouraged to take advantage of the benefits of electing to receive communication from the Company and its share registry electronically.

## **PRINCIPLE 7: RECOGNISE AND MANAGE RISK**

### **RECOMMENDATION 7.1 – RISK COMMITTEE**

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the establishment of a separate risk management committee. The Company has developed a Risk Management Policy which sets out a framework for a system of risk management and internal compliance and control, whereby the Board delegates day-to-day management of risk to the CEO. The Board Charter sets out the procedures adopted by the Board to satisfy itself of the matters which may otherwise be dealt with by Committees.

The Board Charter may be viewed at the Company's website at ([www.investres.com.au](http://www.investres.com.au)) in the Corporate Governance section.

### **RECOMMENDATION 7.2 – RISK MANAGEMENT FRAMEWORK**

The Company's risk management framework is supported by the Board of directors and management. The Board is responsible for approving and reviewing the Company's risk management policy. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk.

The Board has adopted a Risk Management Policy which sets out the Company's system of risk oversight, management of material business risks and internal control. The Risk Management Policy is available on the Investigator website ([www.investres.com.au](http://www.investres.com.au)). The Company's risk management framework is reviewed on a periodic basis, and a review was undertaken during the past year.

### **RECOMMENDATION 7.3 – INTERNAL AUDIT**

The Company does not have an Internal Audit function. The Board is of the view that the Company's size and scale does not currently support an independent internal audit function. The Board from time to time may utilise external parties to undertake internal audit control reviews. The Board Charter which can be viewed in the Corporate Governance section of the Company's website sets out the processes the Board employs to oversee the Company's risk management framework.

#### **RECOMMENDATION 7.4 – ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY RISK**

The Company acknowledges that protection of the environment and sound environmental management strategies are essential to the continued expansion of the company. The Company has established an Environmental Policy that requires the Company and its employees to:

- Observe all environmental laws and conduct activities in compliance with applicable legislation, regulations and license requirements.
- Actively promote environmental awareness among Company personnel and contractors to increase the understanding of environmental matters.
- Incorporate environmental matters into planning and operational decisions and conduct regular audits of operations including those of contractors to ensure performance standards are maintained at the highest level

The Board does not believe the Company has any material exposure to economic, environmental social sustainability risks at the present time.

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

##### **RECOMMENDATION 8.1 – REMUNERATION COMMITTEE**

The Company does not have a separate remuneration committee as the Board is of the view that the Company's size and scale does not currently support an independent remuneration committee. The Board assesses the appropriateness of the nature and amount of remuneration by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and management team.

##### **RECOMMENDATION 8.2 – REMUNERATION POLICIES AND PRACTICES**

The Board of directors are responsible for determining and reviewing remuneration policies for the directors and executives. If necessary, it obtains independent advice on the appropriateness of remuneration packages given trends in comparable companies and in accordance with the objectives of the Company.

Details of Investigator's remuneration practices for its Non-Executive Directors and Senior Executives are disclosed in the Remuneration Report in the Company's Annual Report. The Remuneration Report highlights the balance between fixed pay, short-term incentive and long-term incentives, and includes details of the remuneration paid and the relationship to the Company's performance.

##### **RECOMMENDATION 8.3 – EQUITY BASED REMUNERATION SCHEME**

The Company's Long-Term Incentive Plan prohibits participants from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

The Company also has a Securities Trading Policy, as displayed on the Company's website, provides that participants must not, without prior approval of the Company Secretary, enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.