



2021 Corporate Governance Statement

Creating value
through opportunity



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Approach to corporate governance

The Board and all levels of management are fully committed to maintaining and enhancing corporate governance so that it continues to contribute to Sandfire's key growth objective to transition from a single-mine company into an international, diversified and sustainable mining company.

Whilst the Board is responsible for establishing the corporate governance framework of Sandfire Resources Ltd (**Sandfire** or the **Company**), we believe good governance is the collective responsibility of all our management and staff. We believe that excellence in governance is intrinsic to our social license to operate and essential for the long-term sustainability of our business.

Sandfire's governance framework supports our people to deliver our strategy and provides an integral role in effective and responsible decision making and business conduct.

Integral to the framework is our Code of Conduct (**Code**), which is based on our values. The Code guides our behaviour and reinforces the importance of carrying out our work responsibly. We use our values and Code to drive the best outcomes for our shareholders, employees, business partners, government, regulators and the broader community.

The Company regularly reviews its governance practices and corporate governance policies to reflect the growth and strategy of the Company, current legislation and best practice.

This Corporate Governance Statement (**Statement**) outlines the key features of Sandfire's governance framework by reference to the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**). The Company's corporate governance practices have complied with all relevant ASX Recommendations during the 2021 Financial Year (FY2021).

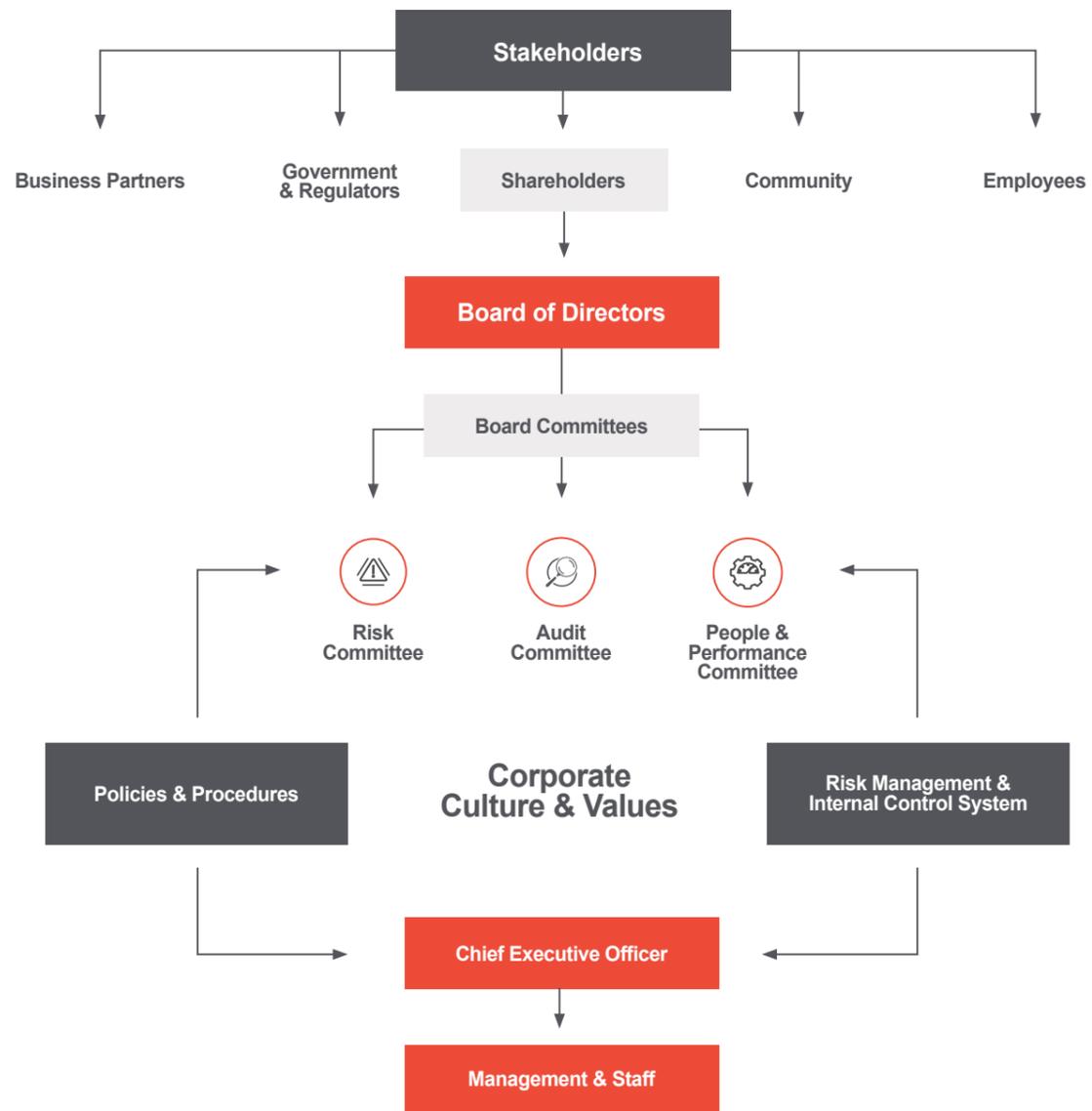
Sandfire's Corporate Governance Statement is accurate and current as at 8 October 2021 and has been approved by the Board of Directors.

The Statement can be found on the Governance page of our website at www.sandfire.com.au/site/About/corporate-governance, along with the ASX Appendix 4G - a checklist cross-referencing the ASX Recommendations to disclosures in the Corporate Governance Statement, the 2021 Annual and Sustainability Report and the Company website.

In accordance with the ASX Recommendations, the Company's policies and charters, referred to in this statement, are available on the Governance page of our website at www.sandfire.com.au/site/About/corporate-governance.

Governance Framework

Our governance framework is displayed below.



Governance highlights

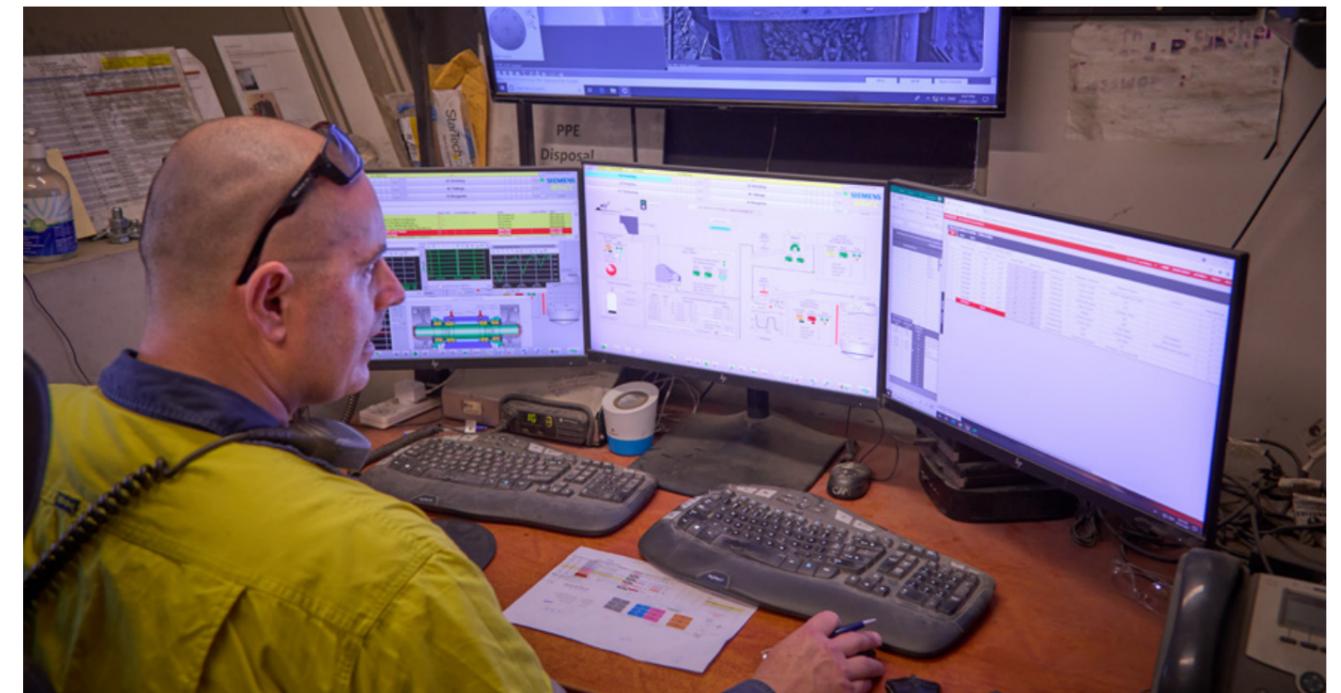
The Board commenced an orderly and measured succession process in 2020 to ensure it has the right balance of attributes, skills, experience and diversity necessary for the Board to effectively govern Sandfire's growth phase. The succession plan prioritises continuity and stability while also balancing the need for governance and strategic leadership.

As part of this process the Company announced, on 1 July 2020, the appointment of experienced executive Sally Langer as an Independent Non-Executive Director. The Company further announced the appointments of highly regarded Independent Non-Executive Directors Jennifer Morris OAM and John Richards, effective from 1 January 2021.

The formal recruitment process centered on further building the strength and capability of the Sandfire Board, with a focus on recruiting directors with international business and strategic mining experience, financial acumen, experience in embedding environment, social and governance policies and development of leadership in a global context.

Diversity of knowledge, experience and gender is highly desired across the Company and female representation at a non-executive director level remains a key focus. The Board succession process has also increased the level of gender diversity on the Board, with two out of seven current sitting directors being female, and two out of six being female once Non-Executive Director Mr Paul Hallam retires at the 2021 AGM (see ASX announcement dated 30 July 2021, titled 'Sandfire continues its transition into an international, multi-asset base and precious metal producer' for details). Sandfire continues to support the Australian Institute of Company Directors' (AICD) Board diversity initiatives and will continue to evolve its Board in alignment with company needs and diversity best practice.

During the year, Sandfire also refreshed our values through a collaborative process with our staff. The refreshed values of Honesty, Respect, Collaboration, Accountability and Performance, tell a story about what is important to us and support Our Purpose of **creating value through opportunity**. Together with our refreshed Code of Conduct, they are designed to guide our behaviours and lead to our desired outcomes, which define what success for Sandfire looks like.



The role of the Board

The Board of Directors of Sandfire is responsible for establishing the corporate governance framework 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. In performing its responsibilities, the Board acts in the best interests of the Company and its shareholders, acting honestly, fairly and diligently and in accordance with the duties and obligations imposed upon it by Sandfire's Constitution and the law.

The Board has adopted a written Charter to provide a framework for its effective operation which sets out:

- the composition and responsibilities of the Board;
- the relationship and interaction between the Board and management;
- certain authorities delegated by the Board to Board Committees and management; and
- the functions of the Board, by describing the structure of the Board and its committees, the need for independence and other obligations of directors.

The Board Charter is available on our website at www.sandfire.com.au/site/About/corporate-governance.

The Board's role is to:

- represent and serve the interests of shareholders by overseeing and reviewing the Company's strategies, policies and performance. This includes overseeing the financial and human resources the Company has in place to meet its objectives, as well as reviewing management performance;
- protect and optimise the Company's performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's constitution and with a framework of effective controls that enable risk to be assessed and managed;
- set, review and ensure compliance with the Company's values and governance framework (including establishing and observing high ethical standards); and
- ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

Matters which are specifically reserved for the Board include:

- appointment of a Chair;
- appointment and removal of the Managing Director, or equivalent;
- appointment of Directors to fill a vacancy or as additional Directors;
- appointment and removal of a Company Secretary;
- establishment of Board Committees, their membership and delegated authorities;
- approval of dividends;
- approval of major capital expenditure, significant indebtedness, acquisitions and divestitures in excess of authority levels delegated to management; and
- calling of meetings of shareholders.

Under the Board Charter, the Board has delegated responsibility for the day-to-day management of the Company's business and affairs to the Managing Director and Chief Executive Officer (CEO). The CEO is assisted in this responsibility by the Executive Committee (ExCo)¹. The ExCo, led by the CEO, is responsible for the leadership, culture and management of the Company. The ExCo performs its role in consultation with, and obtains guidance from, the Board and Board Committees.

Management is responsible for implementing the strategic objectives and operating within the risk appetite set by the Board and for all other aspects of the day-to-day running of the Company. It is also responsible for providing the Board with accurate, timely and clear information to enable the Board to effectively perform its responsibilities.

Internal control processes are in place to allow management to operate within the delegations approved by the Board, and the CEO cannot commit the Company to activities or obligations outside these delegated authorities without the specific approval of the Board. The Company also has in place a Board approved Company Authority Matrix, which is available and circulated throughout the Company and makes clear to every employee what is, or is not, within the scope of their authority.

The Board is responsible for appointing a Company Secretary. The Company Secretary is accountable to the Board and all Directors are able to communicate directly with the Company Secretary. The decision to appoint and remove the Company Secretary is the decision of the Board. The Company Secretary is responsible for supporting the effectiveness of the Board and is directly accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The duties and responsibilities of the Company Secretary include:

- supporting the effectiveness and proper functioning of the Board;
- advising the Board on its committees and governance matters;
- ensuring Board and committee policies and procedures are followed;
- coordination of all Board and committee business, including the dispatch of agendas and papers;
- ensuring Board and committee meetings are captured accurately in the minutes; and
- organising and facilitating the induction and professional development of Directors.

Composition and skills of the Board

As at the date of this Statement, the Sandfire Board comprises seven Directors – one Executive Director being the Managing Director and Chief Executive Officer (CEO), and six Non-Executive Directors (NEDs). The period of office held by, and the independence status of, each Director in office during FY2021 and until the date of this Statement are set out below.

Name	Position	Appointed	Term	Independent	Last elected or re-elected at a AGM
Current Directors					
Derek La Ferla	Non-Executive Chairman	17 May 2010	Full year	Yes	27 November 2020
Karl Simich	Managing Director/CEO	27 September 2007 ^(a)	Full year	No	Not applicable
Paul Hallam	Non-Executive Director	21 May 2013	Full year	Yes	27 November 2019
Roric Smith	Non-Executive Director	31 December 2016	Full year	Yes	27 November 2020
Sally Langer	Non-Executive Director	1 July 2020	Full year	Yes	27 November 2020
Jennifer Morris	Non-Executive Director	1 January 2021	Part year	Yes	Not applicable
John Richards	Non-Executive Director	1 January 2021	Part year	Yes	Not applicable
Previous Directors					
Robert Scott	Non-Executive Director	30 July 2010	Resigned 31 December 2020	Yes	29 November 2018

(a) Mr Karl Simich was appointed Managing Director and CEO on 1 July 2009.

The Board meets as often as is necessary to fulfil their roles. Directors are required to allocate sufficient time to the Company to discharge their responsibilities effectively, including adequate time to prepare for Board meetings and joining visits to the Company's operational sites. Attendance at Board meetings during the 2021 financial year are summarised below.

Name	Number of meetings attended whilst a member of the Board	Number of meetings held whilst a member of the Board
Current Directors		
Derek La Ferla	8	8
Karl Simich	8	8
Paul Hallam	8	8
Roric Smith	8	8
Jennifer Morris	3	3
John Richards	3	3
Previous Directors		
Robert Scott	5	5

The skills, experience and expertise of each Director, including current and former directorships are set out in more detail in the Directors' Report (2021 Annual and Sustainability Report), as well as on the Directors page on the Company's website.

The Board actively seeks to ensure that its members collectively have the right mix of background, skills, knowledge, personal attributes and experience necessary to guide and govern the Company effectively and in accordance with the highest standards.

¹ The Executive Committee (ExCo) comprises the Chief Executive Officer & Managing Director, Chief Operating Officer and the Chief Financial Officer & Company Secretary.

Board Skills Matrix

The Board has reviewed its board skills matrix (BSM) to clearly outline the skillset required at Board level to support Sandfire's growth strategy. The BSM set out below lists the skills, experience and expertise the Board currently has and is looking to achieve in its membership.

Skills and experience

Strategy and Planning

- Experience in developing and implementing strategic business plans.
- Execution of international growth strategies.

People and Culture

- Understanding, implementing and monitoring good organisational culture and experience in setting remuneration frameworks (including incentive programs).
- Experience in people management and human resources policy.

Financial Acumen

- Expertise in financial accounting and reporting, corporate finance, corporate taxation and internal financial controls.

International Operations

- International mining experience at a senior executive level in various geographies.
- Exposure to multiple cultural, regulatory and business environments.

Mining and Commodities

- Experience as a senior executive at a mining and resources company, including experience working on large scale capital projects and long term investment horizons from planning to execution phases.
- End to end value or commodity chain experience, including commodity and currency markets, customers and competitors.

Legal, regulatory and public policy

- Corporate legal experience.
- Experience in regulatory compliance and identification of legal and regulatory risk.

Exploration

- Experience with international exploration targeting and allocation.

Health, Safety, Environment and Community

- Demonstrate an understanding of health and safety practices.
- Understanding of risks and opportunities regarding climate change.
- Former or current role with direct accountability for environment practices including energy, water management, emissions, and land management.

External Relations

- Experience in socially responsible development and engaging with local communities, Native Title claimant groups, government and regulators and industry associations.
- Interaction with the investment community.

Board Governance

- Non-executive Director and/or senior executive experience in a publicly listed company in Australia or overseas.
- Experience in implementing and operating robust risk management frameworks.
- Commitment to high standards and systems of governance and compliance.

Systems and Innovation

- Knowledge and experience in use and governance of critical information technology.
- Knowledge and experience with emerging technology and technical innovation.

Mergers and Acquisitions

- Execution and involvement in various M&A or business development including equity and debt funding strategies.



- **Highly Skilled** A Director can demonstrate deep expertise and knowledge in the area and has a track record of successfully delivering objectives as part of their Executive role with full responsibility and oversight.
- **Skilled** A Director can demonstrate expertise and knowledge in the area with some level of responsibility and oversight.
- **Knowledgeable** A Director can demonstrate knowledge and awareness in the area, and as part of their Non-Executive and/or Executive roles has experience delivering objectives

Director selection and succession planning

The Board regularly reviews its membership to ensure that it has the appropriate mix of diversity, skills and experience required to meet the needs of the Company. When a Board position becomes vacant or additional Directors are required, external professional advisors are engaged to assist with identifying potential candidates to ensure that a diverse range of candidates are considered.

Before the Company proposes to appoint a new Director, appropriate background checks are conducted which include checks such as the person's experience, education, criminal record and bankruptcy history.

Directors receive formal letters of engagement setting out the key terms, conditions and expectations of their engagement. This includes: disclosure of director interests; compliance with corporate policies; requirements when accepting a new role; indemnity and insurance arrangements; policy on seeking independent professional advice; access to corporate information; and confidentiality obligations.

In accordance with the Company's Constitution, no Director may hold office without re-election beyond the third AGM since the Director was last elected or re-elected. The Company's Constitution also requires that Directors, excluding the Managing Director, who have been appointed by the Board, must retire and stand for election at the next AGM following their appointment.

When candidates are submitted to shareholders for election or re-election, the Company includes in the Notice of AGM all material information relevant to a decision on whether or not to elect or re-elect a Director.

Refer to the Governance Highlights section of this Statement for more details on the progress of the Company's Board Succession Plan during FY2021.

Induction procedures and ongoing professional development

Sandfire has formal induction procedures for both Directors and senior executives. These induction procedures have been developed to enable new Directors and senior executives to gain an understanding of:

- Sandfire's financial position, strategies, operations and risk management practices; and
- the respective rights, duties and responsibilities and roles of the Board and senior executives.

Directors are given an induction briefing by the Company Secretary and an induction pack containing information about the Company and Group, Board and Committee Charters and the entity's policies. New Directors also meet with senior executives to gain an insight into the Group's business operations.

Sandfire supports the continuing professional development of its Directors to ensure that Directors remain on the forefront of knowledge in Director related matters and to identify and remedy any identifiable weakness in any Director or the Board as a whole. All Directors are provided training in key accounting matters and on their responsibilities in relation to the entity's financial statements.

Director independence

The Board consists of a majority of independent Directors. Directors of Sandfire are considered to be independent when they are independent 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 exercise of their unfettered and independent judgement.

The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The Board, guided by the Board Charter, considers thresholds of materiality for the purposes of determining independence in accordance with the ASX Recommendations, having regard to both quantitative and qualitative factors. Specifically, the Board will consider whether there are any factors or considerations which may mean that the Director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the Director's ability to act in the best interests of the Company and its shareholders.

Each Director is required by the Company to declare that they satisfy the independence criteria set out in the Board Charter and to disclose any related interest or details of other interests in the Company. The Board is also guided by the Sandfire Code of Conduct, which provides a framework to assist in managing and disclosing any conflicts of interest that may arise.

The roles of Chair and Chief Executive Officer are not exercised by the same individual.

Board Committees

Board Committees assist the Board with effectively discharging its responsibilities. They are able to focus on a particular responsibility and provide informed feedback to the Board.

The Board had the following committees in FY2021:

- Audit Committee;
- Risk Committee; and
- People and Performance Committee.

Each Committee has its own Charter approved by the Board, under which the Board delegates authority. The Committee Charters are available on our website at www.sandfire.com.au/site/About/corporate-governance.



Committee	Composition Requirements	Members as at 30 June 2021	Roles and responsibilities
Audit Committee	<ul style="list-style-type: none"> • Minimum three non-executive directors • Majority independent directors • Chair must be an independent director 	<ul style="list-style-type: none"> • John Richards (Chair) • Sally Langer • Roric Smith 	<p>Assists the Board in fulfilling its responsibilities for governance and oversight relating to:</p> <ul style="list-style-type: none"> • Financial matters, including financial reporting • Financial risk management and compliance • Tax risk management and compliance • Internal control structure (to the extent it relates to financial and tax matters) • External audit • Responding to any findings of the internal audit function to the extent they relate to financial and tax matters.
Risk Committee	<ul style="list-style-type: none"> • Minimum three non-executive directors • Majority independent directors • Chair must be an independent director 	<ul style="list-style-type: none"> • Roric Smith (Chair) • John Richards • Jennifer Morris • Paul Hallam 	<p>Assists the Board in fulfilling its responsibilities for governance and oversight relating to:</p> <ul style="list-style-type: none"> • Risk management and internal control framework, including management of risks relating to sustainability matters • Sustainability matters, including safety, environmental management, climate change, human rights and modern slavery, community engagement and investment • Corporate governance • Internal audit function.
People and Performance Committee	<ul style="list-style-type: none"> • Minimum three non-executive directors • Majority independent directors • Chair must be an independent director 	<ul style="list-style-type: none"> • Sally Langer (Chair) • Derek La Ferla • Jennifer Morris 	<p>Assists the Board in fulfilling its responsibilities for governance and oversight relating to:</p> <ul style="list-style-type: none"> • Sandfire's people and performance policies and practices • Organisational culture • Health and wellbeing • Diversity strategy • Remuneration strategy, including non-executive director and executive remuneration • Board membership • Board and executive performance • Succession planning.

Each committee is entitled to the resources and information it requires to carry out its duties, including direct access to advisers and employees. Directors are welcome to attend any meeting and each committee reports its deliberations to the next Board meeting.

Details of the number of Committee meetings held during the year and each Director's attendance at meetings are set out below. Committee meetings held during FY2021 had full attendance by serving Directors.

Name	Meetings of Committees					
	Audit		People and Performance		Risk	
	A	B	A	B	A	B
Current Directors						
Derek La Ferla	2	2	3	3	-	-
Karl Simich	-	-	-	-	-	-
Paul Hallam	-	-	2	2	4	4
Roric Smith	4	4	-	-	4	4
Sally Langer	2	2	3	3	-	-
Jennifer Morris ^(a)	-	-	1	1	2	2
John Richards ^(a)	2	2	-	-	2	2
Previous Directors						
Robert Scott ^(b)	2	2	-	-	2	2

A Number of meetings attended.

B Number of meetings held during the time the Director held office or was a member of the relevant committee during the year.

(a) Ms Morris and Mr Richards were appointed as Independent Non-Executive Directors on 1 January 2021.

(b) Mr Scott resigned as Independent Non-Executive Director on 31 December 2020.

Performance evaluation and remuneration

Evaluation of Board performance, committees and individual Directors

The Board regularly monitors the performance of the Board, its committees and individual Directors throughout the year and conducts a review of their performance on an annual basis. This occurs through a process of internal review led by the Chair and can be performed with the assistance of external advisers as considered appropriate.

The 2021 financial year review was led by the Chairman by way of a questionnaire, followed up where applicable with one-on-one discussions. The outcomes of the review and initiatives to improve the operation and performance of the Board and its committees are discussed and considered by the Directors.

Evaluation of Senior Executives' performance

Senior executives have formal agreements containing detailed duties and responsibilities associated with their role.

The process for evaluating the performance of senior executives is carried out in accordance with the Company's Remuneration Framework. The Chair conducts the performance evaluation of the CEO, including an assessment of the CEO's performance against specific and measurable financial and non-financial performance criteria. The evaluations of the other senior executives are conducted by the CEO, through a structured interview process. The results of the performance assessments are presented to the Board.

Further details of how the Company assesses the performance of the senior executives are set out in the Remuneration Report (2021 Annual and Sustainability Report).

Remuneration

Remuneration of senior executives

The Sandfire Board is committed to delivering remuneration strategy outcomes that:

- motivate the senior executives to pursue the long-term growth and success of Sandfire;
- retain our high-calibre executive team through the execution of the Strategic Growth Plan;
- establish a strong alignment between pay and performance;
- support equity and fairness across all levels of the organisation; and
- support Sandfire's purpose and values and incentivise for behaviours within the Company's risk profile.

Further details in relation to senior executives' remuneration are set out in the Remuneration Report (2021 Annual and Sustainability Report).

Remuneration of NEDs

The Company clearly distinguishes the structure of NEDs' remuneration from that of senior executives. Sandfire's NED remuneration policy is designed to attract and retain suitably skilled Directors who can discharge the roles and responsibilities required in terms of good governance, oversight, independence and objectivity. The Board seeks to attract Directors with different skills, experience, expertise and diversity.

Under the Company's Constitution and the ASX Listing Rules, the total annual fee pool for NEDs is determined by shareholders. The current maximum aggregate NED fee pool of \$1,000,000 per annum was approved by shareholders at the 2019 AGM. Within this aggregate amount, NED fees are reviewed annually by the Board.

Refer to the Company's Remuneration Report (2021 Annual and Sustainability Report) for further details in relation to NED remuneration.

Risk framework

Management of risks

The Board is responsible for reviewing and overseeing the risk management strategy for Sandfire and ensuring that the Company has an appropriate corporate governance structure, in order to support the achievement of business objectives. Sandfire's Risk Management Policy outlines the Company's approach to managing risks and is available on the Governance page of Sandfire's website.

Sandfire's business, operating and financial performance are subject to a range of risks and uncertainties, some of which are beyond Sandfire's reasonable control. The identification and effective management of these risks, including measured risk-taking is viewed as an essential part of the Company's approach to creating long-term shareholder value.

Sandfire's Risk Management Framework is applied across the Company and assists the Board and management to identify, assess, manage and monitor risks. Management is responsible for the day-to-day design and implementation of Sandfire's risk management system. Risk management forms part of Sandfire's line management and operational responsibilities and is integrated into the strategic and business planning processes.

Business risks are assessed on a regular basis, including consideration of potential new and emerging risks. Material risks are documented and monitored with the implementation of preventative and mitigating processes and controls. Mitigating processes and controls are designed to minimise the adverse impact on Sandfire should a risk or uncertainty materialise.

The Company has a comprehensive system of internal controls in place to ensure that risks are managed effectively to protect the Company's interests, this includes but is not limited to:

- implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, including the establishment and monitoring of financial and non-financial KPIs;
- delegations of authority formalised in a Board approved Company Authority Matrix that sets out authority levels for expenditure and commitments, including capital, for different levels of management within the Company;
- regular and timely reporting on safety incidents and actions to improve safety performance; and
- appropriate due diligence procedures for investments.

Underpinning the efforts is a comprehensive set of policies and procedures directed towards achieving:

- an effective and efficient use of the Company's resources;
- compliance with laws and regulations; and
- preparation of reliable published information.

Material risks are regularly reported to the Board and its committees. These reports include the status and effectiveness of control measures relating to each material risk.

During FY2021, the Risk Committee assisted the Board in fulfilling its responsibilities for governance and oversight relating to risk management including environmental and social sustainability risks. The Risk Committee reviewed and reported to the Board that:

- the Company's ongoing risk management program effectively identifies material areas of potential risk;
- adequate mitigation activities are designed and implemented to manage identified risks; and
- there are regular reviews on the process of the implementation of designed risk mitigation activities.

The Company is exposed to numerous risks, most of which are common within the mining industry. The key business risks that could have an impact on the Company achieving its financial goals and business strategy, including the Company's continuing response to the COVID-19 global pandemic, are disclosed in the Directors' Report (2021 Annual and Sustainability Report).

Sandfire's exposure to material environmental and social sustainability risks, and how the Company manages those risks, are also disclosed in the Directors' Report and discussed in the 2021 Sustainability Report within the 2021 Annual and Sustainability Report.

Sandfire's Sustainability Report is set against the framework of the Global Reporting Initiative (GRI) Standards Core Option, including the Mining and Minerals Sector Supplement. This year, Sandfire has started preliminary disclosure against the Sustainability Accounting Standards Board (SASB) Standards and is also progressively implementing the Taskforce for Climate-related Financial Disclosures' (TCFD) recommendations for addressing climate-related risks and opportunities. Transparent reporting against these internationally recognised standards allows our stakeholders to understand our business and trust we will appropriately respond to both risks and opportunities.

Internal audit function

Sandfire has an internal audit function that assists the Board by undertaking an objective evaluation of the Company's internal control framework, focusing on Sandfire's key enterprise risks. The Risk Committee has been responsible for overseeing the internal audit work plan with the assistance of the head of the internal audit function and external advisers, as considered appropriate. Where external advice is sought, the adviser is invited to meetings to present internal audit findings and has the opportunity to meet privately with the Risk Committee and its members.

The Board agrees that due to its nature, internal control assurance can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

External auditor

Sandfire's External Audit Policy requires that its external auditing firm must be independent of the Company. The Audit Committee reviews and assesses the independence of the external auditor on an annual basis. The Charter contains an External Audit Policy, which provides information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners, presently every 5 years, unless otherwise approved by the Audit Committee and the Board of Sandfire.

The Company's external auditor will attend the 2021 AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report disclosed in the Financial Report (2021 Annual and Sustainability Report). The external auditor will also be allowed a reasonable opportunity to answer written questions submitted by shareholders to the auditor as permitted under the *Corporations Act 2001*.

CEO and CFO certification

In accordance with section 295A of the *Corporations Act 2001* (the Act), the CEO and CFO have provided written statements to the Board in respect of each half and full year financial period that, in their opinion, the financial records of the Company have been properly maintained in accordance with the Act; the financial statements and the notes for the period comply with accounting standards and give a true and fair view of the financial position and performance of the entity and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.



Governance policies

The Group has developed a number of codes, policies and standards to help Directors and employees understand what is expected of them, all of which have been approved by the Board. The governance policies are communicated to our people and supported with training.

Below is a summary of Sandfire's core codes, policies and standards which apply to Directors, employees and contractors. Each of the policies listed below are available publicly on the Governance page on Sandfire's website www.sandfire.com.au/site/About/corporate-governance.

Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has established a [Code of Conduct \(Code\)](#) which applies to all our people including Directors, employees and contractor staff.

The Code of Conduct is reviewed every two years or when there is a significant change to the business, to ensure it remains current and relevant to the business and regulatory environments in which we operate. In line with these review procedures, the Code was reviewed in FY2021.

Our Code, together with our Values, sets the standard of behaviour that we expect from our people. The Code forms the foundation of our internal governance and articulates our philosophy of Don't Walk Past.

The key principles underpinning our Code are that:

- our actions must be governed by the highest standards of integrity and fairness;
- our decisions must be made in accordance with the spirit and letter of applicable law; and
- our business must be conducted honestly and ethically, with our best skills and judgement, and for the benefit of our people, shareholders, stakeholders, customers and Sandfire alike.

The objective of the Code is to:

- provide guidance to all who work with Sandfire on what constitutes acceptable behaviour;
- support Sandfire's business reputation and corporate image within the community; and
- make employees aware of the consequences if they breach the Code.

It is a requirement that all our employees undertake training in the Code. Our business leaders have an additional duty of care to reinforce the Code through their management practices and personal conduct.

The Code forms an integral part of our employee induction program and is widely available so everyone understands our conduct standard.

Anti-bribery and Corruption Policy

Sandfire has zero tolerance for corruption or bribery in any form. Our [Anti-Bribery and Corruption Policy](#) has been developed to promote high ethical standards and compliance with anti-bribery and anti-corruption laws that apply to Sandfire in or outside Australia. The Policy sets out the conduct expected of Sandfire Personnel in observing and upholding Sandfire's commitment to prohibiting bribery, corruption and other improper conduct.

The Policy:

- provides information and guidance on how to recognise and deal with instances of bribery, corruption and other improper conduct;
- explains Sandfire's position with respect to political donations and charitable contributions;
- establishes what is expected of Sandfire Personnel when receiving and/or giving gifts, hospitality and entertainment;
- articulates Sandfire's zero tolerance approach towards facilitation payments, secret commissions and money laundering;
- establishes conduct on how Sandfire engages or contracts with business partners or third parties in supply arrangements, acquisitions, and joint ventures; and
- defines the appropriate method of reporting suspected or actual breaches of the Policy.

Whistleblower Protection Policy

Our people are encouraged to raise concerns of unethical or inappropriate behaviour. The [Whistleblower Protection Policy](#) provides a safe and confidential environment for any officer, employee, contractor or associate of Sandfire and any of their direct relatives, to raise any concerns of unethical or inappropriate behaviour in good faith and without fear of reprisal.

Reports can be made directly to the Company, via our Whistle-blower protection officer, or anonymously through a whistle-blower helpline. The helpline can be accessed 24 hours a day, seven days a week, and is operated by an independent third party.

Human Rights Policy

Sandfire's [Human Rights Policy](#) discloses our commitment to uphold the fundamental human rights of our employees, the communities in which we operate and those within our supply chains.

Approved by the Board in FY2021, the policy supports our approach to managing the heightened risk of Modern Slavery in our business driven by our international growth plans.

The policy discloses our commitment:

- to undertake human rights risk assessments of our business activities;
- to respect the rights, culture, connection to land, language and traditions of Indigenous peoples; and
- to establish and promote open, accessible and transparent reporting mechanisms to report identified or suspected human rights concerns.

We welcomed the introduction of the Commonwealth *Modern Slavery Act 2018* and have undertaken a program of work to assess and address the risk of modern slavery in our operations and global supply chain. Our approach includes conducting risk assessments, updating relevant policies and procedures, engaging with suppliers and reporting on our progress through annual modern slavery statements and providing relevant training to our employees.

Sandfire continues to publish the Modern Slavery Statement annually in line with mandatory reporting requirements under the *Modern Slavery Act 2018*. Sandfire's Modern Slavery Statement outlines our commitment and actions taken to identify, manage and respond to modern slavery risks in our operations and supply chain. Our commitment to address modern slavery is embedded in our sustainability strategy, with one of the strategic objectives of that strategy being to champion responsible business practices where we operate.

Securities Trading Policy

The Company's [Securities Trading Policy](#):

- explains the types of conduct in dealing in securities that are prohibited under the *Corporations Act 2001*; and
- establishes a best practice procedure for the dealing in securities that protects the Company, Directors and personnel against misuse of unpublished information which could materially affect the value of securities.

The rules set out in the policy are designed to assist in preventing breaches of the insider trading provisions of the *Corporations Act 2001* and to enable the Company to satisfy the disclosure requirements of the ASX Listing Rules. The policy also establishes "blackout periods" during which Directors, senior executives, employees, contractors and their closely related parties must not trade in the Company's securities. It also prevents Directors and senior executives from entering into any hedging arrangements over unvested securities issued pursuant to an equity based remuneration scheme.

Disclosure Policy

The Board has endorsed a Disclosure Policy, which sets out processes that assist the Company to ensure that all investors have equal and timely access to material information about the Company and that Company announcements are factual and presented in a clear and balanced way. The Disclosure Policy also sets out the procedures for identifying and disclosing material and market-sensitive information in accordance with the *Corporations Act 2001* and the ASX Listing Rules.

To ensure the Board has timely visibility of all information being disclosed to the market, all material market announcements are circulated to the Board promptly after they have been made.

If the Company gives a new and substantive investor or analyst presentation it ensures a copy of the presentation is released to the ASX prior to the presentation taking place.

Integrity of Corporate Reports

We are committed to ensuring materially accurate, balanced and appropriate information is provided to investors to make informed investment decisions.

All periodic corporate reports released to the ASX, including Quarterly Reports, are prepared and reviewed by senior managers and department/subject matter experts, reviewed and approved by ExCo, and finally reviewed and authorised for release to the market by the Managing Director and CEO, pursuant to the Board's Delegation of Authority.

Reports such as the half-year and annual financial reports are audited by our external auditors in accordance with relevant regulations. Our commitment is set out in the [Periodic Corporate Report](#) standard.

Diversity and Inclusion Policy

Sandfire is committed to fostering a culture of diversity and inclusion, where differences are valued, and everyone is welcomed and treated with respect. Sandfire believes that striving for diversity will:

- broaden the pool of high-quality employees;
- support employee retention;
- enhance our organisational culture;
- create personal and professional opportunities;
- encourage greater innovation and enhance work practices and productivity;
- support an aligned and engaged workforce; and
- enable a sense of pride and belonging.

The Company's approach to achieving diversity objectives are outlined in our [Diversity and Inclusion Policy](#), and include:

- setting, via the Board and People and Performance Committee, measurable objectives for achieving diversity of the workforce, in particular gender diversity, and assessing, at least annually, progress towards achieving the diversity objectives;
- educating and providing appropriate leadership, training and mentoring programs to assist achieving a broader and more diverse pool of employees;
- supporting our people to balance their commitments outside of work and to promote work flexibility consistent with business success;
- reporting progress on diversity objectives and diversity metrics to stakeholders; and
- focusing on recruitment that is based on alignment to Sandfire's values, merit, skills and qualifications.

Gender Diversity

Sandfire offers equal remuneration for all our employees, reflective of the type of job, years of experience and the period for which employees have held their position. We conduct biennial, independent reviews of employee earnings by gender and level, to provide assurance that our employees' remuneration remains equitable and in line with market trends.

The preliminary review of the FY21 results has found no gender pay gap issues.

The Company continues to review its policies and initiatives to promote gender diversity and to that end, we have in place paid parental leave for eligible employees of up to 12 weeks for the primary caregiver and 2 weeks for the secondary caregiver.

Measurable Objectives

Our measurable objectives have been set for our Australian operations (**the Company**). As we continue to expand our business internationally, we are committed to integrating our diversity and inclusion strategies to our development projects in Botswana and Montana, USA.

The table below sets out the measurable objectives for the 2021 financial year and provides details on the progress of the Company toward achieving them.

	Objective	Measure	Results
1	Improve current female Board representation.	At least 30% of Directors on the Board are female by 30 June 2021.	Female representation on the Board as at 30 June 2021 was 29% (FY20: 17%). Refer to the Governance Highlights section of this Statement for more commentary on Board gender diversity.
2	Improve current female representation at the senior executive ^(a) position level.	At least 25% of senior executives are female by 30 June 2022.	Female representation at the senior executive position level as at 30 June 2021 was 17% (FY20: 18%). The company continues to progress initiatives towards the 30 June 2022 target of 25%.
3	Continue to support female representation in management positions by maintaining and where possible, improve, female representation at a level 20% above the mining industry average.	Number of female managers is at least 20% more than mining industry average for female management representation.	Target achieved. Female representation in management positions at 30 June 2021 was 23.3% (FY20: 20%). The outcome was 22% (FY20: 13%) above the mining industry average. ¹
4	Continue to support overall female representation by maintaining and where possible, improve female representation at a level 20% above the mining industry average.	Number of females within the workforce is at least 20% more than mining industry average for overall female representation.	Target achieved. Female representation at 30 June 2021 was 24% (FY20: 24%). The outcomes was 31.4% (FY20: 41%) above the mining industry average. ²

(a) Senior executive includes the Chief Operating Officer, Chief Financial Officer & Company Secretary, Heads of Departments and other Senior Managers who are responsible for setting the strategic direction for projects and functions and participate in the Company's Long Term Incentive Plan.

Our measurable objectives for the 2022 financial year are detailed below.

	Objective	Measure
1	Maintain female representation on the Board of Directors above 30%.	At least 30% of Directors on the Board are female by 30 June 2022.
2	Improve current female representation at the senior executive position level.	At least 25% of senior executives are female by 30 June 2022.
3	Continue to support female representation in management positions by maintaining and where possible, improve, female representation at a level 20% above the mining industry average.	Number of female managers is at least 20% more than mining industry average for female management representation.
4	Continue to support overall female representation by maintaining and where possible, improve female representation at a level 20% above the mining industry average.	Number of females within the workforce is at least 20% more than mining industry average for overall female representation.

¹ WGEA Mining Division: Workforce Composition – All managers 2020: 19.1%.

² WGEA Mining Division: Workforce Composition – All 2020: 18%.

Gender representation

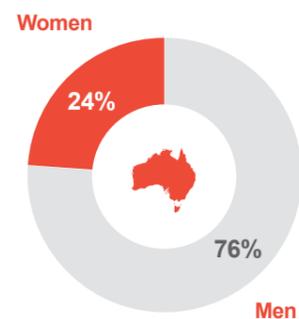
The proportion of women employed by the Company in Australia as at 30 June 2021 and for the previous financial year is listed below.

Level	2021	2020
Board	29%	17%
Senior executives	17%	18%
Management	23%	20%
Non-management	24%	25%
All employees	24%	24%

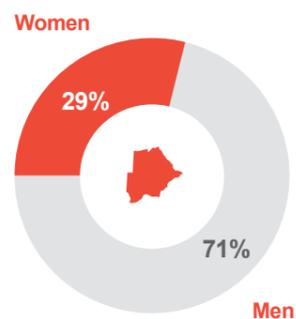
The proportion of women employed by our USA and Botswana operations as at 30 June 2021 are listed below.

Level	Sandfire USA	Sandfire Botswana
Management	16%	40%
Non-management	57%	28%
All employees	45%	29%

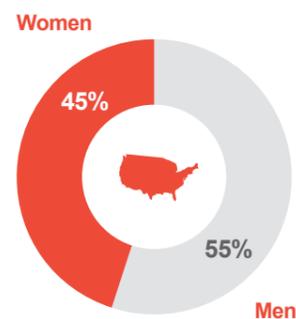
Australia



Botswana



America



Shareholder Communication

Sandfire recognises that shareholders and other stakeholders are entitled to be informed in a timely and readily accessible manner of all major developments affecting the Company. Our [Shareholder Communication Policy](#) promotes effective communication with shareholders and other stakeholders and encourages and facilitates participation at Sandfire's general meetings.

The Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time. To achieve this, our investor relations program is aimed at allowing investors and other financial market participants to gain a greater understanding of our business, governance, performance, and prospects.

We provide results presentations and media releases with the quarterly activities reports, and half and full year financial results which are released to the ASX and can be found on our website. Our analyst briefings and presentations for each Quarterly Report are webcast live on our website and all shareholders can login to the webcast. Login details to the webcasts are released to ASX to allow shareholders to either listen live or later. This provides an opportunity for investors and other financial market participants to express their views to Sandfire on matters of concern or interest to them.

The Company also communicates information regularly to shareholders and other stakeholders through a range of other forums and publications. These include: Notice of Annual General Meeting (AGM); Annual and Sustainability Report; announcements lodged with the ASX; presentations; and meeting with stakeholders.

The Company provides a telephone facility (+61 (8) 6430 3800) and a website inquiry service to assist shareholders with any queries. We are committed to dealing promptly with the enquiries of shareholders and other stakeholders. Information is also communicated to shareholders via periodic mail outs, or by email to shareholders who have provided their e-mail address.

Sandfire encourages shareholder participation at our AGM including through online platforms. Notice of meetings are made available on our website and we provide a direct voting facility to allow shareholders to vote ahead of the meeting without having to attend or appoint a proxy. Shareholders who are not able to attend the AGM have the opportunity to provide questions or comments ahead of the meeting and where appropriate, these questions are answered at the meeting. Our external auditor attends the AGM and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report. All resolutions at the AGM are decided by a poll.

Website

One of the Company's key communication tools is its website located at www.sandfire.com.au. The website includes details about the Company's purpose and values; biographical information for each of its Directors and senior management; the Company's history; an overview of Sandfire's operations; growth and business development opportunities; corporate governance practices; sustainability practices; and investor information.

The website contains a facility for shareholders to direct inquiries to the Company and there are also details on how to contact our share registry, Automic Group, by phone or email, and to elect to receive communications from us electronically.



