

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

TNG Limited

ABN / ARBN:

12 000 817 023

Financial year ended:

30 June 2020

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- These pages of our annual report:
- This URL on our website: <https://www.tngltd.com.au/corporate/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 23 September 2020 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 23 September 2020

Name of Director authorising lodgement: Paul Burton

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at <a href="https://www.tngltd.com.au/corporate/corporate-governance/">https://www.tngltd.com.au/corporate/corporate-governance/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:	... the fact that we have a diversity policy that complies with paragraph (a): <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and a copy of our diversity policy or a summary of it: <input checked="" type="checkbox"/> at <a href="https://www.tngltd.com.au/corporate/corporate-governance/">https://www.tngltd.com.au/corporate/corporate-governance/</a> ... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
	<p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b>PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>If the entity complies with paragraph (b):</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.2	<p>A listed entity should have and disclose 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.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 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 (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> at <a href="https://www.tngltd.com.au/corporate/corporate-governance">https://www.tngltd.com.au/corporate/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	If the entity complies with paragraph (b): ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
	(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary <input checked="" type="checkbox"/> at <a href="https://www.tngltd.com.au/corporate/corporate-governance/">https://www.tngltd.com.au/corporate/corporate-governance/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at <a href="https://www.tngltd.com.au/corporate/company-overview/">https://www.tngltd.com.au/corporate/company-overview/</a> ; and <a href="https://www.tngltd.com.au/corporate/corporate-governance/">https://www.tngltd.com.au/corporate/corporate-governance/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>If the entity complies with paragraph (b):</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>If the entity complies with paragraph (b):</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>If the entity complies with paragraph (b):</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in the Remuneration Report, which is part of the FY20 Annual Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## TNG Limited Corporate Governance Statement

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The Board of Directors (“Board”) of TNG Limited (“TNG” or the “Company”) is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

This Corporate Governance Statement (“Statement”) sets out the Company’s main corporate governance practices in place during the financial year ended 30 June 2020, with reference to the *Corporate Governance Principles and Recommendations 3<sup>rd</sup> Edition* of the ASX Corporate Governance Council.

This Statement was approved by the Board and is current as at 23 September 2020.

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

**ASX Recommendation 1.1: A listed entity should disclose (a) the respective roles and responsibilities of its board and management, and (b) those matters expressly reserved to the board and those delegated to management.**

The Company has complied with this recommendation.

The Board has adopted a formal Board Charter that details the respective Board and management functions and responsibilities. A copy of the Board Charter is available in the *Corporate - Corporate Governance* section of the Company’s website at [www.tngltd.com.au](http://www.tngltd.com.au).

**ASX Recommendation 1.2: A listed entity should (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.**

The Company has complied with this recommendation.

The Company conducted appropriate background checks on new Directors appointed during the year, and provided relevant information for Directors who stood for re-election during the year.

Information in relation to Directors seeking reappointment is set out in the relevant notice of meeting, and a profile of each Director is included in the Annual Report.

**ASX Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.**

The Company has complied with this recommendation.

The Company has in place written agreements with each Director and its Senior Executives detailing the terms of their appointment.

**ASX Recommendation 1.4: The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.**

The Company has complied with this recommendation.

The Board Charter provides for the Company Secretary to be accountable directly to the Board through the Chair.

**ASX Recommendation 1.5: A listed entity should:**

- (a) have a diversity policy which includes the requirement for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity’s progress to achieving them;
- (b) disclose the policy or a summary of it; and
- (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity’s diversity policy and its progress towards achieving them, and either (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes), or (2) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.

The Company partly complies with this recommendation.

The Board has adopted a Diversity Policy. A copy of the Diversity Policy is available in the *Corporate - Corporate Governance* section of the Company’s website at [www.tngltd.com.au](http://www.tngltd.com.au).



## **TNG Limited**

### **Corporate Governance Statement**

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The Board considers that, due to the size, nature and stage of development of the Company, setting measurable objectives for the Diversity Policy at this time is not practical. The Board will consider setting measurable objectives as the Company increases in size and complexity.

The Company does not have any female Board members or senior managers (2019: nil). Of the balance of the Company's employees, 50% are female (2019: 56%). In total, 38% of the Company's employees, including Directors, are female (2019: 42%).

**ASX Recommendation 1.6: A listed entity should (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual Directors, and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**

The Company has complied with this recommendation.

The Board has adopted a self-evaluation process to measure its own performance and the performance of its committees, if applicable, during each financial year. The Chairperson is also responsible for conducting an annual review of overall Board performance.

A performance review was undertaken for the reporting period.

**ASX Recommendation 1.7: A listed entity should (a) have and disclose a process for periodically evaluating the performance of its senior executives and (b) disclose in relation to each reporting period where a performance evaluation was undertaken in accordance with that process.**

The Company has complied with this recommendation.

The Company has in place procedures for evaluating the performance of its Senior Executives, as overseen by the Board. These procedures include a review by the Board of the Company's financial and operational performance, and an annual performance appraisal meeting with each Senior Executive.

A performance review was undertaken for the reporting period.

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

**ASX Recommendation 2.1: The board of a listed entity should:**

**(a) have a nomination committee, which:**

- (1) has at least three members, a majority of whom are independent directors; and**
- (2) is chaired by an independent director;**

**and disclose:**

- (3) the charter of the committee;**
- (4) the members of the committee; and**
- (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the member at those meetings; or**

**(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.**

The Company does not have a nomination committee.

The full Board considers the composition of the Board and identifies and assesses candidates to fill any casual vacancy which may arise from time to time. The Board considers that at this stage no efficiencies or other benefits would be gained by establishing a separate nomination committee.

The Board reviews these arrangements periodically to ensure that they continue to be appropriate to the Company's circumstances.

**ASX Recommendation 2.2: A listed entity should have and disclose 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 Company has complied with this recommendation.

## TNG Limited Corporate Governance Statement

The Board has established a skill matrix, which includes the following areas of knowledge required by the Board as a whole:

- geology and mining;
- project development and construction;
- risk management;
- commercial;
- legal;
- corporate governance; and
- accounting and finance.

**ASX Recommendation 2.3: A listed entity should disclose:**

- the names of the directors considered by the board to be independent directors and the length of service of each Director;**
- if a director has an interest, position, association or relationship of the type described in Box 2.3 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**
- the length of service of each director.**

The Company has complied with this recommendation.

The period of office held by each current Director and the Board's opinion of the independence status of each Director, is as follows:

Director	Appointed	Independent/Non-Independent
Mr John Elkington, Non-Executive Chairman	1 February 2019	Independent
Mr Paul Burton, Managing Director & CEO	11 August 2008	Non-Independent
Mr Greg Durack, Non-Executive Director	31 May 2018	Independent
Mr Simon Morten, Non-Executive Director	17 February 2020	Independent

Mr John Elkington has provided independent consulting services to the Company on an ad hoc basis with respect to the Mount Peake Project; however, the Board is of the opinion that this does not compromise his independence.

Mr Simon Morten served as General Manager – Titanium Production on a part time basis from September 2019 to February 2020. Since his appointment as a non-executive director, Mr Morten has provided independent consulting services to the Company ad hoc with respect to the Mount Peake Project; however, the Board is of the opinion that this does not compromise his independence.

**ASX Recommendation 2.4: A majority of the board of a listed entity should be independent directors.**

The Company has complied with this recommendation.

As set out in ASX recommendation 2.3, the majority of the Board is considered to be independent.

Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic unless other Directors agree to their attendance. Directors having a conflict must absent themselves from the meeting while any decisions are being made on the item of business.

**ASX Recommendation 2.5: The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.**

The Company has complied with this recommendation

Mr John Elkington is the Chairman of TNG. As set out in ASX recommendation 2.3, the Board is of the opinion that he is an independent Director.

Mr Paul Burton is the Managing Director and CEO of the Company.

**ASX Recommendation 2.6: A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.**

The Company has complied with this recommendation.

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The full Board has responsibility for the approval and review of induction procedures for new appointees to the Board to ensure that they can effectively discharge their responsibilities. The Board is also responsible for the program for providing adequate professional development opportunities for Directors and management.

### PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

**ASX Recommendation 3.1: A listed entity should have a code of conduct for its directors, senior executives and employees, and disclose the code or a summary of it.**

The Company has complied with this recommendation.

The Company has established a Code of Conduct that sets out standards which the Board, management and employees of the Company are to comply with when dealing with each other, shareholders, customers and the broader community.

A copy of the Code of Conduct is available in the *Corporate - Corporate Governance* section of the Company's website at [www.tngltd.com.au](http://www.tngltd.com.au).

### PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

**ASX Recommendation 4.1: The Board of a listed entity should:**

- (a) have an audit committee which:
- (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - (2) is chaired by an independent director who is not chair of the Board, and disclose:
  - (3) the charter of the committee;
  - (4) the relevant qualifications and experience of the members of the committee; and
  - (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Company does not have an audit committee.

Given the Company's size and level of operations, the functions that would be performed by an audit committee have been performed by the full Board since 30 May 2019. The following processes are employed by the Board to independently verify and safeguard the integrity of the Company's corporate reporting:

- Monitoring the integrity of the financial statements of the Company, appropriateness of accounting policies and reviewing significant financial reporting judgments.
- Monitoring and appraising the quality of the audits conducted by the Company's external auditors, including reviewing the independence and effectiveness of the external auditor.
- Approving the appointment of the external auditor.
- Monitoring compliance with policy on the engagement of the external auditor to supply external non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm.

The Board reviews these arrangements periodically to ensure that they continue to be appropriate to the Company's circumstances.

**ASX Recommendation 4.2: The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO or equivalent a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.**

The Company complies with this recommendation.

The Board has received this declaration consistent with this recommendation in respect of the financial statements for the half year ended 31 December 2019 and the full year ended 30 June 2020.

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**ASX Recommendation 4.3: A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.**

The Company has complied with this recommendation.

The external auditor KPMG attends the Company's Annual General Meeting and is available to answer questions from shareholders relevant to the audit and financial statements. The external auditor will also be allowed a reasonable opportunity to answer written questions at the Company's Annual General Meeting submitted by shareholders to the auditor as permitted under the *Corporations Act 2001*.

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

**ASX Recommendation 5.1: A listed entity should (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.**

The Company has complied with this recommendation.

The Company has established a Continuous Disclosure Policy which is designed to guide compliance with ASX Listing Rule disclosure requirements and to ensure that all Directors, senior executives and employees of the Company understand their responsibilities under the policy. The Board has designated the Managing Director as the person responsible for ensuring that all required price sensitive information is disclosed to the ASX as required. The Managing Director may delegate aspects of administering the Continuous Disclosure Policy to other Directors or Company employees which may be a general delegation or specific to a particular matter.

In accordance with the Company's Continuous Disclosure Policy, all information provided to the ASX for release to the market is posted to its website at [www.tngltd.com.au](http://www.tngltd.com.au) after ASX confirms an announcement has been made.

A copy of the Continuous Disclosure Policy is available in the *Corporate - Corporate Governance* section of the Company's website at [www.tngltd.com.au](http://www.tngltd.com.au).

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

**ASX Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.**

The Company has complied with this recommendation.

The Company's website ([www.tngltd.com.au](http://www.tngltd.com.au)) contains information about the Company's projects, Directors and management, and the Company's corporate governance practices, policies and charters. All ASX announcements made to the market, including annual, half year and quarterly reports, are posted on the website as soon as they have been confirmed as released by the ASX. The full text of all notices of meetings and explanatory material, and copies of all investor presentations, are also posted on the Company's website.

The Company aims to ensure that its shareholders are informed in a timely and readily accessible manner of all major developments affecting the consolidated entity's state of affairs in accordance with the Company's Shareholder Communication Policy.

A copy of the Shareholder Communication Policy is available in the *Corporate - Corporate Governance* section of the Company's website at [www.tngltd.com.au](http://www.tngltd.com.au).

**ASX Recommendation 6.2: A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.**

The Company has complied with this recommendation.

In addition to announcements made in accordance with its continuous disclosure obligations, the Company, from time to time, prepares and releases general investor updates about its activities, including shareholder newsletters, with the intent to provide an additional level of engagement with and news flow to the Company's shareholders.

The Company has an in-house investor relations executive, who works closely with TNG executive management in the implementation of the Company's investor relations program, and engages with shareholders as required.

Contact with the Company can be made via an email address ([corporate@tngltd.com.au](mailto:corporate@tngltd.com.au)) which is provided on the Company's website. Investors can also subscribe to the Company's electronic mailing list via TNG's website ([www.tngltd.com.au](http://www.tngltd.com.au)).

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**ASX Recommendation 6.3: A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.**

The Company has complied with this recommendation.

In accordance with the Company's Shareholder Communication Policy, the Company encourages participation of shareholders at its general meetings and its Annual General Meeting each year. Shareholders are encouraged to lodge direct votes or proxies subject to the adoption of satisfactory authentication procedures if they are unable to attend the meeting. Shareholders are provided with opportunities at those meetings to raise matters for discussion with the Board and senior management.

The full text of all notices of meetings and explanatory material are posted on the Company's website at [www.tngltd.com.au](http://www.tngltd.com.au).

A copy of the Shareholder Communication Policy is available in the *Corporate - Corporate Governance* section of the Company's website at [www.tngltd.com.au](http://www.tngltd.com.au).

**ASX Recommendation 6.4: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security register electronically.**

The Company has complied with this recommendation.

Contact with the Company can be made via an email address provided on the website ([corporate@tngltd.com.au](mailto:corporate@tngltd.com.au)) and investors can subscribe to the Company's electronic mailing list also provided on the website ([www.tngltd.com.au](http://www.tngltd.com.au)).

The Company's share registry provides a facility whereby investors can provide email addresses to receive correspondence from the Company electronically and investors can contact the share registry via telephone, facsimile or email.

### PRINCIPLE 7: RECOGNISE AND MANAGE RISK

**ASX Recommendation 7.1: The board of a listed entity should:**

- (a) have a committee or committees to oversee risk, each of which:
  - (1) has at least three members, a majority of whom are independent directors; and
  - (2) is chaired by an independent director;and disclose:
  - (3) the charter of the committee;
  - (4) the members of the committee; and
  - (5) at the end of each reporting period, the number of times the committee met throughout the period and the individual attendance of the members at those meetings; or
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Company does not have a risk committee.

The full Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company, with the Managing Director & CEO having ultimate responsibility to the Board for the implementation of the risk management and control framework. The Board considers that at this stage no efficiencies or other benefits would be gained by establishing a separate Risk Committee.

Arrangements put in place by the Board to monitor risk management include development and ongoing maintenance of a risk register, and regular reporting to the Board in respect of the Company's operations and financial position.

The Board reviews these arrangements periodically to ensure that they continue to be appropriate to the Company's circumstances.

**ASX Recommendation 7.2: The board or a committee of the board should (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose in relation to each reporting period whether such a review was undertaken.**

The Company has complied with this recommendation.

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The Board conducted such a review for the reporting period.

**ASX Recommendation 7.3: A listed entity should disclose (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function that fact and the processes it employs for evaluating and continually improving the effectiveness of risk management and internal control processes.**

The Company does not have an internal audit function.

Given the Company's current size and level of operations it does not have an internal audit function. The Board oversees the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements and monitors the quality of the accounting function.

The Board reviews these arrangements periodically to ensure that they continue to be appropriate to the Company's circumstances.

**ASX Recommendation 7.4: A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks, and if it does, how it manages or intends to manage those risks.**

The Company has complied with this recommendation.

The Company has exposure to general economic risks, including risks associated with the economic cycle which impact on the price and demand for minerals which affects the sentiment for investment in exploration and development companies. There will be a requirement in the future for the Company to raise additional funding to pursue its business objectives. The Company's ability to raise capital may be affected by these economic risks.

The Company has in place risk management procedures and processes to identify, manage and minimise its exposure to these economic risks where appropriate.

The operations and proposed activities of the Company are subject to State, Territory and Federal laws and regulations concerning the environment. As a resources development company, TNG is aware that environmental issues may arise from its activities, and is committed where possible to minimising its environmental impact and contributing to global efforts to combat climate change by promoting energy efficiency and reducing emissions, particularly when the proposed Mount Peake Project is developed.

It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all applicable environmental laws.

The Company's social sustainability risk relates primarily to the communities in which it operates and the part it plays in corporate social responsibility, including the employment and welfare of local communities.

When the proposed Mount Peake Project is developed, heritage matters and consultation with stakeholders will be given high priority to ensure that all aspects relating to its operations are adequately addressed.

The Board currently considers that the Company does not have any material exposure to social sustainability risk.

The Company has established a Code of Conduct that sets out standards which the Board, management and employees of the Company are to comply with when dealing with each other, shareholders, customers and the broader community. A copy of the Code of Conduct is available in the *Corporate - Corporate Governance* section of the Company's website at [www.tngltd.com.au](http://www.tngltd.com.au).

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

**ASX Recommendation 8.1: The board of a listed entity should:**

**(a) have a remuneration committee which:**

- (1) has at least three members, a majority of whom are independent directors; and**
- (2) is chaired by an independent director;**

**and disclose:**

- (3) the charter of the committee;**
- (4) the members of the committee; and**
- (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendance of the members at those meetings; or**

## TNG Limited Corporate Governance Statement

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**(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.**

The Company does not have a remuneration committee.

Given the Company's size and level of operations, the functions that would be performed by a remuneration committee have been performed by the full Board since 30 May 2019. The following processes and assessments are undertaken by the Board to ensure the appropriate level and composition of the remuneration of directors and senior executives:

- Review of overall philosophy and approach for the Company's human resources;
- Setting of executive remuneration policy, terms (including performance measures and targets of incentive/bonus and equity-based incentive plans) and retention mechanisms;
- Setting of remuneration of non-executive directors;
- Setting and review of any superannuation arrangements or retirement benefits;
- Oversight of the disclosure of remuneration in the Company's annual report;
- Evaluation of the performance of the Managing Director;
- Review of the Managing Director's assessment of all senior executives reporting directly to Managing Director; and,
- Review of processes and criteria for the evaluation of the Board as a whole and as individual directors.

The Board reviews these arrangements periodically to ensure that they continue to be appropriate to the Company's circumstances.

**ASX Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.**

The Company has complied with this recommendation.

Non-Executive Directors are paid a fixed annual fee for their service to the Company. Non-Executive Directors may, subject to shareholder approval, be granted equity securities as remuneration. Non-executive Directors may also be paid a fee on a per day rate for services in addition to the normal duties of a non-executive Director.

Executives of the Company typically receive remuneration comprising a base salary component and other fixed benefits based on the terms of their employment agreements with the Company and potentially the ability to participate in bonus arrangements. Executives may, subject to shareholder approval if appropriate, be granted equity securities as remuneration.

Further information in relation to the Company's remuneration policies and practices are set out in the Remuneration Report, which forms part of the Directors' Report contained in the FY20 Annual Report.

**ASX Recommendation 8.3: A listed entity which has an equity-based remuneration scheme should:**

- (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and**
- (b) disclose that policy or a summary of it.**

The Company has complied with this recommendation.

Participants in any Company equity-based remuneration scheme are not permitted to enter into transactions which limit the economic risk of participating in the scheme.