Corporate Governance Code for Listed Issuers

3 July 2023

+See the Listing Rules Definitions section for defined terms.

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Introduction

Why Governance Standards are important

The phrase “corporate governance” describes “the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled within corporations. It encompasses the mechanisms by which companies, and those in control, are held to account.”[1]

Good corporate governance promotes investor confidence, which is crucial to the ability of entities listed on PNGX to compete for capital.

Good governance can improve the performance of a company, help it become more stable and productive, and unlock new opportunities. It can reduce risks and enable faster and safer growth. It can also improve reputation and foster trust. It makes the company more sustainable.

Good governance can also help secure investment by creating formal reporting procedures that clearly lay out everything that investors need to know. An investor is more likely to invest in a credible business with a clear direction and good oversight. If they think the governance is sub-standard, they may see the business as a risky investment and ask for higher returns or contribute to a lower share price.

Environmental, Social and Governance (ESG) reporting is the disclosure of performance in relation to material ESG risks and opportunities, both qualitatively and quantitatively, to explain how these material topics inform a company's strategy and overall performance. ESG reporting should be regarded as an opportunity, not a risk. It is a means for boards to build greater trust with employees, shareholders and the communities in which they operate.

Development and application of the Standards

The PNGX Corporate Governance Code for Listed Issuers is developed for companies publicly listed on PNGX. However, the Code could also be considered by larger privately owned companies and by State Owned Entities (“SOEs")

To date, PNGX has operated a single equities market. Having regard to the nature of the PNG capital market, PNGX will be developing specialist markets for differing sectors of the capital market in order to better facilitate access to capital for companies with different levels of maturity and for different financial products and services.

The proposed market are offerings which have or are being developed are as follows:

Current	Proposed	Status
PNGX equities market	Main Market	Renamed current equities secondary market
	Debt Market	New corporate debt secondary market
	Passage Market	Proposed equities “passage” secondary market for medium sized companies
	GroMaket	Proposed bulletin-board style platform for small and medium sized companies to access funding and social fund raising. These companies are not listed on PNGX.

In relation to the 4 offerings, it is currently proposed to adapt and apply the Code as follows.

[1] Justice Owen in the HIH Royal Commission, *The Failure of HIH Insurance Volume 1: A Corporate Collapse and Its Lessons*, Commonwealth of Australia, April 2003 at page xxxiv.

Proposed	Corporate Governance
Main Market	Reporting against all the standards annually is mandatory
Debt Market	Reporting not required
Passage Market	Simplified reporting against all the standards annually is mandatory
GroMaket	As companies on this market are not listed, reporting against the standards is encouraged rather than mandatory.

Using the Code

The Code applies an "If not" why not" or "apply or explain" disclosure methodology.

Each company's board of directors has the legal responsibility for managing its business with due care and diligence and therefore for ensuring that it has appropriate governance arrangements in place.

It is, therefore, a matter for each company's board of directors to decide which governance practices the company chooses to adopt.

Under the Code, if the board of a company considers that a Standard is not appropriate to its particular circumstances, it is entitled not to adopt it. However, if it does so it must explain why it has not adopted the Standard – the "if not, why not" approach.

This approach ensures that the market receives an appropriate level of information about the company's governance arrangements. This allows investors and other stakeholders to have a meaningful dialogue with the board and management on governance matters and can factor the information provided into their decision on whether or not to invest in the entity and how to vote on particular resolutions.

The "if not, why not" approach is fundamental to the operation of the Code.

PNGX encourages companies to give an informative explanation of their corporate governance arrangements.

PNGX discourages companies from taking a pedantic or legalistic approach to their disclosures. Simply listing the recommendations followed and those not followed and why is discouraged.

PNGX discourages companies from approaching their corporate governance disclosures as "simply a compliance obligation".

Companies should view their corporate governance disclosures as an opportunity to demonstrate that their board and management are alive to the importance of having proper and effective corporate governance arrangements. This aids communication to security holders and the broader investment community about the robustness of their particular approach to corporate governance.

Companies are encouraged to not only outline the governance arrangements in place but also explain how they are being implemented in practice. For example, where a Standard calls for a particular policy to be in place, it will aid transparency and promote investor confidence for the company to disclose, where appropriate, how it promotes compliance, whether there have been material breaches of the policy and, if so, how they have responded to the material breaches. Similarly, where a recommendation calls for a matter to be reviewed or evaluated, investors will find it helpful for the company to disclose, where appropriate, any material insights it has gained from the review or evaluation and any changes it has made to its governance arrangements as a result.

Where a listed entity follows a recommendation, rather than simply state that fact, it should explain what policies and practices it has in place in that regard. Where applicable, the company should direct readers to where they can find further information about those policies and practices.

For example, the following statement is unlikely to be well received by readers as it provides no insight to the reader as to what the Standard is or how the company complies with the Standard:

> "The company complies with recommendation 4.1 of the PNGX Corporate Governance Standards".

By contrast, the following statement is significantly more informative and likely to be well received by readers:

> "The board has established an audit committee of 3 members, all of whom are non-executive directors. A majority of the committee members are independent directors. The audit committee is chaired by an independent director. Company policy precludes the chair of the board also being the chair of the audit committee. A copy of the charter of the audit committee is available on the corporate governance page on the company's website at [insert URL]. Information about the members of the audit committee, their relevant qualifications and experience, the number of times the committee met throughout the most recent reporting period and the individual attendances of members at those meetings is set out on the corporate governance page of the company's annual report".

Disclosures should, where appropriate, include relevant metrics. In order to avoid "whitewashing" (deliberate attempts to conceal unpleasant or incriminating facts generally), "greenwashing" (deliberate attempts to conceal unpleasant or incriminating facts about environmental reporting), "pinkwashing" deliberate attempts to conceal unpleasant or incriminating facts about gender reporting) and other forms of obfuscation, data should be able to be readily compared with prior years. Where there have been material changes to methodology, those changes should be explained.

It is open to a company's board of directors to decide not to follow a recommendation or to adopt an alternate practice. If a company adopts this approach, an "if not, why not" explanation should set out the reasons for not following a recommendation and should:

1. be reasonably detailed and informative so that the market understands why it is that the company has chosen not to follow that recommendation; and
2. disclose what, if any, alternative corporate governance practices the company may have adopted in lieu of those in the recommendation and explain why it considers those practices to be more appropriate for the company than the ones in the recommendation.

For example, the following statement is not particularly helpful in understanding why the company has chosen not to follow the relevant recommendation or what alternative corporate governance arrangements the company may have adopted to address the underlying principle of recommendation:

> "The recommendation is not considered appropriate, given the entity's size and circumstances" is unlikely to be well received by readers as it provides no insight to the reader as to why it is inappropriate and what the circumstances might be. Similarly, a statement that "the company does not have an audit, risk, nomination or remuneration committee as the board as a whole performs the roles that such committees would ordinarily undertake".

By contrast, the following statement is significantly more informative and likely to be well received by readers*:*

> "The board does not consider it appropriate to adopt the recommendation to implement a remuneration committee at this point in time as the board comprises only 3 persons. Only one of whom is an independent director. For the purpose of determining appropriate standards of director, CEO, key person and employee remuneration the company has engaged an external consultant to benchmark each role against published industry remuneration data. The company policy is set remuneration at between 70% and 90% of the fourth quartile of the appropriate benchmarks".

The PNGX Corporate Governance Standards refer to disclosure in an annual governance report. That report may be contained in the company's annual report (which contains the annual financial report) or it may be contained in a separate annual governance report or annual sustainability report. However disclosed, all information should be readily accessible to stakeholders. If contained in a separate annual governance report or annual sustainability report, the annual report should at least set out where stakeholders can find the detail relevant to each Standard.

The gender-neutral term "Chair" is used throughout the standards.

References to "community" includes, but is not limited to, consideration of customary landholder issues.

The Standards

Standard 1	Every listed company should be directed by an effective board which should lead and control the company.	Introduced 03 July 2023
Standard 2	There should be a clear division of responsibilities between the Chair's responsibility for the running of the Board and the executive responsibility for the running of the company's business to ensure a balance of power and authority, such that no one individual has unfettered powers of decision.	Introduced 03 July 2023
Standard 3	The Chair's role in preserving good corporate governance is crucial. As the person responsible for running the Board, the Chair should preserve order and facilitate the effective discharge of Board functions.	Introduced 03 July 2023
Standard 4	It is preferable for the Board to have a balance of executive and +Non-executive Directors (including +Independent Directors) such that no individual or small group of individuals can dominate the Board's decision-making	Introduced 03 July 2023
Standard 5	There should be a formal and transparent procedure for the appointment of new Directors to the Board, Board performance appraisal, succession planning, and diversity and inclusion. The competencies of Boards should be periodically appraised in order to ensure that knowledge, skills and experience of the Board matches the strategic demands facing the company	Introduced 03 July 2023
Standard 6	Boards should periodically appraise their own performance in order to ensure that prime Board responsibilities are satisfactorily discharged	Introduced 03 July 2023
Standard 7	Companies should establish a formal and transparent procedure for fixing the remuneration packages of Directors and Executives.	Introduced 03 July 2023
Standard 8	The Board should appraise the performance of the Chief Executive Officer at least annually in order to ensure that prime executive responsibilities are satisfactorily discharged	Introduced 03 July 2023
Standard 9	The Board should promote ethical and responsible decision-making, including adoption of an anti-bribery and corruption policy and a whistleblower policy.	Introduced 03 July 2023
Standard 10	The Board should maintain a sound system of internal control to safeguard shareholders' investment and the company's assets. The Board should ensure the integrity of the company's accounting and reporting systems for financial and sustainability disclosure, including the independent audit, and that appropriate systems of control are in place, in compliance with the law and relevant standards.	Introduced 03 July 2023
Standard 11	The Board should establish formal and transparent arrangements for considering how they should apply sound financial, reporting and internal control principles and for	Introduced 03 July 2023

	maintaining an appropriate relationship with the company's internal and external auditors.	
Standard 12	The Board should establish a policy and procedure for continuous disclosure of information to the market.	Introduced 03 July 2023
Standard 13	Boards should use the general meetings to communicate with investors and encourage their participation.	Introduced 03 July 2023
Standard 14	The Company's annual governance report should contain a statement of diversity and gender equality policy and relevant metrics.	Introduced 03 July 2023
Standard 15	The Company's annual governance report should contain a statement of the extent to which the company has an environmental and social management system in place.	Introduced 03 July 2023
Standard 16	The Company's annual governance report should contain a statement of the extent to which the company has adopted policies and practices to manage and report on its environmental impact and relevant metrics.	Introduced 03 July 2023
Standard 17	The Company's annual governance report should contain a statement of the extent to which the company has adopted policies and practices to manage and report on its social impact and relevant metrics.	Introduced 03 July 2023

The Board

Standard 1 – An effective board

Every listed company should be directed by an effective board which should lead and control the company.

Recommendations

Recommendation 1.1	Directors should act in the best interests of the company taking into account the interests and expectations of all shareholders and other material stakeholders.	Introduced 03 July 2023
Recommendation 1.2	The Board should meet regularly. Board meetings should be held at least once in every quarter of a financial year.	Introduced 03 July 2023
Recommendation 1.3	The Board should have a formal schedule of matters specifically reserved to it for decision including inter-alia: a) To formulate, monitor and review implementation of a sound business strategy taking into account the interests and expectations of all shareholders and other material stakeholders; b) Ensure that the CEO and management team are competent and adopt an effective CEO and +key management personnel succession strategy; c) Ensuring secure and effective information, control and audit systems; d) Safeguarding compliance with legal and ethical standards; e) Formulating, monitoring and reviewing implementation of a risk governance framework; and f) Fulfill such other board functions as are appropriate having regard to the nature, scale and complexity of the business.	Note: Risks to the company include environmental, social and climate related risks. Note: Companies should differentiate between the board's role in 'risk governance' and executive management's role in 'risk management'. Note: consideration of ethical standards may extend to consideration of factors including relationships with suppliers and whether suppliers adopt ethical standards aligned with those of the company such as use of child labour, payment of minimum wages, etc. Introduced 03 July 2023
Recommendation 1.4	There should be a procedure agreed by the Board for directors to take independent professional advice in the fulfilment of their duties at the company's expense.	Introduced 03 July 2023
Recommendation 1.5	All directors should have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.	Introduced 03 July 2023
Recommendation 1.6	The appointment and removal of the Company Secretary should be a matter for the Board.	Introduced 03 July 2023
Recommendation 1.7	All Directors should bring an independent judgment to bear to assist with the effective discharge of their duties on all issues including on issues of strategy, performance,	Introduced 03 July 2023

	reporting, resources (including key appointments) and standards of conduct.	
Recommendation 1.8	Every Director should dedicate adequate time and effort to matters of the Board and the company in order to ensure that the duties and responsibilities owed by them to the company are satisfactorily discharged.	Introduced 03 July 2023
Recommendation 1.9	Every Director should receive appropriate induction when appointed to the Board and subsequently receive opportunities to attend professional education as necessary. Training should encompass general aspects of Directorship (including governance and ethics) as well as matters specific to the company and the industries in which it is involved.	Introduced 03 July 2023
Recommendation 1.10	Each director and +key management personnel should have a written agreement with the company setting out the terms of their appointment.	Introduced 03 July 2023

Standard 2 – Division of responsibilities

There should be a clear division of responsibilities between the Chair's responsibility for the running of the Board and the executive responsibility for the running of the company's business to ensure a balance of power and authority, such that no one individual has unfettered powers of decision.

Recommendations

Recommendation 2.1	The roles of Chair and CEO should not vest in one person.	Introduced 03 July 2023
Recommendation 2.2	The Chair of the Board should be an +Independent Director.	Introduced 03 July 2023

Standard 3 – Chair's responsibility for corporate governance

The Chair's role in preserving good corporate governance is crucial. As the person responsible for running the Board, the Chair should preserve order and facilitate the effective discharge of Board functions.

Recommendations

Recommendation 3.1	The Board should have a documented Board Charter setting out the rules, procedures and behaviours to facilitate the orderly conduct of Board proceedings and to ensure, inter-alia, that: a) The effective participation of +Executive Directors, +Non-executive Directors and +Independent Directors is secured;	Introduced 03 July 2023

b) all Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the company;
c) balance of power in the board is maintained;
d) the sense or decision of Directors on issues, under consideration, is ascertained and appropriately minuted; and
e) the Board is in complete control of the company's affairs and alert to its obligations to all shareholders and other stake holders.

Standard 4 – The balance of the Board

It is preferable for the Board to have a balance of executive and +Non-executive Directors (including +Independent Directors) such that no individual or small group of individuals can dominate the Board's decision-making

Recommendations

Recommendation 4.1	For a Director to be considered an +Independent Director the Board should affirmatively determine that the Director has no material relationship with the company (directly or as a partner, shareholder, or officer of an organization that has a relationship with the company).	Introduced 03 July 2023
Recommendation 4.2	The Board should include +Independent Directors of sufficient caliber and number for their views to carry significant weight in the Board's decisions.	Introduced 03 July 2023
Recommendation 4.3	The majority of Directors should be +Non-executive Directors.	Introduced 03 July 2023
Recommendation 4.4	The majority of Directors should be +Independent Directors.	Introduced 03 July 2023
Recommendation 4.5	At least 25% of Directors should be people identifying as women.	Introduced 03 July 2023

Standard 5 – Nomination Committee

There should be a formal and transparent procedure for the appointment of new Directors to the Board, Board performance appraisal, succession planning, and diversity and inclusion. The competencies of Boards should be periodically appraised in order to ensure that knowledge, skills and experience of the Board matches the strategic demands facing the company.

Recommendations

Recommendation 5.1	The Board should establish a Nomination Committee with written terms of reference which deal clearly with its composition, authority and duties to make recommendations to the Board and shareholders on all new Director appointments. If a Nomination Committee is	Note: The Remuneration and the Nomination Committees may be a single committee established to perform both functions. Introduced 03 July 2023

	not established the Board Charter should set out how the Board addresses this Standard.	
Recommendation 5.2	A majority of the members of the Nomination Committee should be +Independent Directors and its chair should be an +Independent Director.	Introduced 03 July 2023
Recommendation 5.3	If the Nomination Committee does not comprise of a majority of +Independent Directors or its chair is not an +Independent Director, the written terms of reference should state the reasons for not doing so and outline what (if any) alternative governance practices it adopts in lieu.	
Recommendation 5.4	The Nomination Committee should annually assess the composition of the Board to ascertain whether the combined knowledge, skills and experience of the Board matches the strategic demands facing the company and the competencies required to deliver the strategy. The findings of such assessment should be taken into account when the appointment of new Directors is considered and when incumbent directors come up for re-election.	Note: See also Recommendation 6.1 Introduced 03 July 2023
Recommendation 5.5	The Nomination Committee should be responsible for the design and oversight of an effective Director, CEO and +key management personnel succession strategy.	Introduced 03 July 2023
Recommendation 5.6	The Nomination Committee should be responsible for the design and oversight of an effective diversity and inclusion strategy.	Introduced 03 July 2023
Recommendation 5.7	The current terms of reference of the Nomination Committee should always be made available on the company's website.	Introduced 03 July 2023

Standard 6 – Board performance appraisal

Boards should periodically appraise their own performance in order to ensure that prime Board responsibilities are satisfactorily discharged

Recommendations

Recommendation 6.1	The Board should annually appraise itself in the key responsibilities of, at least: a) Formulating, monitoring and reviewing implementation of a sound business strategy; b) Assessing the role of the Chair and the performance of individual directors; c) Assessing Board Committee structures, roles and composition; d) Ensuring that the CEO and management team are competent and the adoption of an effective	Note: the annual appraisal may form part of the role of, and be undertaken by the Nomination Committee. Note: See also Recommendation 5.4 Introduced 03 July 2023

CEO and +key management personnel succession strategy;
e) Ensuring secure and effective information, control and audit systems;
f) Safeguarding compliance with legal and ethical standards;
g) Formulating, monitoring and reviewing implementation of a risk governance framework; and
h) Fulfilling such other board functions as are appropriate having regard to the nature, scale and complexity of the business.

Recommendation 6.2	The Board should establish a policy of periodically conducting a board appraisal using outside consultants.	Note: The relevant policy should establish a frequency for external reviews, for example, at least every 3 years. Introduced 03 July 2023

Standard 7 – Remuneration of Directors and Executives

Companies should establish a formal and transparent procedure for fixing the remuneration packages of Directors and Executives.

Recommendations

Recommendation 7.1	The Board should establish a remuneration policy.	Introduced 03 July 2023
Recommendation 7.2	The Board should establish a Remuneration Committee with written terms of reference which deal clearly with its composition, authority and duties to make recommendations to the Board on: a) the company's framework of Director remuneration and its cost; b) determination of total remuneration for each of the Directors; c) the company's framework of employee remuneration and its cost; d) the company's framework for the conduct of gender equality remuneration audits; e) determination of remuneration for the CEO and +key management personnel; and f) annually reviewing the performance of the CEO and +key management personnel including the appropriateness of related performance measures and targets. If a Remuneration Committee is not established the Board Charter should set out how the Board addresses this Standard.	Note: The Remuneration and the Nomination Committees may be a single committee established to perform both functions. Note: Performance measures and targets includes ESG measures and targets. Introduced 03 July 2023

Recommendation 7.3	A majority of the members of the Remuneration Committee should be +Independent Directors and its chair should be an +Independent Director.	Introduced 03 July 2023
Recommendation 7.4	If the Remuneration Committee does not comprise of a majority of +Independent Directors or its chair is not an +Independent Director, the written terms of reference should state the reasons for not doing so and outline what (if any) alternative governance practices it adopts in lieu.	Introduced 03 July 2023
Recommendation 7.5	The Board should explain its reasons for any recommended increase of Director remuneration to its shareholders.	Introduced 03 July 2023
Recommendation 7.6	Remuneration Committees should consult the Chair and/or CEO about any proposal relating to the remuneration of +Executive Directors and have access to professional advice inside and outside the company.	Introduced 03 July 2023
Recommendation 7.7	The current terms of reference of the Remuneration Committee should always be made available on the company's website.	Introduced 03 July 2023
Recommendation 7.8	The Company's annual governance report should contain a statement of remuneration policy.	Introduced 03 July 2023
Recommendation 7.8	The Company should disclose the total annual remuneration of each director and +key management personnel.	Introduced 03 July 2023

The Executive

Standard 8 – CEO performance appraisal

The Board should appraise the performance of the Chief Executive Officer at least annually in order to ensure that prime executive responsibilities are satisfactorily discharged.

Recommendations

Recommendation 8.1	At the commencement of every financial year, the Board, in consultation with the CEO, should set reasonable financial and non-financial targets, in line with the short-, medium- and long-term objectives of the company, that are to be met by the CEO during the course of the year.	Note: Non-financial targets includes ESG targets. Introduced 03 July 2023
Recommendation 8.2	The performance of the CEO should be evaluated by the Board at the end of each fiscal year in order to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets was reasonable in the circumstances.	Introduced 03 July 2023

Code of Conduct

Standard 9 – Ethical and responsible decision making

The Board should promote ethical and responsible decision-making, including adoption of an anti-bribery and corruption policy and a whistleblower policy.

Recommendations

Recommendation 9.1	The Board should establish a minimum Code of Conduct for the company applicable to Directors, +key management personnel and employees and require regular training on it.	Introduced 03 July 2023
Recommendation 9.2	The current Code of Conduct should always be made available on the company's website.	Introduced 03 July 2023
Recommendation 9.3	The Board should adopt and disclose a related party transaction policy.	Introduced 03 July 2023
Recommendation 9.4	Transactions with related parties which may result in a conflict of interest should be identified and a register maintained for this purpose.	Introduced 03 July 2023
Recommendation 9.5	The Board should adopt and disclose an anti-bribery and corruption policy and ensure that the Board, or a committee of the Board, is informed of any material breaches of that policy.	Introduced 03 July 2023
Recommendation 9.6	The current anti-bribery and corruption policy should always be made available on the entity's website.	Introduced 03 July 2023
Recommendation 9.7	The Board should adopt a whistleblower policy and ensure that the Board, or a committee of the Board, is informed of any material breaches of that policy.	Note: the whistleblower policy should, at least, comply with the PNG *Whistleblower Act 2020* which came into effect on 7 May 2020. Introduced 03 July 2023
Recommendation 9.8	The current whistleblower policy should always be made available on the entity's website.	Introduced 03 July 2023

Internal controls

Standard 10 – Sound system of internal control

The Board should maintain a sound system of internal control to safeguard shareholders' investment and the company's assets. The Board should ensure the integrity of the company's accounting and reporting systems for financial and sustainability disclosure, including the independent audit, and that appropriate systems of control are in place, in compliance with the law and relevant standards.

Recommendations

Recommendation 10.1	The Directors should, at least annually, ensure a review of the effectiveness of the company's system of internal controls is conducted. The review should cover all controls, including financial, operational and compliance, and risk management.	Note: The assessment of the risk management framework should also include environmental and social risks. Introduced 03 July 2023
Recommendation 10.2	Companies should have an internal audit function with written terms of reference which deal clearly with its composition, authority and duties. Companies, which do not have an internal audit function, should periodically review the need for one.	Introduced 03 July 2023
Recommendation 10.3	The Directors should have a sound understanding of the material risks faced by the company and how to identify, avoid, mitigate or manage them.	Introduced 03 July 2023

Standard 11 – Audit & Risk Committee

The Board should establish formal and transparent arrangements for considering how the company should apply sound financial, reporting risk management and internal control principles and for maintaining an appropriate relationship with the company's internal and external auditors.

Recommendations

Recommendation 11.1	The Board should establish an Audit & Risk Committee with written terms of reference which deal clearly with its composition, authority and duties. If an Audit & Risk Committee is not established the Board Charter should set out how the Board addresses this Standard.	Note: The role of the Audit & Risk Committee may be performed by separate Audit Committee and Risk Committee. Introduced 03 July 2023
Recommendation 11.2	The Audit & Risk Committee should comprise of at least two Directors all of which are +Independent Directors. Its chair should be an +Independent Director.	Introduced 03 July 2023
Recommendation 11.3	If the Audit & Risk Committee does not comprise of at least two Directors all of which are +Independent Directors or its chair is not an +Independent Director, the written terms of reference should state the reasons for not doing so and outline what (if any) alternative governance practices it adopts in lieu.	Introduced 03 July 2023

Recommendation 11.4	The duties of the Audit & Risk Committee should include: a) ensuring the integrity of the company's financial statements; b) keeping under review the written terms of reference of the internal audit function and its results; c) keeping under review the scope and results of the external audit and its effectiveness; and d) the independence and objectivity of the external auditors.	Introduced 03 July 2023
Recommendation 11.5	The Audit & Risk Committee should set principles for recommending to the Board the rotation and remuneration of external auditors.	Introduced 03 July 2023
Recommendation 11.6	The Audit & Risk Committee should recommend the appointment of the external auditors to the Board for consideration and acceptance by the shareholders.	Introduced 03 July 2023
Recommendation 11.7	The Audit & Risk Committee should ensure that the independence of the external auditor is maintained and that any consultancy or any work contracted with the auditing firm will not have a material impact on the auditor's independence	Introduced 03 July 2023
Recommendation 11.8	The Audit & Risk Committee should, at least annually, ensure a review of the effectiveness of the company's system of risk management and internal controls is conducted. The review should cover all controls, including financial, operational and compliance.	Note: The assessment of the risk management framework should also include environmental and social risks. Introduced 03 July 2023
Recommendation 11.9	The current terms of reference of the Audit & Risk Committee should always be made available on the entity's website.	Introduced 03 July 2023

Standard 12 – Continuous disclosure

The Board should establish a policy and procedure for continuous disclosure of information to the market.

Recommendations

Recommendation 12.1	The Board should establish a policy and procedure for continuous disclosure of information to the market and require regular training on it.	Note: the Listing Rules require the adoption of a trading policy to minimize the risk of insider trading contrary to continuous disclosure obligations. The trading policy must be made available on the company's website. Introduced 03 July 2023

Relations with shareholders and the market

Standard 13 – General Meetings

Boards should use the general meetings to communicate with investors and encourage their participation.

Recommendations

Recommendation 13.1	The Chair of the Board should arrange for the chairs of the Audit Committee, Remuneration Committee and Nomination Committee to be available to answer questions at the AGM.	Introduced 03 July 2023
Recommendation 13.2	Companies should consider conducting General Meetings on the basis of a poll in relation to special business, or where contentious issues are under consideration, in order to ensure that all votes of shareholders (whether in person, by proxy or representation) at company meetings are taken into account.	Introduced 03 July 2023

Diversity

Standard 14– Diversity

The Company's annual governance report should contain a statement of diversity and gender equality policy and relevant metrics.

Recommendations

Recommendation 14.1	The Board should establish a diversity and gender equality policy.	Note: Diversity includes gender diversity. Introduced 03 July 2023
Recommendation 14.2	The Company's annual governance report should contain a statement of diversity and gender equality policy.	Introduced 03 July 2023
Recommendation 14.3	The Company's annual governance report should contain details of measurable objectives for achieving diversity and gender equality in the composition of its board, +key management personnel and workforce generally.	Note: Measurable objectives may include, at least, the proportions of men and women on the board, in +key management personnel positions and across the whole workforce. Introduced 03 July 2023
Recommendation 14.4	The Company's annual governance report should contain details of performance against the measurable objectives for achieving diversity and gender equality in the composition of its board, +key management personnel and workforce generally	Introduced 03 July 2023

Environmental and Social Reporting

Standard 15 – Environmental and Social reporting

The Company's annual governance report should contain a statement of the extent to which the company has an environmental and social management system in place.

Recommendations

Recommendation 15.1	Directors should disclose in the company's annual governance report the extent to which the company has an environmental and social management system in place.	Note: An environmental and social management system is a set of policies, procedures, tools and internal capacity to identify and manage a company's exposure to environmental and social risks. Introduced 03 July 2023
Recommendation 15.2	Directors should review the materiality, quality and frequency of ESG data and reports.	Introduced 03 July 2023

Standard 16 – Environmental reporting

The Company's annual governance report should contain a statement of the extent to which the company has adopted policies and practices to manage and report on its environmental impact and relevant metrics.

Recommendations

Recommendation 16.1	Directors should disclose in the company's annual governance report the extent to which the company has policies for compliance with relevant laws and regulations that have a significant impact on the company relating to biodiversity, air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Introduced 03 July 2023
Recommendation 16.2	Directors should disclose in the company's annual governance report the extent to which the company has policies for the efficient use of resources, including energy, water and other raw materials.	Introduced 03 July 2023
Recommendation 16.3	Directors should disclose in the Company's Annual governance Report the extent to which the company has policies for minimising the company's significant impacts on the environment and natural resources.	Introduced 03 July 2023
Recommendation 16.4	Directors should disclose in the Company's Annual governance Report the extent to which the company has policies for identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the company.	Introduced 03 July 2023

Standard 17 – Social reporting

The Company's annual governance report should contain a statement of the extent to which the company has adopted policies and practices to manage and report on its social impact and relevant metrics.

Recommendations

Recommendation 17.1	Directors should disclose in the company's annual governance report the extent to which the company has policies for compliance with relevant laws and regulations that have a significant impact on the company relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Introduced 03 July 2023
Recommendation 17.2	Directors should disclose in the company's annual governance report the extent to which the company has policies for compliance with relevant laws and regulations that have a significant impact on the company relating to providing a safe working environment and protecting employees from occupational hazards.	Introduced 03 July 2023
Recommendation 17.3	Directors should disclose in the company's annual governance report the extent to which the company has policies for improving employees' knowledge and skills for discharging duties at work.	Introduced 03 July 2023
Recommendation 17.4	Directors should disclose in the company's annual governance report the extent to which the company has policies for compliance with relevant laws and regulations that have a significant impact on the company relating to preventing child and forced labour.	Introduced 03 July 2023
Recommendation 17.5	Directors should disclose in the company's annual governance report the extent to which the company has policies for reducing the incidence of domestic and gender-based violence and its impact upon the company.	Introduced 03 July 2023
Recommendation 17.6	Directors should disclose in the company's annual governance report the extent to which the company has policies for managing environmental and social risks of the supply chain.	Introduced 03 July 2023
Recommendation 17.7	Directors should disclose in the company's annual governance report the extent to which the company has policies for compliance with relevant laws and regulations that have a significant impact on the company relating to health and safety, advertising, labelling and privacy matters relating to products and services provided.	Introduced 03 July 2023
Recommendation 17.8	Directors should disclose in the company's annual governance report the extent to which the company has	Introduced 03 July 2023

	policies for community engagement to understand the needs of the communities where the company operates and to ensure its activities take into consideration the communities' interests.	
Recommendation 17.8	Directors should disclose in the company's annual governance report the extent to which the company has policies for compliance with relevant laws and regulations that have a significant impact on the company relating to ethics and government relations (e.g. anticorruption, political spending, competitive behavior)	Note: Ethics and government relations includes, but is not limited to, anticorruption, political donations and spending, anti-competitive behavior. Introduced 03 July 2023
Recommendation 17.9	Directors should disclose in the company's annual governance report the extent to which the company has policies for promoting and supporting the return to work of employees from family duties.	Note: Supporting the return to work of employees, especially women, from family duties may include flexible working hours, child minding arrangements, work from home arrangements, etc. Introduced 03 July 2023

Definitions and Interpretation

Associate	as defined in the PNGX Listing Rules	Introduced 03 July 2023
Executive Director	is an individual that is involved in the day to day management and/ or is in full time employment of the company and /or its subsidiaries.	Introduced 03 July 2023
Independent Director	is a +Non-executive Director who: a) is not a substantial shareholder; b) is not a +related party, or a director, officer or employee of a +related party, of a substantial shareholder; c) is not an +associate, or a director, officer or employee of an +associate, of a substantial shareholder; d) is not a +related party of the CEO or +key management personnel; e) has not been employed by the company, its subsidiaries or its +associates in any executive capacity for the preceding 3 financial years; f) is not an +associate of an individual who is, or has been in the past 3 years, employed by the company, its subsidiaries or its +associates in an executive position; g) is not a material professional advisor, or a director, officer or employee of a professional advisor, to the company or its subsidiaries, other than in his capacity as Director; h) is not a material customer or supplier, or a director, officer or employee of a significant customer or supplier, of the company or its subsidiaries; i) has no material contractual relationship with the company or its subsidiaries; j) is free from any material business or other relationship with the company or its subsidiaries; k) does not receive performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the company or its subsidiaries; or l) is free from any other material business or other relationship which could be seen to materially interfere with the individual's capacity to act in an independent manner.	Introduced 03 July 2023

Key management personnel	has the meaning in International Accounting Standard IAS 24 Related Party Disclosure.	Introduced 03 July 2023
Non-executive Director	is an individual not involved in the day to day management and not a full time salaried employee of the company or its subsidiaries. An individual in the full time employment of a holding company or its subsidiaries, other that the company concerned would also be considered Non-executive Director unless such individual, by his or her conduct or executive authority could be construed to be directing the day to day management of the company and its subsidiaries.	Introduced 03 July 2023
Related party	as defined in the PNGX Listing Rules	Introduced 03 July 2023