

Corporate Governance Plan
WESTERN GOLD RESOURCES LIMITED
ACN 139 627 446
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1 PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Board Charter

- 1.1 The Board has adopted the Board Charter set out at Appendix A setting out the respective roles and responsibilities of its Board and management and those matters expressly reserved to the Board and those delegated to management.

Appointment and Election of Directors and Senior Executives

- 1.2 The Company shall ensure that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the person's character, experience, education, criminal record and bankruptcy history.
- 1.3 The following information about a candidate standing for election or re-election as a director should be provided to security holders to enable them to make an informed decision on whether or not to elect or re-elect the candidate:
- 1.3.1 biographical details, including their relevant qualifications and experience and the skills they bring to the Board;
 - 1.3.2 details of any other material directorships currently held by the candidate;
 - 1.3.3 in the case of a candidate standing for election as a director for the first time:
 - (a) any material adverse information revealed by the checks the entity has performed about the director;
 - (b) details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally; and
 - (c) if the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect;
 - 1.3.4 in the case of a candidate standing for re-election as a director:
 - (a) the term of office currently served by the director; and
 - (b) if the Board considers the director to be an independent director, a statement to that effect; and
 - 1.3.5 a statement by the Board as to whether it supports the election or re-election of the candidate.
- 1.4 A candidate for appointment or election as a non-executive director should provide the Board with the information above and a consent for the Company to conduct any background or other checks the entity would ordinarily conduct. The candidate should also provide details of his or her other commitments and an indication of time involved, and should specifically acknowledge to the Company that he or she will have sufficient time to fulfil his or her responsibilities as a director.
- 1.5 The Company shall ensure that prior to appointing a senior executive that appropriate checks are undertaken as to the person's character, experience, education, criminal record and bankruptcy history.

Written Agreements with Directors and Senior Executives

- 1.6 The Company shall enter into a written service contract with each of its executive directors and senior executives which sets out at a minimum a description of their:
 - 1.6.1 position;
 - 1.6.2 duties;
 - 1.6.3 responsibilities;
 - 1.6.4 to whom they report;
 - 1.6.5 circumstances in which their service contract may be terminated; and
 - 1.6.6 any entitlement upon termination.
- 1.7 The Company shall provide each non-executive director a letter of appointment which sets out at a minimum:
 - 1.7.1 their term of appointment;
 - 1.7.2 expected commitments;
 - 1.7.3 remuneration;
 - 1.7.4 requirements to disclose directors' interests which may affect the director's independence;
 - 1.7.5 requirements to comply with Company policies;
 - 1.7.6 the Company's policy on when directors may seek independent advice;
 - 1.7.7 the circumstances in which the director's office becomes vacant;
 - 1.7.8 indemnity and insurance arrangements;
 - 1.7.9 ongoing rights of access to corporate information; and
 - 1.7.10 confidentiality obligations.

Diversity

- 1.8 The Board has adopted a policy on achieving gender, age and ethnic diversity in the Company's Board and employees as set out in Appendix B.
- 1.9 The Board shall set measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce generally.
- 1.10 The Chief Executive Officer and the Company Secretary are responsible for ensuring the policy is brought to the attention of all affected persons and for monitoring compliance with the policy.

Performance Evaluation

- 1.11 The Chairperson shall review the performance of the Chief Executive Officer, each Director and each Board committee at least once every calendar year and the Chief Executive Officer shall review the performance of executive management at least once every calendar year with reference to the terms of their employment contract.

2 PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

Composition of the Board

- 2.1 The Board should be of a size and composition that is conducive to making appropriate decisions. The Board should be large enough to incorporate a variety of perspectives and skills, and to represent the best interests of the Company as a whole rather than of individual security holders or interest groups. It should not, however, be so large that effective decision-making is hindered.
- 2.2 The Board shall adopt and disclose a Board skill matrix. The composition of the Board should be reviewed regularly against the Company's board skills matrix to ensure the appropriate mix of skills and expertise is present.

Procedure for selection of new directors

- 2.3 The Company believes it is not of a size to justify having a Nomination Committee. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board believes corporate performance is enhanced when the Board has an appropriate mix of skills, experience, expertise and diversity.

Independent Directors

- 2.4 The Company 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. The Company should disclose:
- 2.4.1 the names of the directors considered by the Board to be independent directors;
 - 2.4.2 if a director has an interest, position, association or relationship of the type that might cause doubts about the independence of the director but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
 - 2.4.3 the length of service of each director.
- 2.5 If a director's independence status changes this should be disclosed and explained to the market in a timely fashion.
- 2.6 The Company will endeavour to ensure that the majority of its directors are independent at all times, subject to the right of security holders in general meeting to elect and remove directors.

Independent decision- making

- 2.7 All directors – whether independent or not - should bring an independent judgement to bear on Board decisions. Directors are encouraged to confer regularly without management present. Their discussions are to be facilitated by the Chairperson. Non-executive directors should inform the Chairperson before accepting any new appointments as directors.

Independent advice

- 2.8 To facilitate independent decision making, the Board and any committees it convenes from time to time may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chairperson, individual directors may seek independent professional advice, at the expense of the Company, on any matter connected with the discharge of their responsibilities.

Chairperson

- 2.9 In the event that the Company has a non-executive Chairperson, that person should be an independent director. In the event that the Company has an executive Chairperson, the deputy Chairperson should be an independent director. The Chairperson will not be the Chief Executive Officer of the Company. The Chairperson's other positions should not be such that they are likely to hinder the effective performance of their role of Chairperson of the Company.

Induction and education

- 2.10 The Board will implement an induction program to enable new directors to gain an understanding of:
- 2.10.1 the Company's financial, strategic, operational and risk management position;
 - 2.10.2 the culture and values of the Company;
 - 2.10.3 the rights, duties and responsibilities of the directors;
 - 2.10.4 the roles and responsibilities of senior executives;
 - 2.10.5 the role of any Board committees in operation;
 - 2.10.6 meeting arrangements; and
 - 2.10.7 director interaction with each other, senior executives and other stakeholders.
- 2.11 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 relevant industry sector.
- 2.12 The Board shall review at least annually the professional development needs of its existing directors.

Access to information

- 2.13 The Board has the right to obtain all information from within the Company which it needs to effectively discharge its responsibilities.
- 2.14 The Chief Executive Officer is 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 request additional information where they consider such information necessary to make informed decisions. Directors are entitled to meet with executives as required to fulfil their executive roles, or in the case of non-executive Directors provided prior notice is given to the Chairperson or the Chief Executive Officer.

3 PRINCIPLE 3: INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

Statement of values

- 3.1 The Board shall approve the Company's statement of values for publication on the Company's website.
- 3.2 The Chief Executive Officer is responsible for inculcating the Company's values across the organisation including ensuring all employees receive appropriate training on the values and senior executives continually reference and reinforce those values and interactions with staff.

Code of conduct

- 3.3 The Board has adopted the Code of Conduct set out at Appendix C 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 stakeholder opportunity.
- 3.4 The Chief Executive Officer is responsible for ensuring that training on the Code of Conduct is provided to staff and officers of the Company.
- 3.5 The Chief Executive Officer and the Company Secretary are responsible for making advisers, consultants and contractors aware of and accountable to the Company's expectations set out in the Code of Conduct.

Whistleblower policy

- 3.6 The Company has adopted the Whistleblower Policy set out in Appendix D.

Anti-bribery and corruption policy

- 3.7 The Company has adopted the Anti-Bribery and Corruption Policy set out in Appendix E.

Reporting of material breaches

- 3.8 Material breaches of the Code of Conduct material incidents under the Whistleblower Policy and material breaches of the Anti-Bribery and Corruption Policy must be reported to the Board.

4 PRINCIPLE 4: SAFEGUARD THE INTEGRITY IN CORPORATE REPORTS

Audit and Risk Management Committee

- 4.1 The Company believes it is not of the size to justify having an Audit and Risk Management Committee. Accordingly, the Board will comprise the Audit and Risk Management Committee pursuant to the Audit and Risk Management Committee Charter set out at Appendix F until such time as the size of the Company and the number of Directors increases, upon which the Company will establish a separate Audit and Risk Management Committee in accordance with 4.3.
- 4.2 The Audit and Risk Management Committee's mandate is to:
- 4.2.1 review the integrity of the Company's financial reporting;
 - 4.2.2 identify and manage risks including business, economic, environmental and social sustainability risks;
 - 4.2.3 review the Company's risk management framework; and
 - 4.2.4 oversee the independence and competence of the external auditors.

Composition of Audit and Risk Management Committee

- 4.3 Members of the Audit and Risk Management Committee are directors of the Company appointed by the Board and the committee is structured as follows:
- 4.3.1 consists only of non-executive directors;
 - 4.3.2 is chaired by an independent director who is not the Chairperson; and
 - 4.3.3 has at least three members the majority of which are independent.

Verification of financial reports and periodic corporate reports

- 4.4 The Chief Executive Officer and Chief Financial Officer (or equivalent) are required to state the following in writing prior to the Board approving the Company's financial statements for a financial period:
- 4.4.1 that in their opinion the Company's financial reports have been properly maintained and 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
 - 4.4.2 that the opinion is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.
- 4.5 The Chief Executive Officer and Chief Financial Officer (or equivalent) shall review each periodic corporate report released to ASX that is not audited or reviewed by an external audit to verify the accuracy of those reports before they are released to ASX.

External auditor available at AGM

- 4.6 Pursuant to sections 250PA, 250RA and 250T of the Corporations Act 2001 (Cth), security holders may request that the Company's auditor attends the Company's Annual General Meeting (**AGM**) and is available to answer questions. The Company shall ensure that its auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

5 PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Disclosure Policy

- 5.1 The Board has adopted a Disclosure Policy for ensuring timely and accurate disclosure of price-sensitive information to security holders through the ASX set out in Appendix G.
- 5.2 The Disclosure Policy ensures that:
 - 5.2.1 all investors have equal and timely access to material information concerning the Company including its financial position, performance, ownership and governance; and
 - 5.2.2 Company announcements are subjected to a vetting and authorisation process designed to ensure they:
 - (a) are released in a timely manner;
 - (b) are factual and balanced;
 - (c) do not omit material information; and
 - (d) are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.
 - 5.2.3 the Board receives copies of all material market announcements promptly after they have been made.

6 PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Communication with Security holders

- 6.1 The Board is committed to open and accessible communication with holders of the Company's shares. Disclosure of information and other communication will be made as appropriate by mail or email. Security holders shall be given the option to receive communication from, and send communications to, the Board and its security registry electronically.
- 6.2 The Company's website will also be used to provide the following relevant information to security holders:
- 6.2.1 the names, photographs and brief biographical information for each of its directors and senior executives;
 - 6.2.2 its Constitution;
 - 6.2.3 the Corporate Governance Policies and other Corporate Governance materials;
 - 6.2.4 copies of its annual reports and other financial statements;
 - 6.2.5 copies of its announcements to ASX;
 - 6.2.6 copies of notices of meetings of security holders and any accompanying documents;
 - 6.2.7 if it keeps them, webcasts and/or transcripts of meetings of security holders and copies of any documents tabled or otherwise made available at those meetings;
 - 6.2.8 if it keeps them, webcasts and/or transcripts of investor or analyst presentations and copies of materials distributed at those presentations; and
 - 6.2.9 such other information as is required by the ASX Listing Rules or recommended by the ASX Corporate Governance Council.
- 6.3 The Company will keep a summary record for internal use of the issues discussed at group or one-on-one briefings with investors and analysts, including a record of those present and the time and place of the meeting.

General Meetings

- 6.4 The Company is committed to improving shareholder participation in general meetings. In order to achieve that objective, the Company 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.
- 6.5 The Company shall ensure all substantive resolutions at a meeting of shareholders are decided on a poll rather than by a show of hands.

7 PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Audit and Risk Management Committee

- 7.1 The Company believes it is not of the size to justify having an Audit and Risk Management Committee. Accordingly, the Board will comprise the Audit and Risk Management Committee pursuant to the Audit and Risk Management Committee Charter set out at Appendix F until such time as the size of the Company and the number of Directors increases, upon which the Company will establish a separate Audit and Risk Management Committee.

Establishment and Review of Policies

- 7.2 The Board as a whole is ultimately responsible for establishing and reviewing the Company's policies on risk profile, oversight and management and satisfying itself that management has developed and implemented a sound system of governance, risk management and internal control.
- 7.3 The Board believes it is not of a size to justify having an internal audit function for efficiency purposes.
- 7.4 Risk management policies and procedures shall be adopted to identify, assess and minimise material risks affecting the Company including the following categories:
- 7.4.1 operational;
 - 7.4.2 environmental;
 - 7.4.3 sustainability;
 - 7.4.4 social;
 - 7.4.5 compliance;
 - 7.4.6 strategic;
 - 7.4.7 ethical conduct;
 - 7.4.8 reputation or brand;
 - 7.4.9 technological;
 - 7.4.10 product or service quality;
 - 7.4.11 human capital;
 - 7.4.12 financial reporting; and
 - 7.4.13 market-related risks.
- 7.5 The risk management policies and procedures shall include a procedure to determine whether the Company has a material exposure to environmental or social risks and if it does a policy to manage those risks.

Management Responsibility

- 7.6 The Company's risk management program will be implemented by senior management under the direction of the Chief Executive Officer as follows:
- 7.6.1 ensuring that matters affecting the goals, objectives and performance of the Company and the safety of its stakeholders are identified and assessed by an operational risk management framework in accordance with industry accepted standards;

- 7.6.2 obtaining and regularly reviewing insurance for the Company relevant to managing material risks;
 - 7.6.3 implementing and maintaining internal control systems which will be identified in conjunction with the external auditors;
 - 7.6.4 monitoring and verifying the Company's compliance with record keeping and operating requirements, including all requirements of law including indigenous and community rights and environmental obligations; and
 - 7.6.5 minimising the potential for loss or damage resulting from risks affecting the Company.
- 7.7 The Chief Executive Officer shall report to the Board at least twice every financial year as to the effectiveness of the Company's management of its material risks.
- 7.8 The Chief Executive Officer is required annually to state in writing to the Board that the Company has a sound system of risk management, that internal compliance and control systems are in place to ensure the implementation of Board policies, and that those systems are operating efficiently and effectively in all material respects.

Review by the Board

- 7.9 The Board must review the effectiveness of implementation of the risk management system at least annually.
- 7.10 When reviewing the risk management system, the Board should take into account the Company's legal obligations and the risk appetite set by the Board and should also consider the reasonable expectations of the Company's stakeholders, including security holders, employees, customers, suppliers, creditors, consumers and the community.

8 PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Remuneration Committee

8.1 The Company believes it is not of a size to justify having a Remuneration Committee.

Director and senior executive remuneration policies

8.2 The Company's remuneration policy is structured for the purpose of:

8.2.1 motivating executive directors and senior management to pursue the long-term growth and success of the Company; and

8.2.2 demonstrating a clear relationship between executive directors' and senior management's performance and remuneration.

8.3 The Board's responsibility is to set the level and structure of remuneration for executive directors and senior management, for the purpose of balancing the Company's competing interests of:

8.3.1 attracting and retaining executive directors and senior management; and

8.3.2 not paying excessive remuneration.

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

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

8.6 Non-executive directors' remuneration should be formulated with regard to the following guidelines:

8.6.1 non-executive directors should normally be remunerated by way of fees, in the form of cash fees, superannuation contributions and non-cash benefit in lieu of fees (such as salary sacrifice into superannuation or equity);

8.6.2 the level of a non-executive director's fixed remuneration should reflect the time commitment and responsibilities of the role;

8.6.3 non-executive directors should not generally receive performance based remuneration as it may lead to bias in their decision making, and compromise their objective;

8.6.4 non-executive directors are able to receive equity based remuneration if the Board believe that the participation is in the interests of security holders but should generally not receive equity based remuneration with performance hurdles that may lead to bias in decision making and compromise objectivity; and

8.6.5 non-executive directors should not be provided with retirement benefits other than superannuation.

8.7 If the Company offers any equity based remuneration scheme participants will not be permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme unless specifically approved by the Board.

8.8 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.

8.9 The annual Remuneration Report shall be prepared in accordance with the requirements of the Corporations Act.

8.10 Shareholder approval will be sought in the event that it is required pursuant to the Corporations Act, the ASX Listing Rules or the Company's Constitution for any aspect of director or senior executive remuneration.