

## CORPORATE GOVERNANCE STATEMENT 2021

The Board of Directors of Poseidon Nickel Ltd (**Poseidon, the Company**) and the entities it controls (Consolidated Entity or Group) is responsible for the corporate governance of the Group.

Poseidon has established a corporate governance framework which guides and monitors the business and operations of the Group on behalf of Shareholders by whom they are elected and to whom they are accountable. The corporate governance framework includes policies, procedures, charters and systems of control and accountability as the basis for the administration of corporate governance.

This Corporate Governance Statement dated 30 June 2021 and approved by the Board on 22 September 2021, outlines the key principles and practices of the Company which, taken as a whole, is the system of governance. Poseidon's Corporate Governance Statement can be found in the Corporate Governance section of the *Investors* section on its website at [www.poseidon-nickel.com.au](http://www.poseidon-nickel.com.au).

The Company reviews and amends its corporate governance policies as appropriate to reflect the growth of the Company, current legislation and good practice. The Company's website ([www.poseidon-nickel.com.au](http://www.poseidon-nickel.com.au)) includes copies of key corporate governance policy documents.

**COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS**

<b>Corporate Governance Recommendation</b>		<b>Recommendation followed</b>
<b>Principle 1: Lay solid foundations for management oversight</b>		
1.1	Have a Board Charter that discloses the roles and responsibilities of the Board and Management	<b>Yes</b>
1.2	Undertake appropriate checks before appointing or electing a person as director	<b>Yes</b>
1.3	Have a written agreement with each director and senior executive	<b>Yes</b>
1.4	Company Secretary to be accountable directly to Board	<b>Yes</b>
1.5	Have a Diversity Policy and report required disclosures	<b>Yes</b>
1.6	Board performance evaluation undertaken	<b>Yes</b>
1.7	Senior Executives performance evaluation undertaken	<b>Yes</b>
<b>Principle 2: Structure the Board to be effective and add value</b>		
2.1	Nomination Committee requirements met	<b>Partially</b>
2.2	Board skills matrix disclosed	<b>Yes</b>
2.3	Director Independence and tenures disclosed	<b>Yes</b>
2.4	Majority of the Board are independent directors	<b>No</b>
2.5	Chair of the Board is an independent director & not the same person as the MD	<b>Yes</b>
2.6	Director induction and ongoing training program	<b>Yes</b>
<b>Principle 3: Instil a Culture of acting Lawfully, Ethically and Responsibly</b>		
3.1	Have and disclose values	<b>No</b>
3.2	Have and disclose Code of Conduct for directors, executives, employees	<b>Yes</b>
3.3	Have and disclose a Whistleblower Policy	<b>Yes</b>
3.4	Have and disclose an Anti-Bribery & Corruption Policy	<b>No</b>
<b>Principle 4: Safeguard Integrity in corporate reports</b>		
4.1	Audit committee requirements met	<b>Partially</b>
4.2	CEO and CFO financial statement declarations received	<b>Yes</b>
4.3	Verify periodic reports that are not audited/reviewed	<b>Yes</b>
<b>Principle 5: Make Timely and Balanced Disclosure</b>		
5.1	Continuous Disclosure Policy available on website	<b>Yes</b>
5.2	Board receives a copy of all ASX announcements promptly once released	<b>Yes</b>
5.3	Investor Presentations lodged on ASX market announcements platform	<b>Yes</b>
<b>Principle 6: Respect the Rights of Security Holders</b>		
6.1	Corporate and governance information available on website	<b>Yes</b>
6.2	Investor Relations program	<b>Yes</b>
6.3	Processes to facilitate and encourage participation at shareholder meetings	<b>Yes</b>
6.4	Substantive Shareholder Resolutions determined by poll	<b>Yes</b>
6.5	Electronic shareholder communications functionality	<b>Yes</b>
<b>Principle 7: Recognise and Manage Risk</b>		
7.1	Risk Committee requirements met	<b>Partially</b>
7.2	Risk Management Framework	<b>Yes</b>
7.3	No internal audit function but internal control processes in place	<b>Yes</b>
7.4	Disclose any exposure and management of environmental & social risks	<b>Yes</b>
<b>Principle 8: Remunerate Fairly and Responsibly</b>		
8.1	Remunerate committee requirements	<b>Partially</b>
8.2	Remuneration practices disclosed	<b>Yes</b>
8.3	Remuneration policy disclosures regarding equity based remuneration	<b>Yes</b>

Recommendations	Commentary
<p><b>Principle 1:</b>  <b>Lay solid foundations for management and oversight:</b>  A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.</p>	
<p>1.1. Listed Entity should have and disclose:</p> <p>(a) The respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the Board and those delegated to management.</p>	<p>Adopted.</p> <p>This is contained within the Company's Board Charter, a copy of which is contained in the <i>Corporate Governance Policies</i> downloadable document available on the company website at <a href="http://www.poseidon-nickel.com.au">www.poseidon-nickel.com.au</a> on the Corporate Governance Page.</p>
<p>1.2. Listed Entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>Adopted.</p> <p>The Company undertakes appropriate checks prior to any director appointments.</p> <p>Upon rotation of directors at each Annual General Meeting, all relevant information is provided to security holders within the Notice of Meeting including biographical details, other material directorships, term of office and independence of directors.</p>
<p>1.3. A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>Adopted.</p> <p>All directors are appointed under an engagement letter or contract which details the terms of their appointment.</p> <p>All senior executives have a written employment agreement detailing roles and responsibilities.</p>
<p>1.4. The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>	<p>Adopted.</p> <p>The Company Secretary is accountable directly to the Board on all matters relating to the proper functioning of the Board. The Company Secretary duties include the following:</p> <ul style="list-style-type: none"> <li>- advising the Board and its Committees on corporate governance matters;</li> <li>- monitoring that the Board and Committees policy and procedures are followed;</li> <li>- coordinating the timely completion and despatch of Board and Committee papers;</li> <li>- Ensuring that business at board and committee meetings is accurately captured in minutes; and</li> <li>- Helping to organise and facilitate induction and professional development of directors.</li> </ul>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy</p> <p>(b) through its board or a committee of the board set</p>	<p>Adopted.</p> <p>The Company has a diversity policy, a copy of which is contained in the <i>Corporate Governance Policies</i> downloadable document available on the company website at <a href="http://www.poseidon-nickel.com.au">www.poseidon-nickel.com.au</a> on the Corporate Governance Page which documents the Company's commitment to</p>

<p>measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>workplace diversity and recognises the benefits arising from the recruitment, development and retention of a talented, diverse and motivated workforce.</p> <p>Responsibility for review of all matters contained within the Diversity Policy rests with the Board as a whole and is reflected accordingly in its Charter.</p> <table border="1" data-bbox="584 398 1487 584"> <thead> <tr> <th></th> <th colspan="2">2021</th> <th colspan="2">2020</th> </tr> <tr> <th></th> <th>Female</th> <th>Male</th> <th>Female</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>20%</td> <td>80%</td> <td>25%</td> <td>75%</td> </tr> <tr> <td>Senior Executive</td> <td>0%</td> <td>100%</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Other*</td> <td>31%</td> <td>69%</td> <td>43%</td> <td>57%</td> </tr> </tbody> </table> <p>* Company Secretary Consultant and on site caretakers included</p> <p><u>Measurable Objectives</u></p> <ul style="list-style-type: none"> <li>- To implement strategies to address any gender pay equity gaps: <ul style="list-style-type: none"> <li>• To The Company's remuneration practises as monitored by the Nomination, Remuneration and Diversity Committee are capability, responsibility and performance based.</li> </ul> </li> <li>- To implement reporting procedures to ensure that prospective employees are interviewed by an interview panel: <ul style="list-style-type: none"> <li>• The Nomination, Remuneration and Diversity Committee follows the Company's internal prepared selection practice with the full Board including the Managing Director/CEO making the final selection.</li> </ul> </li> <li>- To provide flexible work and salary arrangements to accommodate personal commitments, study and self-improvement, and cultural traditions of current and potential employees: <ul style="list-style-type: none"> <li>• The Company, without prejudice and within reason will accommodate requests for flexible working arrangements.</li> </ul> </li> <li>- To provide relevant and challenging professional development and training opportunities for all employees: <ul style="list-style-type: none"> <li>• The Company seeks to encourage all employees to participate in external and internal training courses, staff meetings and on the job training.</li> </ul> </li> <li>- To adopt and always promote the Diversity Policy: <ul style="list-style-type: none"> <li>• The Company's Diversity Policy is made available to all Directors, senior management and employees as well as to Shareholders and the general public through disclosure on the Company's website.</li> </ul> </li> </ul>		2021		2020			Female	Male	Female	Male	Board	20%	80%	25%	75%	Senior Executive	0%	100%	0%	100%	Other*	31%	69%	43%	57%
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<p>1.6. A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>Adopted.</p> <p>Improvement in Board processes and effectiveness is a continuing objective and the primary purpose of annual Board evaluation is to identify ways to improve performance.</p> <p>The Company has developed a process for performance evaluation as reflected in the Board Charter and Performance Evaluation Policies of the Company. This includes evaluations of the Board, Committees, individual Directors and the Chairman of the Board. Performance discussions have occurred in the 2021 financial year. The process included the completion of individual questionnaires, the responses of which were then collated and discussed by Committees.</p>																									

<p>1.7. A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>Adopted.</p> <p>The Company reviews the performance of the CEO and CFO each year.</p> <p>Open discussion on management performance takes place at Board level.</p>
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## Principle 2

### Structure the Board to be effective and add value:

The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

<p>2.1 The Board of a listed entity should:</p> <p>(a) Have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director;</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met through the period and the individual attendances of the members at those meetings; or</p> <p>(b) If it does not have a nomination committee disclose that fact and the processes it employs to address board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>Partially Adopted.</p> <p>The Company has a Remuneration, Nomination and Diversity Committee. The responsibilities of this Committee are detailed in the Committee Charter.</p> <p>Mr Derek La Ferla chairs this Committee. The Board considers that, given the importance of board composition, it is appropriate that all members of the Board are members of the Committee. However the majority of the committee is not independent as the only independent members are Mr La Ferla and Mr Muccilli.</p> <p>The number of meetings of this Committee during the reporting period and the names on the attendance record is set out in the Directors' Report of the Poseidon Nickel Ltd Annual Report 2021.</p> <p>A copy of the Company's Remuneration, Nomination and Diversity Committee Charter is contained within the <i>Corporate Governance Policies</i> downloadable document available on the company website at <a href="http://www.poseidon-nickel.com.au">www.poseidon-nickel.com.au</a> on the Corporate Governance Page.</p>
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2.2. A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

Adopted.

Skill sets represented at Board level include managerial, technical, financial, corporate, legal and commercial. Particularly, members have a broad range of experience and expertise.

Skill / Competency	Derek La Ferla	Peter Harold	Felicity Gooding	Dean Hildebrand	Peter Muccilli
Accounting and financial acumen/Auditing	✓	✓	✓	✓	
Governance	✓	✓	✓		
Leadership	✓	✓	✓	✓	✓
Industry knowledge	✓	✓	✓		✓
Nickel Marketing		✓			✓
Mining - Exploration		✓			✓
- Metallurgy		✓			✓
- Development/Construction		✓			✓
- Production		✓			✓
Business Management	✓	✓	✓		✓
Strategic Planning	✓	✓	✓	✓	✓
Capital Raising/Corporate Finance	✓	✓	✓	✓	
Legal	✓	✓			
Mergers and Acquisitions/JVs	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓		✓
Measure Executive/KMP performance	✓	✓			
Business Development	✓	✓	✓	✓	✓
Sustainability/Environmental	✓	✓	✓		✓

Directors are encouraged to undertake continuing education relevant to the discharge of their obligations as directors of the Company. Reasonable cost of such education is met by the Company. Directors are also regularly briefed on any changes to legislation and practices relevant to the business.

2.3. A listed entity should disclose:  
 (a) the names of the directors considered by the Board to be independent directors;  
 (b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and  
 (c) the length of service of each director.

Adopted.

Currently there are only two Independent Directors:

- Mr Derek La Ferla, appointed to the Board on 1 December 2019, serving one year and seven months
- Mr Peter Muccilli, appointed to the Board on 3 August 2020, serving eleven months

The Board does not believe that any director has served on the Board for a period which could, or be perceived to, materially interfere with his ability to act in the best interests of the Company.

2.4. A majority of the Board of a listed entity should be independent directors.

Not Adopted.

Currently only Derek La Ferla and Peter Muccilli are independent, which is 40% of the Board.

<p>2.5. The chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>Adopted.</p> <p>The Chairman of the Board is Derek La Ferla, and he has been determined as an independent director.</p> <p>The Chair of the Board and the CEO are not the same person.</p>
<p>2.6. A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively</p>	<p>Adopted.</p> <p>There is an induction program in place for any new directors which includes the commitment of the Company to provide and support any required professional development.</p>

### Principle 3

#### Instil a culture of acting lawfully, ethically and responsibly.

A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

<p>3.1. A listed entity should articulate and disclose its values.</p>	<p>Not Adopted.</p> <p>The Company is currently determining and refining its Mission, Vision and Values. Upon finalisation they will be disclosed on the Company's website.</p>
<p>3.2. A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	<p>Adopted.</p> <p>The Company has a Directors' and Executive Officers' Code of Conduct and a Code of Business Conduct, both of which are contained within the <i>Corporate Governance Policies</i> downloadable document available on the company website at <a href="http://www.poseidon-nickel.com.au">www.poseidon-nickel.com.au</a> on the Corporate Governance Page.</p>
<p>3.3. A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>Adopted.</p> <p>The Company has a Whistleblower Policy which is contained within the <i>Corporate Governance Policies</i> downloadable document available on the company website at <a href="http://www.poseidon-nickel.com.au">www.poseidon-nickel.com.au</a> on the Corporate Governance Page.</p> <p>Any material incidents are required to be reported to the Board. There have been no incidents in the reporting period.</p>
<p>3.4. A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>	<p>Not Adopted.</p> <p>The Company is developing an Anti-Bribery and Corruption Policy, as part of an overall review and update of Company corporate governance policies and charters.</p>

## Principle 4

### Safeguard the Integrity of corporate reports.

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

<p>4.1. The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the Board;</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the member at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>Partially Adopted.</p> <p>The Audit and Risk Committee assists the Board in discharging its responsibilities to ensure that the Company complies with appropriate and effective accounting, auditing, internal control and compliance and reporting practices in accordance with the Audit and Risk Committee Charter. Details of the Risk responsibilities are in section 7.1</p> <p>The audit role of the Audit and Risk Committee is detailed in the Audit and Risk Committee Charter.</p> <p>The Audit and Risk Committee comprises four members, with only two members being Independent Non-executive Directors. The current members of the Audit and Risk Committee are:</p> <ul style="list-style-type: none"><li>• Felicity Gooding – Committee Chairperson, Non-Executive Director (not independent)</li><li>• Derek La Ferla, Non-Executive, Independent Company Chairman (Independent)</li><li>• Dean Hildebrand, Non-Executive Director (not independent)</li><li>• Peter Muccilli, Non-Executive Director (Independent)</li></ul> <p>The relevant qualifications and experience of the members of the Audit and Risk Committee can be found in their biographical information, which is included in the Directors' Report.</p> <p>The Audit and Risk Committee meets at least three times a year and at any other time requested by a Board member, Company Secretary or external auditor. The external auditors attend each meeting and on other occasions where circumstances warrant.</p> <p>At the discretion of the Chairman, having regard to the nature of the agenda, relevant members of management may be invited to attend meetings. The number of meetings of the Audit and Risk Committee during the reporting period and the names on the attendance record is set out in the Directors' Report of the Poseidon Nickel Ltd Annual Report 2021.</p> <p>The external auditors can meet with the Audit and Risk Committee without management present at any meeting and as a standing agenda item at the August meeting.</p> <p>The charter of the Audit and Risk Committee is contained within the <i>Corporate Governance Policies</i> downloadable document available on the company website at <a href="http://www.poseidon-nickel.com.au">www.poseidon-nickel.com.au</a> on the Corporate Governance Page.</p>
<p>4.2. The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the</p>	<p>Adopted.</p> <p>Upon approval of all financial statements, the Board receives a copy of the CEO and CFO declaration which covers the items required in principle 4.2</p>

<p>appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	
<p>4.3. A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>Adopted.</p> <p>Any unaudited periodic reports have several levels of review and checking, including the an external CA qualified accountant consultant, the CFO and the Company Secretary.</p>
<p><b>Principle 5</b>  <b>Make Timely and Balanced Disclosure</b>  A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</p>	
<p>5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<p>Adopted.</p> <p>Poseidon is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal and timely access to material information concerning the Company.</p> <p>The Company understands and respects that timely disclosure of price sensitive information is central to the efficient operation of the ASX's securities market and has adopted a Continuous Disclosure &amp; Communication Policy with underlying procedures covering public announcements, the prevention of selective or inadvertent disclosure, conduct of investor and analysts briefings, and media communications.</p> <p>Directors and management are committed to promoting consistent disclosure practices aimed at accurate, timely and broadly disseminated disclosure of material information to the market.</p> <p>The Company publishes its Continuous Disclosure Policy within the Corporate Governance Policies downloadable document available on the company website at <a href="http://www.poseidon-nickel.com.au">www.poseidon-nickel.com.au</a> on the Corporate Governance Page. This policy is regularly reviewed and updated.</p>
<p>5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	<p>Adopted.</p> <p>All Board members receive a copy of all announcements upon release to the market.</p>
<p>5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	<p>Adopted.</p> <p>All Investor presentations are lodged with ASX to be released to the market.</p>

## Principle 6

### Respect the Rights of Security Holders

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

<p>6.1. A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>Adopted.</p> <p>The Company currently has a Corporate Governance page on its website providing links to constitution, charters, and corporate governance policies. Details of directors can be found on the <i>Board of Directors</i> page of their website <a href="http://www.poseidon-nickel.com.au">www.poseidon-nickel.com.au</a></p>
<p>6.2. A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p>	<p>Adopted.</p> <p>The Company places a high priority on communications with, and accountability to, shareholders. The Board recognises that shareholders, as the ultimate owners of the Company, are entitled to receive timely and relevant high quality information about their investment. Similarly, prospective investors should be able to make an informed decision when considering the purchase of shares in Poseidon.</p> <p>Information is communicated to shareholders by:</p> <ul style="list-style-type: none"><li>• ensuring the disclosure of full and timely information about the Company's activities in accordance with the general and continuous disclosure principles in the ASX Listing Rules, the Corporations Act in Australia;</li><li>• providing detailed reports from the Chairman, the Managing Director and other senior executives at the Annual General Meeting (AGM);</li><li>• placing all material information released to the market (including notices of meeting and explanatory materials) on the Company's website as soon as practical following release;</li><li>• placing the Company's market announcements and financial data on its website.</li></ul> <p>In addition, the website includes a facility to allow interested parties to <i>Register for Updates</i> by subscribing to receive electronically, public releases and other relevant material concerning the Company. There are also contact details if shareholders wish to contact the Company or its security registry with any queries.</p> <p>The Company's Communications Strategy is contained within the <i>Corporate Governance Policies</i> downloadable document available on the company website at <a href="http://www.poseidon-nickel.com.au">www.poseidon-nickel.com.au</a> on the Corporate Governance Page.</p>
<p>6.3. A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	<p>Adopted.</p> <p>Shareholders are encouraged to attend AGMs and ask questions of directors, senior management and the Company's external auditors, who are required to be in attendance. In the event that shareholders are unable to attend meetings, they are encouraged to lodge proxies signifying their approval or otherwise of the business to be considered. Shareholders are able to directly lodge their votes online via the Computershare investor portal (the Company's share registry) voting platform.</p>
<p>6.4. A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	<p>Adopted.</p> <p>All resolutions at Shareholder meetings are determined by a poll since the 2020 AGM.</p>

<p>6.5. A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>Adopted.</p> <p>Welcome pack to all new shareholders provides these options to receive communications electronically. This option is also available to existing shareholders upon contacting the share registry, Automic.</p>
<p><b>Principle 7</b>  <b>Recognise and Manage Risk</b>  A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</p>	
<p>7.1. The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director; and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>Partially Adopted.</p> <p>The Company has an Audit and Risk Committee, which comprises four members, of which only two are Independent Non-executive Directors. The current members of the Audit and Risk Committee are:</p> <ul style="list-style-type: none"> <li>• Felicity Gooding – Committee Chair, Non-Executive Director (not independent)</li> <li>• Derek La Ferla, Non-Executive, Independent Company Chairman (Independent)</li> <li>• Dean Hildebrand, Non-Executive Director (not independent)</li> <li>• Peter Muccilli, Non-Executive Director (Independent)</li> </ul> <p>A copy of the Audit and Risk Committee Charter is within the <i>Corporate Governance Policies</i> downloadable document available on the company website at <a href="http://www.poseidon-nickel.com.au">www.poseidon-nickel.com.au</a> on the Corporate Governance Page.</p> <p>The Company has established policies on risk oversight and management and has a risk management and internal control system to manage the Company's material business risks. The Company has developed its risk management policy in line with the implementation of the risk management system and a risk management framework.</p> <p>The Company's Risk Management Policy is to identify, assess, evaluate, monitor and mitigate risks which are considered unacceptable to the Company. The Company Secretary is the Risk Officer responsible for the management of the Risk Management Framework and process.</p> <p>Whilst all personnel have a responsibility to identify and report to management risks which may materially affect the Company, the Managing Director has the overall responsibility for the management of risk in the Company.</p>
<p>7.2. The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>Adopted.</p> <p>The risk management system is designed and implemented by the Company Secretary and Chief Financial Officer, with assistance from senior executives, and is subject to review by the Managing Director and Audit and Risk Committee on a regular basis.</p> <p>The Risk Management Framework was not reviewed in the 2021 financial year, with a review to take place by December 2021.</p>

<p>7.3. A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>Adopted.</p> <p>The Company does not have an internal audit function. Financial and Operating Risks are addressed through individual approved policies and procedures covering financial, contract administration, and safety and environmental activities of the Company. The Company engages an insurance brokering firm as part of the Company’s annual assessment of the coverage for insured assets and risk. The result of these reviews are reported to the Board at least annually.</p>
<p>7.4. A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Adopted.</p> <p>The Company has material exposure to economic and social risks through its exploration and operational activities.</p> <p>During the year the Company engaged an external consultant to review the Company’s Environmental Social and Governance (ESG) Framework and to create an ESG Policy and Procedure and reporting process to assist in the management of these risks. This work is ongoing and it is expected that the Company’s ESG Framework will be finalised and available on the Company’s website by December 2021.</p>
<p><b>Principle 8</b>  <b>Remunerate Fairly and Responsibly:</b>  A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity’s values and risk appetite.</p>	
<p>8.1. The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director;</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the</p>	<p>Partially Adopted.</p> <p>Poseidon has a Remuneration, Nomination and Diversity Committee. The Remuneration responsibility of the Committee is to assist the Board with respect to remuneration by reviewing and making appropriate recommendations on:</p> <ul style="list-style-type: none"> <li>• remuneration packages of executive Directors, Non-executive Directors and senior executives; and,</li> <li>• employee incentive and equity based plans including the appropriateness of performance hurdles and total payments proposed.</li> </ul> <p>The policies and practices regarding remuneration and the remuneration paid to directors and senior executives are shown in the Remuneration Report, forming part of the Directors’ Report of the Poseidon Nickel Ltd Annual Report 2021.</p> <p>The Remuneration, Nomination and Governance Committee comprises four members, of which only two are considered independent - Derek La Ferla and Peter Muccilli. Mr La Ferla is also the Chairman of the Committee.</p> <p>The number of meetings of the Committee during the reporting period and the names on the attendance record are set out in the Directors’ Report of the Poseidon Nickel Ltd Annual Report 2021.</p>

<p>processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	
<p>8.2. A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Adopted. This is contained within the remuneration report of the Annual Report.</p>
<p>8.3. A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Adopted. The Company adopted a new Incentive Performance Rights and Options Plan which was approved by Shareholders at the 2020 AGM. This plan prohibits from entering into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure, to their Performance Rights or Options.</p>

Corporate Governance Statement date: 30 June 2021

Approved by the Board on: 22 September 2021