

2021 Corporate Governance Statement

provided pursuant to ASX Listing Rule 4.10.3

A fourth edition of the ASX Corporate Governance Principles and Recommendations came into effect 1 January 2020.

This Corporate Governance Statement (**CGS**) is provided by the Directors of Bougainville Copper Limited, a company incorporated in Papua New Guinea A.R.B.N. 007 497 869 (**Company**) (ASX: BOC) pursuant to ASX Listing Rule 4.10.3 and reports against the ASX Corporate Governance Council's '*Corporate Governance Principles and Recommendations*' 4th Edition, including the eight principles and 35 specific recommendations included therein (**Recommendations**). This CGS was approved by a resolution of the Board of the Company dated 31 March 2021 and is effective as at 31 March 2021 and is in addition to and supplements the Company's Appendix 4G which is lodged with the ASX together with this CGS. The following describes how the Company complies with the eight principles of the Recommendations.

Principle 1: Lay solid foundations for management and oversight

| ASX Recommendation | Complied | Comment |
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| <p>1.1 A listed entity should have and disclose a board charter setting out:</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> | Yes | <p>(a) The Company has adopted a Board Charter (available at www.bcl.com.pg/charters-important-documents/), which underpins the strategic guidance and effective management oversight provided by the Board. The Board Charter discloses specific responsibilities and functions of the Board and provides for the division of responsibility between the Board and management by formal delegation and a system of Board reserved powers. The Company is an independently managed Papua New Guinea company with its key management comprising of a General Manager/Company Secretary and a Community Relations Consultant under a consultancy services agreement. The Company has two Senior Project Officers, of which one is permanently based in Bougainville. The Company has scaled operations to manage delivery of community projects in the project affected area. The Chairman of the Board also acts as the Managing Director. The General Manager reports directly to the Chairman of the Board acting in the role of Managing Director.</p> <p>The Board reviews the Board Charter on an annual basis. The roles and responsibilities of the Board, the Company's chairman, directors and management are outlined in various sections of this CGS and in the Company's Board Charter</p> <p>(b) The Board is responsible for setting and reviewing the strategy and business plans of the Company, and for monitoring the performance of the Company against these plans. The directors also monitor compliance with policies prescribed by the Board in areas such as code of conduct, workplace health and safety, environment, business integrity, internal control and risk management. These policies are designed to ensure that the Company complies with the regulatory requirements governing its</p> |

operations. Without intending to limit this general role of the Board, the specific functions and responsibilities of the Board include those matters particularised in the Company's Board Charter. Management is separately responsible for the ongoing management of the Company in accordance with the strategy and business plans approved by the Board as outlined in the Company's Board Charter. While the Company is transitioning to a more active operational status the position of Managing Director is fulfilled by the Chairman of the Board. The General Manager reports directly to the Chairman of the Board acting in the role of Managing Director. In carrying out its responsibilities and powers, the Board at all times recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the Company's shareholders and all other stakeholders.

1.2

A listed entity should:

Yes

- (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and
- (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

- (a) The Company undertakes such checks as it considers appropriate in order to verify a person's character, experience, education and background prior to their appointment or re-appointment as a director, or putting them forward to shareholders as a candidate for election or re-election as a director.

The Company has a Remuneration and Nomination Committee. The Remuneration and Nomination Committee reviews director competencies, Board succession planning and director selection and nominations, which are all carried out in accordance with the Remuneration and Nomination Committee Charter. The Remuneration and Nomination Committee Charter is available at www.bcl.com.pg/charters-important-documents/.

The members of the Remuneration and Nomination Committee are Sir Rabbie Namaliu (Chairman), Dame Carol Kidu, Sir Moi Avei and David Osikore. The Company Secretary is available to attend meetings. Members of the Remuneration and Nomination Committee display strong business acumen.

- (b) The Company provides shareholders with all material information in its possession relevant to its decision on whether to elect or re-elect a director as part of the information circular for each annual general meeting of the Company.

Prior to the nomination of a prospective director for election or re-election, the Board obtains from the prospective candidate:

- details of other commitments of the candidate and an indication of time involved; and
- an acknowledgement to the Company that the candidate will have sufficient time to fulfil the responsibilities as a director.

When a candidate stands for election or re-election as a director, the following information is provided to shareholders on the Company's website and in the Directors Report within the Company's Annual Report at pages 14 and 15, to enable shareholders to make an informed decision in relation to that vote:

- biographical details, including relevant qualifications and experience and the skills the candidate will bring to the Board;
- details of any other material directorships currently held by the candidate;

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| | | | <ul style="list-style-type: none"> • details of any relationship between the candidate and the Company, and the candidate and the directors of the Company; • if the candidate is standing for re-election the term of office currently served by the director; and • any other particulars required by law. |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | Yes | <p>At the time of joining the Company, directors and senior executives are provided with and enter into written agreements setting out the terms of their appointment.</p> <p>(i) Directors – are provided with and enter into letters of appointment outlining their duties and responsibilities.</p> <p>(ii) Senior Executives – The Company retains the services of management under contracts of employment and a consultant under a consultancy services agreement.</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. | Yes | The Company Secretary is accountable directly to the Board through the Chairman of the Board. Responsibilities of the Company Secretary include providing advice and support to the Board and its committees, managing the day-to-day governance of the Company and assisting with all matters to do with the proper functioning of the Board. The Company Secretary's role includes the responsibility for governance, administrative and legislative matters including ensuring that the Board's processes, procedures and policies are run efficiently and effectively. The Company Secretary has a direct line of communication with each director. The appointment of the Company Secretary is approved by resolution of the Board. |
| 1.5 | <p>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 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 style="padding-left: 20px;">a. the respective proportions of men and women on the board, in senior</p> | <p>Yes</p> <p>No for Recommendation 1.5(c) only</p> | <p>(a) The Board has adopted a Diversity and Inclusion Policy (available at www.bcl.com.pg/company-policies/), which outlines the Company's commitment to ensuring a diverse mix of talent and skills amongst its directors, officers and employees to enhance the Company's financial performance.</p> <p>(b) The Board recognises the importance of diversity to corporate success and considers diversity when appointing people to the Board or contracting their services. The Diversity and Inclusion Policy details the Board's commitment to engaging directors, contracting management and employees with the best mix of qualifications, skills and experience to develop a cohesive team to achieve business success regardless of gender, age or cultural background.</p> |

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| | <p>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>If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p> | | <p>(c) (1) (2) Given the size of the Board, the limited operational status of the Company and the challenging labour market in Papua New Guinea, the Board considers that it is not practical to set measurable objectives for achieving gender diversity as recommended by Recommendation 1.5(c)(1). Furthermore, whilst gender diversity is important, the priority for the Company when recruiting is the diversity of experience, background and nationality. As the Company’s operations develop, it will consider adopting and setting measurable objectives for achieving gender diversity.</p> <p>(c) (3) (a) In terms of the representation of women in the organisation, the Company has one female director, Dame Carol Kidu and five (5) of the eighteen (18) full time employees are female.</p> <p>(c) (3) (b) The Company is not a ‘relevant employer’ under the <i>Workplace Gender Equality Act 2012</i> (Cth) because it is not a registered higher education provider or an employer of 100 or more employees in Australia.</p> <p>The Company was not part of the S&P/ASX 300 Index at the commencement of the reporting period.</p> |
| 1.6 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | Yes | <p>(a) The Board has a practice of annual self-assessment.</p> <p>The process of evaluation and self-assessment takes the form of a questionnaire completed by each of the directors. Following collation, the results and the adequacy and appropriateness of the self-assessment process are considered and discussed by the directors at the next Board meeting, and follow-up actions are determined.</p> <p>The Chairman of the Board is responsible for performing the collation and review of individual directors’ responses and presents the results to the Board for discussion and action.</p> <p>(b) In 2020, the Board performed its annual evaluation in accordance with the process described above, which:</p> <ul style="list-style-type: none"> • considered the performance of the directors and the Board and the adequacy of the Board’s structures and processes, including the Board Charter; • considered goals and objectives of the Board for the upcoming year; and • considered whether any improvements or changes to the Board structures and processes, including the Board Charter, Audit and Risk Committee Charter, and Remuneration and Nomination Committee Charter were necessary or desirable. <p>The last review of self-assessment by the Board was concluded in March 2021.</p> |
| 1.7 | <p>A listed entity should:</p> | Yes | <p>(a) The senior executives of the Company have employment contracts or consultancy service agreements that clearly set out the roles and responsibilities, and the Company’s expectations in terms of</p> |

- (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
- (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.

performance. The Chairman of the Board in the capacity as Managing Director conducts an annual performance review of the senior executives in accordance to the documented expectations and prepares a report on the outcome of those reviews and recommendations regarding salary reviews, to the Remuneration and Nomination Committee. Each senior executive is provided with feedback on their performance and if required a development plan is agreed to support and align the ongoing contribution of that senior executive to the needs of the business.

- (b) Performance reviews for the senior executives were conducted during the reporting period in accordance with the process described above.

Principle 2: Structure the board to be effective and add value

| ASX Recommendation | Complied | Comment |
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| <p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or | Yes | <p>(a) The Company has a Remuneration and Nomination Committee. The Remuneration and Nomination Committee reviews Board succession planning, oversees the selection, appointment and re-appointment of directors to the Board, in accordance with the Remuneration and Nomination Committee Charter. Where appointments are for senior executives, the Remuneration and Nomination Committee will make recommendations to the Board.</p> <p>(1) (2) (4) The members of the Remuneration and Nomination Committee are Sir Rabbie Namaliu (Chairman), Dame Carol Kidu, Sir Moi Avei and David Osikore. The Company Secretary is available to attend meetings. All members of the Remuneration and Nomination Committee are independent directors and display strong business acumen.</p> <p>(3) The Remuneration and Nomination Committee has adopted a formal charter which sets out the role and terms of reference of the Remuneration and Nomination Committee and the charter is reviewed regularly. The Remuneration and Nomination Committee Charter is available at www.bcl.com.pg/charters-important-documents/</p> <p>(5) The Remuneration and Nomination Committee held four scheduled meeting in 2020, and the attendance details of the 2020 meeting of the Remuneration and Nomination Committee are set out in the table below.</p> |

| Director | Meetings attended | Meetings whilst in office |
|---|-------------------|---------------------------|
| Sir Rabbie Namaliu (Committee Chairman) | Four | Four |

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| Dame Carol Kidu | Three | Four |
| Sir Moi Avei | Four | Four |
| David Osikore | Four | Four |

(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.

(b) Not applicable

2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

Yes

The Board determines the procedure for the selection and appointment of new directors and the re-election of incumbents in accordance with the Company's Constitution and having regard to the ability of the individual to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.

Qualification for Board membership is related to the mix of skills and knowledge that the Board considers will best serve the interests of the Company and all of its shareholders. The Board seeks a mix of skills suitable for a Papua New Guinea, Bougainville based resources company. The mix of skills comprised in the current Board, and that the Board would look to maintain, and build on, includes:

- mining and production industry expertise;
- expertise in management and governance;
- high level of business acumen;
- technical expertise;
- ability to think and plan strategically;
- relevant team oriented behavioural characteristics (such as effective communicators and listeners); and
- Papua New Guinea and Bougainville cultural, community, social and political knowledge and expertise.

The mix of skills of the current Board is set out in the Company's annual report on pages 14 and 15.

2.3

A listed entity should disclose:

Yes

(a) The Board consists of six directors, of which Sir Rabbie Namaliu, Dame Carol Kidu, Sir Moi Avei, Peter Graham and David Osikore are independent non-executive directors. Sir Melchior Togolo is the Chairman and Managing Director. Each of the five independent directors are not in any other relationship

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| | <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p> | | <p>with the Company which would affect their independent status, nor involved in the management of the Company and are not substantial shareholders of the Company.</p> <p>(b) Not applicable.</p> <p>(c) The directors were appointed to the Board as follows:</p> <ul style="list-style-type: none"> • Sir Melchior Pesa Togolo - 20 October 2017 • Sir Rabbie Langanai Namaliu - 2 March 2011 • Ms Dame Carol Anne Kidu - 9 August 2012 • Sir Moi Avei - 12 September 2016 • Mr Peter Maxwell Graham - 20 October 2017 • Mr David Osikore - 23 August 2019 <p>Directors appointed by the Board are required by the Company's Constitution to submit themselves for election for a further three years, by shareholders at the annual general meeting following their appointment.</p> <p>Directors are subject to retirement by rotation at least every three years in accordance with the Company's Constitution, but may offer themselves for re-election anytime in the ensuing three years. There is no share ownership qualification for appointment as a director.</p> |
| <p>2.4</p> | <p>A majority of the board of a listed entity should be independent directors.</p> | <p>Yes</p> | <p>The Board consists of six directors, five of which are independent non-executive directors. The Board composition is described in the table above in 2.3. The majority of the Board are independent directors.</p> <p>For the purposes of determining a director's independence, the Board considers the following factors:</p> <ul style="list-style-type: none"> • whether within the last three years the director or a close family member is or has been employed in an executive capacity or part of the executive management of the Company or any of its child entities (if applicable); • whether the director receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of the Company; • whether within the last three years the director or a close family member has a material contractual relationship with the Company or any of its child entities (if applicable) other than as a director, the director's cross directorships or significant links with or involvement in other companies; • whether within the last three years the director or a close family member has had, either directly or indirectly and whether as principal, employee or consultant, a material (more than 2% of the Company's or the counterparty's consolidated gross revenue per annum) business relationship with the Company or any of its child entities (if applicable), whether as an auditor, professional adviser, supplier or customer, or associated with someone with such a relationship; • the director's length of service on the Board; and |

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| | | | <ul style="list-style-type: none"> whether within the last three years the director or a close family member is, represents, or is, or has been an officer or employee of, or professional adviser to a substantial holder. <p>All directors are required to, and do, bring independent judgment to bear on Board decisions and act in accordance with their statutory duties of good faith and proper purpose, and in the interests of all shareholders.</p> <p>Any contracts which may exist or be entered into from time to time in the ordinary course of business between the Company and any company in which a director has declared an interest will be reviewed for materiality to both the Company and the other party to the contract.</p> <p>All related party transactions, have been determined by the independent directors to be in the best interest of the Company.</p> <p>The directors can seek independent professional advice, at the Company's expense, in furtherance of their duties. The Board has adopted a procedure for directors wishing to seek such advice to do so by arrangement with the Company Secretary.</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. | No | The Board considers that its existing practices in having the Chairman fulfil the role of Managing Director is satisfactory to allow the Company to properly fulfil its responsibilities effectively and is appropriate given the size of the Board, the Company's current ownership structure and the limited operational status of the Company's operations. The Board will continue to monitor and review the Managing Director role and will appoint a CEO where operationally desirable and strategically appropriate. |
| 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. | Yes | <p>Directors receive formal appointment letters setting out, amongst other things, the expectations of their appointment as described in our response to Recommendation 1.3.</p> <p>Incoming directors receive an induction to ensure they have a working knowledge of the Company, the political climate of the region in which its assets are situated, its culture and values and the metal mining industry. All directors are expected to maintain the skills required to effectively discharge their obligations to the Company and are provided with resources to help develop and maintain their skills and knowledge. Directors are encouraged to pursue and participate in appropriate continuing education and professional development opportunities so as to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p> <p>Directors are provided with Board papers prepared by management prior to each Board meeting. These papers include an update from Company management, financial information and other strategy related documents. The directors also receive ongoing briefings on developments in laws, regulations and accounting standards.</p> |

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

| Recommendation | | Complied | Comment |
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| 3.1 | A listed entity should articulate and disclose its values. | Yes | <p>The Company values are outlined in the Company's Code of Conduct which acts as a meaningful statement of the way the Company and individuals do business. The Core values are:</p> <ul style="list-style-type: none"> • acting with integrity and honesty; • continuously pursuing high performance; • working effectively together; and • caring about people |
| 3.2 | <p>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> | Yes | <p>(a) The Company has a Code of Conduct which applies to all directors, officers, employees, consultants and contactors. The Code of Conduct is available online at www.bcl.com.pg/Company-Policies/ and a copy of each policy, code and charter is available in the investors page on the Company's website www.bcl.com.pg</p> <p>The Code of Conduct promotes business practices to maintain the Company's integrity and reflects the Company's commitment to ethical and responsible decision-making. It is a meaningful statement of the Company's core values and is promoted as such across the Company and reinforced by proper training and proportionate disciplinary action if it is breached. The Company's directors, senior executives, employees, consultants and contractors are required to comply with this policy when dealing with each other, shareholders, customers and the broader community. All consultants and contractors are required to maintain high standards of ethical behaviour in the execution of their duties and comply with all applicable laws and regulations in Papua New Guinea and in every other country in which the Company engages in business.</p> <p>Other policies, codes and charters adopted by the Company which provide a framework for decisions and actions in relation to ethical conduct in employment include:</p> <ul style="list-style-type: none"> • Audit and Risk Committee Charter; • Remuneration and Nomination Committee Charter; and • Business Integrity Policy. <p>(b) The Company has established a system for reporting violations of the Code of Conduct. Reports are prepared in writing to the Company Secretary.</p> |
| 3.3 | A listed entity should: | Yes | <p>(a) The Company's whistleblower policy (Tok Out) is available online at www.bcl.com.pg/Company-Policies/.</p> |

- (a) have and disclose a whistleblower policy; and
- (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

The Company is committed to fostering a culture of trust in an environment that encourages reporting of misconduct and unethical behaviour and providing protection to those who speak out. The policy encourages employees to speak up about any unlawful, unethical or irresponsible behaviour within the organisation and applies to employees, suppliers of goods and services, directors and officers and relatives of the individuals listed. The policy provides protection to anyone that raises concerns under the policy through confidentiality, and protection from retaliation

- (b) The Company has established a system for reporting the number, type and jurisdiction of concerns raised under the whistleblower (Tok Out) policy. Summaries are provided to the Audit and Risk Committee on a no names basis.

3.4

A listed entity should:

Yes

- (a) have and disclose an anti-bribery and corruption policy; and
- (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

- (a) The Company's anti-bribery and corruption policy can be found in Part 4(b) of the Company's Code of Conduct which is available online at www.bcl.com.pg/Company-Policies/
- (b) The Company has established a system for reporting violations of the Code of Conduct. Reports are prepared in writing to the Company Secretary.

Principle 4: Safeguard the integrity of corporate reports

| Recommendation | Complied | Comment |
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| <p>4.1 The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) have an audit committee which: <ul style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: <ul style="list-style-type: none"> (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or | Yes | <p>(a) (1) (2) The Company has an Audit and Risk Committee, which is appointed by the Board and is comprised of three directors. The Audit and Risk Committee provides the transparency, focus and independent judgement needed to oversee the Company's corporate reporting process. The present members of the Audit and Risk Committee are, Managing Director Melchior Togolo and two independent non-executive directors, Peter Graham (committee chairman) and Sir Moi Avei. The Company Secretary and external auditors are available to attend meetings. All members of the Audit and Risk Committee are financially literate.</p> <p>Two of the three directors are non-executive independent directors being Peter Graham (committee chairman) and Sir Moi Avei. The Company considers that the majority of the Audit and Risk Committee are independent directors and that this is satisfactory to allow the Audit and Risk Committee to properly fulfil its responsibilities effectively and is appropriate given the Company's current ownership structure and the limited operational status of the Company's operations. The Company will continue to monitor and review the Audit and Risk Committee's membership and will appoint committee members where operationally desirable and strategically appropriate.</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.

(a) (3) The Audit and Risk Committee has adopted a formal charter which sets out the role and terms of reference of the Audit and Risk Committee and is reviewed regularly. The Audit and Risk Committee Charter is available at www.bcl.com.pg/charters-important-documents/, and includes information on the requirements for selecting an external auditor.

(a) (4) The qualifications and experience of the committee members is outlined in the Directors' Report on pages 14 and 15 of the 2020 Annual Report.

The Audit and Risk Committee provides a formal structure for reviewing the Company's financial statements, accounting policies, control systems, risk management practices, taxation issues, and for liaison with the external auditors. The Audit and Risk Committee also reviews the adequacy of external audit arrangements on an annual basis.

The Audit and Risk Committee advises the Board of any matters that might have a significant impact on the financial condition of the Company and has the authority to investigate any matters within the terms of reference, while having full access to the information and resources of the Company to fulfil its function. Related party transactions are considered by the Audit and Risk Committee. The Audit and Risk Committee reviews compliance with the Papua New Guinea Companies Act 1997, Corporations Act 2001 (Cth), where appropriate, and the requirements of the ASX and other regulatory requirements.

(a) (5) The Audit and Risk Committee held four scheduled meetings in 2020, and attendance details of the 2020 meetings of the Audit and Risk Committee are set out in the table below.

| Director | Meetings attended | Meetings whilst in office |
|-------------------------|-------------------|---------------------------|
| Peter Graham (Chairman) | Four | Four |
| Sir Moi Avei | Four | Four |
| Sir Melchior Togolo | Four | Four |

Any work conducted by the external auditor, other than the statutory audit, is approved by the Audit and Risk Committee.

(b) Not applicable.

4.2

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and

Yes

As a foreign registered company in Australia, the Company is not required to comply with section 295A of the Corporations Act 2001 (Cth) with respect to declarations in relation to financial statements by the CEO and CFO. However, the Board ensures that it receives the appropriate declarations and assurances including a declaration from the Chairman of the Board and the Company Secretary that accounts have been reviewed and, in their opinion:

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| | 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. | | <ul style="list-style-type: none"> the financial records of the Company for the financial year ended 31 December 2019 have been properly maintained; and the financial statements for the financial year ended 31 December 2020 comply with the appropriate accounting standards; and the financial statements and notes give a true and fair view of the financial position and performance of the Company and are based on a sound system of risk management and internal control. |
| 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. | Yes | The annual and interim financial statements are audited or reviewed by the Company's external auditor prior to release to the market. |
| Principle 5: Make timely and balanced disclosure | | | |
| | Recommendation | Complied | Comment |
| 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1. | Yes | <p>The Disclosure and Communications Policy is available at www.bcl.com.pg/company-policies/.</p> <p>The Company makes full and immediate disclosure of material information to its shareholders and the market in accordance with its disclosure obligations under the ASX Listing Rules. In particular, to ensure that trading in its securities takes place in an informed market, the Company has adopted a Disclosure and Communications Policy, which is designed to ensure compliance with the ASX Listing Rules on continuous disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position.</p> <p>Established reporting systems are in place to ensure compliance with ASX requirements.</p> |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made | Yes | Material market announcements are approved by the board at regular board meetings scheduled to coincide with ASX filing timetable requirements. Other material market announcements are circulated to the board via email. |

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| 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 | Yes | Results presentations and transcripts of the Chairman's address at annual general meetings are released on the ASX Market Announcements Platform as soon as practically possible after the conclusion of the general meeting. Other presentations to new or substantive shareholders or investor analysts are released on the ASX Market Announcements Platform prior to the presentation. Any video presentations are linked via the company's Facebook page as soon as practically possible after the conclusion of the presentation. Refer to: https://www.facebook.com/BougainvilleCopper |
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Principle 6: Respect the rights of security holders

| Recommendation | Complied | Comment |
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| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | <p>The Company recognises the importance of effective communication with shareholders and the general investment community. Apart from the Company's compliance with its continuous disclosure obligations, the Company keeps investors informed of its corporate governance, financial performance, strategy and prospects via releases to the market via the ASX, the Company's website www.bcl.com.pg, information mailed and emailed to shareholders and general meetings of the Company. The information provided is balanced and understandable.</p> <p>This communications program gives shareholders ready access to information and is contained within the Company's policies titled "<i>Code of Conduct Policy</i>" and "<i>Disclosure and Communications Policy</i>". The policies are available on the Company's website at http://www.bcl.com.pg/company-policies/.</p> |
| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | The communications program outlined in the Company's response to Recommendation 6.1 includes an investor relations program to facilitate two-way communication with investors. The Company allows shareholders to send communications electronically to the Company via the Company website www.bcl.com.pg/contact/ , emails to info@bcl.com.pg and to its security registry as detailed on www.bcl.com.pg/share-registrar . |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | <p>The communications program outlined in the Company's response to Recommendation 6.1 includes shareholder communications. The Company also encourages shareholders to attend the Company's annual general meeting and to ask questions of the Board and the auditor and/or to submit questions in writing in advance. At each annual general meeting the Board also ensures that:</p> <ul style="list-style-type: none"> • a representative of the Company's auditor is in attendance to respond directly to questions on audit related matters; • information about the current developments is provided at the meeting, to make it easy for shareholders to participate and ask questions; and |

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| | | | <ul style="list-style-type: none"> the chairman of the Board of directors presents an Address to the Annual General Meeting of current developments. |
| 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. | Yes | All substantive resolutions at a meeting of security holders are conducted by poll. |
| 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. | Yes | <p>The Company encourages shareholders to communicate via the Company's website contact page, email, to Facebook and by telephone. Additionally, details of ASX announcements and Company reports are made available via the Company's website and are distributed to interested parties via email if requested.</p> <p>The Company's share registry also engages with shareholders electronically. Shareholders can contact the Company's registrar, Computershare Investor Services Pty Ltd, to access their personal information and shareholdings. Contact details are on the Company's website. The share registrar also distributes statutory documents to shareholders such as annual reports and financial statements.</p> |

Principle 7: Recognise and manage risk

| Recommendation | Complied | Comment |
|---|----------|---|
| <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> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <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> | Yes | <p>(a) (1), (2) The Company combines the Risk Committee function with the Audit and Risk Committee responsibilities. The Audit and Risk Committee is appointed by the Board and is comprised of three directors. The Audit and Risk Committee provides the transparency, focus and independent judgement needed to oversee the Company's corporate reporting progress. The present members of the Audit and Risk Committee are, Managing Director Sir Melchior Togolo and two independent non-executive directors, Peter Graham (committee chairman) and Sir Moi Avei. The company secretary and external auditors are available to attend meetings. All members of the Audit and Risk Committee are financially literate.</p> <p>Two of the three directors are non-executive independent directors being Peter Graham (committee chairman) and Sir Moi Avei. The Company considers that the majority of the Audit and Risk Committee are independent directors and that this is satisfactory to allow the Audit and Risk Committee to properly fulfil its responsibilities effectively and is appropriate given the Company's current ownership structure and the limited operational status of the Company's operations. The Company will continue to monitor and review the Audit and Risk Committee membership and will appoint committee members where operationally desirable and strategically appropriate.</p> <p>(a) (3) The Audit and Risk Committee has adopted a formal charter which sets out the role and terms of reference of the Audit and Risk Committee and is reviewed regularly. The Audit and Risk Committee</p> |

Charter is available at www.bcl.com.pg/charters-important-documents/, and includes information on the requirements for selecting an external auditor.

- (a) (4) The present members of the Audit and Risk Committee are Peter Graham (committee chairman), Sir Melchior Togolo and Sir Moi Avei. Their qualifications and experience is outlined in the Directors' Report on pages 14 and 15 of the 2020 Annual Report.

For further information on the function of the Audit and Risk Committee, please see our response to Recommendation 4.1 above.

- (a) (5) The Audit and Risk Committee held four scheduled meetings in 2020, and attendance details of the 2020 meetings of the Audit and Risk Committee are set out in the table below.

| Director | Meetings attended | Meetings whilst in office |
|-------------------------|-------------------|---------------------------|
| Peter Graham (Chairman) | Four | Four |
| Sir Moi Avei | Four | Four |
| Sir Melchior Togolo | Four | Four |

Any work conducted by the external auditor, other than the statutory audit, is approved by the Audit and Risk Committee.

- (b) Not applicable.

7.2

The board or a committee of the board should:

Yes

- (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
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

- (a) The Company has in place policies and procedures, including a risk identification and management framework (described below), which are continually being developed and updated to help manage material business risks. These policies and procedures have been adopted by the Board, with primary oversight by the Audit and Risk Committee, to ensure that potential business risks are identified and appropriate action is taken. The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to the Board with primary oversight from the Audit and Risk Committee. The Audit and Risk Committee Charter is available on the Company website www.bcl.com.pg/charters-important-documents/.

A summary of the Company's risk identification and management policies are set out below:

- the Company benefits from a Risk Management Policy, formally adopted by the Board, which can be accessed at www.bcl.com.pg/company-policies/, as well as practices on risk management and corporate assurance developed to manage the Company's business activities;
- the Audit and Risk Committee receives at least biannually a report from management to identify and review all of the business risks facing the Company. The Audit and Risk Committee report the findings to the Board;
- management provide an annual certificate of compliance to the Board and provides periodic reports and information confirming the status and effectiveness of the plans, controls, policies and

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| | | | <p>procedures implemented to manage business risks. The Chairman of the Board and the Company Secretary endorse the certificate;</p> <ul style="list-style-type: none"> • Board approval is required before capital expenditure and revenue commitments exceed certain approved levels as outlined in the Authority Levels and Internal Controls Policy which is available at www.bcl.com.pg/company-policies/; • the Company has in place a regulatory compliance program; • safety, health, community and environmental policies are in place, with appropriate management systems which recognise the Company's commitment to achieving high standards of performance in all its activities in these areas; and • a formal risk analysis involving senior management is facilitated at least annually which includes consultants specialising in risk management. The Company's risk register is updated and outcomes are reviewed by the Audit and Risk Committee and the Board. <p>(b) Management provides reports to the Board (through the Audit and Risk Committee) relating to the effectiveness of the internal controls and the management of material business risk. In addition, the Board monitors the Company's material business risks on an ongoing basis.</p> |
| 7.3 | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p> | Yes | <p>(a) The Company does not maintain an internal audit function. The Company has limited operations and is of a size that does not warrant an internal audit function. The Audit and Risk Committee regularly review the level of segregation particularly in relation to processes and procedures concerning matters such as payment authorisations and limits of authority and awareness and compliance with the Authority Levels and Internal Controls Policy.</p> <p>(b) The Company does not maintain an internal audit function. However, the Board and the Audit and Risk Committee maintains oversight of organisational risks including financial risks. The Audit and Risk Committee is responsible for reviewing and improving the Company's risk management framework and internal control processes.</p> |
| 7.4 | <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p> | Yes | <p>The Company, as an inactive mining production Company, faces risks in its activities, including economic, regulatory, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for shareholders over the short, medium or long term. The Company manages these risks by having in place a number of risk identification and management policies, as outlined in our response to Recommendation 7.2 above, as well as a Communities Policy, which are all available at www.bcl.com.pg/company-policies/.</p> |

Principle 8: Remunerate fairly and responsibly

| Recommendation | Complied | Comment | | | | | | | | | | | | | | | |
|--|-------------------|--|----------|-------------------|---------------------------|-------------------------------|------|------|-----------------|-------|------|--------------|------|------|---------------|------|------|
| <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 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>Yes</p> | <p>(a) (1) (2) (4) The Company does not have a separate remuneration committee as recommended by the Recommendations, but does combine the function within the Remuneration and Nomination Committee's responsibilities. The Remuneration and Nomination n Committee is appointed by the Board and presently comprises of four non-executive, independent directors, he members of the Remuneration and Nomination Committee are Sir Rabbie Namaliu (Chairman), Dame Carol Kidu, Sir Moi Avei and David Osikore. The Company Secretary is available to attend meetings. All members of the Remuneration and Nomination Committee are independent directors and display strong business acumen.</p> <p>(a) (3) The Remuneration and Nomination Committee has adopted a formal charter which sets out the role and terms of reference of the Remuneration and Nomination Committee and is reviewed regularly. The Remuneration and Nomination Committee Charter is available at www.bcl.com.pg/charters-important-documents/. Remuneration is also governed by a Remuneration Policy, available on the Company's website at www.bcl.com.pg/company-policies/.</p> <p>(a) (5) The Remuneration and Nomination Committee held four scheduled meetings in 2020, and the attendance details of the 2020 meeting of the Remuneration and Nomination Committee are set out in the table below.</p> <table border="1" data-bbox="1019 861 2027 1029"> <thead> <tr> <th>Director</th> <th>Meetings attended</th> <th>Meetings whilst in office</th> </tr> </thead> <tbody> <tr> <td>Sir Rabbie Namaliu (Chairman)</td> <td>Four</td> <td>Four</td> </tr> <tr> <td>Dame Carol Kidu</td> <td>Three</td> <td>Four</td> </tr> <tr> <td>Sir Moi Avei</td> <td>Four</td> <td>Four</td> </tr> <tr> <td>David Osikore</td> <td>Four</td> <td>Four</td> </tr> </tbody> </table> <p>(b) Not applicable</p> | Director | Meetings attended | Meetings whilst in office | Sir Rabbie Namaliu (Chairman) | Four | Four | Dame Carol Kidu | Three | Four | Sir Moi Avei | Four | Four | David Osikore | Four | Four |
| Director | Meetings attended | Meetings whilst in office | | | | | | | | | | | | | | | |
| Sir Rabbie Namaliu (Chairman) | Four | Four | | | | | | | | | | | | | | | |
| Dame Carol Kidu | Three | Four | | | | | | | | | | | | | | | |
| Sir Moi Avei | Four | Four | | | | | | | | | | | | | | | |
| David Osikore | Four | Four | | | | | | | | | | | | | | | |
| <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>Yes</p> | <p>The maximum limit for directors' remuneration is determined by shareholders in a general meeting. Within that limit the remuneration of directors is generally determined by the Board after taking into account data on market remuneration levels. At the 2009 annual general meeting, the shareholders approved an increase in non-executive directors' fees to A\$55,000, non-executive chairman fees to A\$110,000 and an additional</p> | | | | | | | | | | | | | | | |

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| | | | <p>A\$10,000 per annum for directors that are members of a Board committee. Directors are not entitled to retirement benefits.</p> <p>The Company has eighteen (18) full time employees as part of the Company's team. Remuneration is governed by a Remuneration Policy, available at www.bcl.com.pg/company-policies/</p> |
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| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | Yes | <p>(a) The Company has adopted a Rules for Dealing in BCL Securities Policy, which reinforces the prohibition against insider trading to all directors of the Company. The Rules for Dealing in BCL Securities Policy require that for all dealings in the Company's securities:</p> <ul style="list-style-type: none"> • directors and employees must advise the Chairman of the Board in writing, and receive approval in writing from the Chairman of the Board, if they intend to purchase or sell securities in the Company. In regard to his own dealings, the Chairman of the Board is required to notify the chairman of the Audit and Risk Committee; and • no dealings in securities of the Company may take place in the period from the end of any relevant financial period to the trading day following announcement of the Company's annual results or half year results. <p>(b) The Rules for Dealing in BCL Securities Policy is available at www.bcl.com.pg/company-policies/.</p> |
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Additional recommendations that apply only in certain cases

| Recommendation | Complied | Comment |
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| 9.1 | N/A | Not applicable |
| 9.2 | Yes | The entity is registered in Papua New Guinea (PNG). The Annual General meeting is held in the capital city of PNG in a central location easily accessible by all shareholders. |
| 9.3 | Yes | The Company's external auditor, PwC, attends the annual general meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. Shareholders may submit written questions regarding the auditor's report to the auditors via the Company prior to the annual general meeting, and these questions and answers are made available at the annual general meeting |

