



## CORPORATE GOVERNANCE STATEMENT

### NORTHERN STAR RESOURCES LIMITED

21 AUGUST 2017

This Corporate Governance Statement is current as at 21 August 2017 and was reviewed and approved by the Board of Directors on that date.

On behalf of the Directors

A handwritten signature in blue ink that reads "Bill Beament".

**BILL BEAMENT**  
**Executive Chairman**

21 August 2017

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## Introduction

Northern Star Resources Limited (Northern Star or the Company) has an established corporate governance framework, the key features of which are set out in this statement. In fulfilling its obligations and responsibilities to various Stakeholders, the Board of Directors (Board) continues to advocate a corporate governance framework that ensures that the management of the Company is conducted in a manner which is directed at achieving the Company's objectives in a proper and ethical manner, whilst increasing Shareholder value and ensuring compliance with the Company's legal and regulatory requirements.

The Company is committed to the ASX Corporate Governance Council Corporate Governance Principles and Recommendations 3<sup>rd</sup> edition (March 2014) (ASX Recommendations) for the financial year ended 30 June 2017 and to maintaining a high standard of corporate governance. Where the Company's corporate governance practices do not meet with all the practices recommended by the Council, or the Board does not consider it practicable or necessary to implement some principles due to the size and stage of development of its operations, the Board's reasoning for any departure is explained.

The Board reviews all Corporate Governance Codes, Charters, Policies and Guidelines on an annual basis as part of its Corporate Governance review processes. Any amendments are formally adopted and controlled, and communicated internally, and uploaded to the Company's website as required.

This Corporate Governance Statement and further information about the Company's governance practices is set out on its website at <http://www.nsrld.com/about/corporate-governance/>.

Principle	Comment
<p><b>1. Lay solid foundations for management and oversight</b></p>	
<p>1.1 A listed entity should 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>✓ The Company's Board Charter (disclosed on the Company's website) sets out the specific responsibilities of the Board, and those delegated to Senior Management.</p> <p>✓ The Board is collectively responsible for promoting the success of the Company through its key functions of setting strategic direction, overseeing management of the Company, providing overall corporate governance, monitoring financial performance, engaging appropriate management and Directors commensurate with the desired structure and objectives of the Company, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct, policy and legal compliance.</p> <p>As at the date of this report, the Board has established the following committees to assist it in discharging its functions: Audit and Risk Committee, Remuneration Committee and Nomination Committee. The Board and Committees hold regular meetings throughout the year, a timetable for which is agreed annually in advance. The Chairs of the Board and Committees liaise with the Senior Management Team regarding agenda items for meetings, and information for consideration at the meetings is prepared by the Senior Management Team. The Company Secretary is the Secretary to the Board and each Committee, and circulates appropriate agendas for meetings in advance for due consideration.</p> <p>The Senior Management Team is regularly involved in Board and Committee Meetings as considered appropriate and at the invitation of the relevant Chair. Senior Management Team individuals may be requested to attend a meeting for a particular item only to provide the Board with an opportunity to address specific items of interest.</p> <p>In addition to attending the regular Board and Committee Meetings, the Directors allocate time for strategy and risk review sessions, and for inspecting the operations of the Company. Additional meetings and discussions are conducted on an ad hoc basis as required, and are not reflected in the table of Meetings of Directors in the 2017 Annual Report.</p> <p>At the 2016 Annual General Meeting, Christopher Rowe stepped down as the founding Non-Executive Chairman of the Company, and remains on the Board as a Non-Executive Director. Bill Beament was elected via Shareholder resolution at the 2016 Annual General Meeting to the position of Executive Chairman. The Company conducts a poll on all resolutions at any general meeting. 64.9% of Shareholder votes were recorded at the meeting with regard to this resolution, and Mr Beament's election was overwhelmingly supported by 90.8% of the votes polled at the meeting (excludes abstained votes).</p> <p>Mr Beament assumed the role of Executive Chairman on 29 November 2016 and remains the only Executive Director on the Board. On the same date, Stuart Tonkin was appointed as the Chief Executive Officer of the Company, having previously occupied the position of Chief Operating Officer for more than three years.</p> <p>The title of Managing Director was retired. In addition to the traditional responsibilities of a chairman, the Executive Chairman will focus on driving the strategy and growth aspects of the business.</p> <p>Mr John Fitzgerald is the Lead Independent Director, and his primary role is to assume the role of Chairman where a conflict may exist for the incumbent Chairman, ensure a high standard of corporate governance is maintained, and to coordinate activities or communications between Non-Executive Directors without the presence of management.</p> <p>Mr Tonkin as the Chief Executive Officer, supported by other members of the Senior Management Team, is responsible for managing the day to day activities of the Company and advancing the strategic direction of the Company as set by the Executive Chairman and the Board. The Company also has in place delegated authorities which are approved by the Board and circulated throughout the Company to ensure that every employee is aware of the scope of their authority. Items requiring Board approval are either tabled at the Board Meetings, or if urgent, distributed via email for consideration and approval by circular resolution.</p>
<p>1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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>✓ In September 2016, the Company expanded the Board with the appointment of two new Non-Executive Directors on 1 September 2016, being Ms Shirley In'tVeld and Mr David Flanagan. Ms In'tVeld and Mr Flanagan are highly respected individuals, and well credentialed directors.</p> <p>✓ During recruitment, the Company undertook various reference checking processes despite both Directors being well known in the industry. Pre-appointment checks may include, but are not limited to, verifying a person's character, experience, education, criminal record and bankruptcy history.</p> <p>A profile of each Director is included in the 2017 Annual Report. Profiles are also included in the notice of meeting when a Director stands for re-election which for the 2016 meeting was Bill Beament, John Fitzgerald, Shirley In'tVeld and David Flanagan. A copy of the Directors' and Senior Management's profiles also appears on the Company's website.</p>

Principle	Comment																							
<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>✓ The Company has a written agreement in place with each Director and Key Management Personnel which sets out the terms of their appointment, duties and responsibilities, remuneration details, and the circumstances under which the agreement can be terminated. Any material variations to written agreements with Directors are disclosed to the ASX.</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>✓ The Company Secretary has a dual reporting function to the Executive Chairman and the Board to ensure that all Board related functions are effectively managed. In addition, the Company Secretary has a reporting line to the Chief Executive Officer in relation to the achievement of day to day operational activities and the advancement of the strategic direction set by the Board.</p> <p>The Company Secretary has a direct line of communication with the Executive Chairman, the Lead Independent Director, and all other Directors, and is responsible for supporting the proper functioning of the Board which includes, but is not limited to, providing advice on governance and procedural issues, and the preparation of detailed Board papers and minutes. The Company Secretary also supports the Audit and Risk, Remuneration and Nomination Committees, and the Non-Executive Directors who meet independently of management on a quarterly basis.</p> <p>The Company Secretary also communicates with the ASX and ASIC on all regulatory matters, and is the Company's Responsible Officer and Report and Investigation Officer. In addition, the Company Secretary is an approved Media Spokesperson for the Company.</p>																							
<p>1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(ii) 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>✓ The Company has established a Diversity Policy (disclosed on the Company's website) which has the objective of providing a fair and equitable workplace, free from discrimination related to age, gender, ethnic, cultural or other personal factors and is aligned to the Company's Equal Employment Opportunities Policy. The Diversity Policy includes requirements for the Board to establish measurable objectives for achieving gender diversity. The Board assesses annually the objectives, and progress towards achieving them.</p> <p>✓ The following table indicates current targets and progress of previous years:</p> <table border="1" data-bbox="846 746 2098 959"> <thead> <tr> <th>Objectives</th> <th>Target/Timeframe</th> <th>Progress towards achieving</th> </tr> </thead> <tbody> <tr> <td>Increase the % proportion of women in Northern Star's direct workforce.</td> <td>Increase of &gt;5% on previous year's measure.</td> <td>2017: 17.17%, an increase of 21.67% (2016: 14.11%) (2015: 13.23%) (2014: 12.03%) (2013: 18.75%)</td> </tr> <tr> <td>Maintain % proportion of women in Northern Star's key management positions (numbers include Executive Chairman).</td> <td>Maintain at least 20%.</td> <td>2017: 20.0% (2016: 20%) (2015: 20%) (2014: 20%) (2013: 20%)</td> </tr> <tr> <td>Increase the % proportion of women in Northern Star's senior positions (ie. senior professional levels).</td> <td>Increase of &gt;5% on previous year's measure.</td> <td>2017: 2.99%, an increase of 15.21% (2016: 2.6%) (2015: 2.01%) (2014: 1.74%) (2013: 6.25%)</td> </tr> <tr> <td>Recruit a female Director to the Board of the Company (or its subsidiaries) – Subject to vacancy becoming available and merit/skills matrix fit.</td> <td>30 June 2017.</td> <td>Shirley In'tVeld was appointed as a Non-Executive Director on 1 September 2016.</td> </tr> </tbody> </table> <p>✓ The proportions of women employees in the whole organisation (excluding contractors), women in key management positions and women on the Board as at 30 June 2017 are set out in the following table:</p> <table border="1" data-bbox="846 1023 1339 1134"> <thead> <tr> <th></th> <th>Proportion of Women</th> </tr> </thead> <tbody> <tr> <td>Employees in whole organisation</td> <td>132 out of 769 (17.17%)</td> </tr> <tr> <td>Key management positions</td> <td>1 out of 5 (20.00%)</td> </tr> <tr> <td>Board</td> <td>1 out of 6 (16.67%)</td> </tr> </tbody> </table> <p>At 30 June 2017, "Key management positions" includes Executive Chairman, Chief Operating Officer, Company Secretary, Chief Financial Officer and Chief Geological Officer.</p> <p>The Company's 2016-17 Workplace Gender Equality Report can be viewed on the Company's website under the Corporate Governance Section.</p>	Objectives	Target/Timeframe	Progress towards achieving	Increase the % proportion of women in Northern Star's direct workforce.	Increase of >5% on previous year's measure.	2017: 17.17%, an increase of 21.67% (2016: 14.11%) (2015: 13.23%) (2014: 12.03%) (2013: 18.75%)	Maintain % proportion of women in Northern Star's key management positions (numbers include Executive Chairman).	Maintain at least 20%.	2017: 20.0% (2016: 20%) (2015: 20%) (2014: 20%) (2013: 20%)	Increase the % proportion of women in Northern Star's senior positions (ie. senior professional levels).	Increase of >5% on previous year's measure.	2017: 2.99%, an increase of 15.21% (2016: 2.6%) (2015: 2.01%) (2014: 1.74%) (2013: 6.25%)	Recruit a female Director to the Board of the Company (or its subsidiaries) – Subject to vacancy becoming available and merit/skills matrix fit.	30 June 2017.	Shirley In'tVeld was appointed as a Non-Executive Director on 1 September 2016.		Proportion of Women	Employees in whole organisation	132 out of 769 (17.17%)	Key management positions	1 out of 5 (20.00%)	Board	1 out of 6 (16.67%)
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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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>✓ The Company has a Process for Performance Evaluation (disclosed on the Company's website) which details the performance review process of the Board, committees, individual Directors and the Senior Management Team.</p> <p>✓ As part of a Board review process in 2016, the Board set a strategy to restructure the Board and Management, and expand its membership from four to six Directors to support the growth aspirations of the Company. This occurred on 1 September 2016 with the appointment of Shirley In'tVeld and David Flanagan, and the restructure occurred at the Annual General Meeting in November 2016.</p> <p>The Lead Independent Director is now responsible for evaluation of the Board and its members, as well as the various Committees. The Board regularly discussed the performance and composition of the Board and various Committees during the 2016-17 period, considering issues or concerns as they arose. This ongoing process has remained in-house and informal throughout the year, relying on regular discussion between the Executive Chairman, Directors, and the various Committees. A formal assessment process was undertaken in August 2017.</p>																							

Principle	Comment																							
	<p>As part of the expansion of the Board in September 2016, the Board evaluated the composition of the various Committees and redistributed responsibilities for the various roles between the Non-Executive Directors. John Fitzgerald remained the Chair of the Audit and Risk Committee, accompanied by Peter O'Connor and Shirley In'tVeld (effective 25 November 2016). David Flanagan was appointed as the Chair of the Remuneration Committee (effective 25 November 2016), accompanied by John Fitzgerald and Christopher Rowe.</p> <p>The composition of the Nomination Committee is inclusive of all Directors and the Lead Independent Director is the Chair of the Committee. This Committee did not meet formally during the reporting period and did not undergo an evaluation.</p> <p>In addition to the above Committees, and since the restructure of the Board at the end of November 2016, the Non-Executive Directors meet on a formal basis without Management, chaired by the Lead Independent Director. No formal evaluation has been performed on this group.</p> <p>A formal performance review of the ex-Chairman (Mr Rowe) was not undertaken during the period prior to him stepping down as Chairman, nor has a formal review of the Executive Chairman been undertaken since his appointment on 29 November 2016, however informal review meetings are conducted between the Lead Independent Director and the Executive Chairman on a regular basis. An informal review of Mr Beament's performance as Managing Director was undertaken prior to the decision to appoint Mr Beament as the Executive Chairman.</p>																							
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>As above, Process for Performance Evaluation (disclosed on the Company's website).</p> <p>✓ During the 2016-17 period, an informal review of Mr Beament's performance as Managing Director was undertaken by the Board prior to the decision to appoint Mr Beament as the Executive Chairman. Other members of the Senior Management Team underwent formal performance appraisals with their direct Managers. Following measurement by Management of relevant key performance indicators (KPIs), the Remuneration Committee considered the award of short term incentives (STIs) and the vesting of long term incentives (LTIs), making recommendations to the Board.</p> <p>✓ Formal performance appraisals of the Key Management Personnel are conducted by the Executive Chairman or the Chief Executive Officer on an annual basis. The performance evaluation process is conducted having regard to the expectations and responsibilities with the individual's role as well as any relevant contractual provisions.</p>																							
<p><b>2. Structure the Board to add value</b></p>																								
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director; and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of the reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>✓ A Nomination Committee is in place and at this stage comprises of the whole Board (ie. John Fitzgerald, Bill Beament, Christopher Rowe, Peter O'Connor, Shirley In'tVeld and David Flanagan), with five out of six independent and Non-Executive Directors. The Chairman of the committee is John Fitzgerald (Lead Independent Director). A copy of the Nomination Committee Charter is available on the Company's website, together with the Policy for the Selection of Directors.</p> <p>The key responsibilities for the Committee are determining the size and composition of the Board, overseeing the selection process of new directors, undertaking performance appraisal competency, and reviewing the Company's succession plans.</p> <p>The Committee did not meet formally during the reporting period.</p> <table border="1" data-bbox="846 1074 1301 1294"> <thead> <tr> <th rowspan="2">Director</th> <th colspan="2">NOMINATION</th> </tr> <tr> <th>Attended</th> <th>Held</th> </tr> </thead> <tbody> <tr> <td>John Fitzgerald (C)</td> <td>0</td> <td>0</td> </tr> <tr> <td>Bill Beament</td> <td>0</td> <td>0</td> </tr> <tr> <td>Christopher Rowe</td> <td>0</td> <td>0</td> </tr> <tr> <td>Peter O'Connor</td> <td>0</td> <td>0</td> </tr> <tr> <td>Shirley In'tVeld</td> <td>0</td> <td>0</td> </tr> <tr> <td>David Flanagan</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>n/a</p>	Director	NOMINATION		Attended	Held	John Fitzgerald (C)	0	0	Bill Beament	0	0	Christopher Rowe	0	0	Peter O'Connor	0	0	Shirley In'tVeld	0	0	David Flanagan	0	0
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John Fitzgerald (C)	0	0																						
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<p>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.</p>	<p>✓ The Board has identified that the appropriate mix of skills and diversity required of its members to operate effectively and efficiently is achieved by personnel having substantial knowledge of and experience in operational management, exploration and geology, mining engineering, corporate law, finance, listed resource companies, equity markets and global funds management.</p> <p>Each Director brings a unique and varied skillset covering relevant aspects of the desired mix of skills and diversity required in the composition of the Board, and each Director has the right of access to all Company information and to the Senior Management Team. Further, each</p>																							

Principle	Comment
	<p>Director and the Board collectively has the right to seek independent professional advice from a suitably qualified advisor at the Company's expense with the approval of the Executive Chairman or the Lead Independent Director, to assist them to carry out their responsibilities.</p> <p>The appointment of Ms In'tVeld and Mr Flanagan in September 2016 significantly added to the breadth and depth of the Company's Board skills and experience. The Company has undertaken a review of its skills matrix, and has expanded this to collect relevant information from its Executive Team to harness the combined strengths of the Board and Management. The combined skills and experience matrix will be used in future succession planning and gap analysis.</p> <p>A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report in the 2017 Annual Report. The Company's Policy and Procedure for the Selection and Re (Appointment) of Directors is disclosed on the Company's website.</p>
<p>2.3 A listed entity should disclose:</p> <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, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>✓ The Board comprises six Directors, five of which are independent (Christopher Rowe [14 years], Peter O'Connor [5 years], John Fitzgerald [4.5 years], Shirley In'tVeld and David Flanagan [both 10 months]). Bill Beament [10 years] is not independent as he is an Executive Director. The Board assesses the independence of Directors taking into consideration the criteria of the type described in Box 2.3 of the ASX Recommendations. In accordance with these guidelines, a Director will be considered to be independent if he/she is free of any interest, position, association or relationship that might influence or reasonably be perceived to influence in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company, and its Shareholders generally. The Board considers the materiality of a Director's interest on a case by case basis.</p> <p>✓ The Board acknowledges that Christopher Rowe has been a long-serving Director of the Company with greater than ten years of service. The Board considers that Mr Rowe, as the founding Chairman, has successfully chaired the Company through two very different stages of the Company's life cycle: one of a junior exploration company (prior to 2010); and secondly, that of an active and growing producer. The Board acknowledge that Mr Rowe has been a significant contributor to the success of the Company in both phases of its lifecycle to date. Mr Rowe stepped down as Chairman on 29 November 2016, and remains as a Non-Executive Director.</p> <p>✓ The Board has formed the view that Mr Rowe has significant experience and still brings independent contribution to the Board processes, and that his tenure does not compromise his ability to be classified as an independent Director.</p> <p>Similarly, Mr Beament has served on the Board for ten years as an Executive Director, originally as Managing Director and more recently as Executive Chairman. Mr Beament has been a driving force behind the success of Northern Star, and continues to lead the Company's strategic direction and growth aspirations.</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>✓ At the date of this report, five of the six Directors are independent. Bill Beament is the Executive Chairman and is therefore, not independent.</p>
<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>X</p> <p>✓ At the date of this report, the Chairman (Bill Beament) is an Executive Director and occupies the position of Executive Chairman, having been elected into the position by Shareholders on 29 November 2016 following a strategic restructure of the Board. Mr Beament does not perform the role of CEO as this position is held by Mr Stuart Tonkin.</p>
<p>2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>✓ The Nomination Committee reviews the skills and experience of prospective Directors and ascertains any shortcomings and development opportunities. It also oversees any induction program, and ongoing education requirements concerning key developments in the Company, and in the industry and environment in which the Company operates. Subject to approval, the Company will pay reasonable expenses to enable Directors to seek independent professional advice if required to properly discharge their responsibilities.</p> <p>Each new Director is inducted into the Company's policies and processes on engagement.</p>

Principle	Comment																	
<b>3 Promote ethical and responsible decision making</b>																		
3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	<p>✓ The Company has an established Code of Conduct as a framework for decisions and actions promoting ethical conduct in employment to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its Stakeholders, and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</p> <p>✓ The Code of Conduct is disclosed on the Company's website and a review was undertaken in the current period. In addition the Company has, subsequent to the period, performed a further review of the Code, together with all other relevant governance policies, procedures, codes and guidelines.</p>																	
<b>4 Safeguard integrity in financial reporting</b>																		
4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	<p>✓ The Company's Audit and Risk Committee comprises John Fitzgerald (Chair), Peter O'Connor and Shirley In'tVeld, all of whom are Non-Executive Independent Directors. John Fitzgerald is an accountant by discipline and Shirley In'tVeld has a commerce degree, and all members of the Audit and Risk Committee consider themselves to be financially literate and have significant understanding of the industry in which the Company operates.</p> <p>The Audit and Risk Committee charter is disclosed on the Company's website. Key responsibilities of the Committee include reviewing financial reporting and considering internal controls, considering auditor appointment and review of performance, and reporting to the Board regarding relevant matters, including compliance with the Company's Whistleblower Policy.</p> <p>The qualifications and experience of the members are outlined in the profiles in the Directors' Report contained within the 2017 Annual Report. The Committee met four times during the reporting period.</p> <p>The Audit and Risk Committee Chair meets regularly with the Chief Financial Officer to discuss relevant issues, and also meets with the Auditor as required.</p> <p>The Company Secretary is also the Secretary to the Audit and Risk Committee.</p> <p>n/a</p> <table border="1"> <thead> <tr> <th rowspan="2">Director</th> <th colspan="2">AUDIT</th> </tr> <tr> <th>Attended</th> <th>Held</th> </tr> </thead> <tbody> <tr> <td>John Fitzgerald (C)</td> <td>4</td> <td>4</td> </tr> <tr> <td>Christopher Rowe</td> <td>2</td> <td>2</td> </tr> <tr> <td>Peter O'Connor</td> <td>4</td> <td>4</td> </tr> <tr> <td>Shirley In'tVeld*</td> <td>1</td> <td>2</td> </tr> </tbody> </table> <p>*Appointed 25 November 2016</p>	Director	AUDIT		Attended	Held	John Fitzgerald (C)	4	4	Christopher Rowe	2	2	Peter O'Connor	4	4	Shirley In'tVeld*	1	2
Director	AUDIT																	
	Attended	Held																
John Fitzgerald (C)	4	4																
Christopher Rowe	2	2																
Peter O'Connor	4	4																
Shirley In'tVeld*	1	2																
4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<p>✓ The Company's Chief Executive Officer (Stuart Tonkin) and Chief Financial Officer (Shaun Day) have provided the Board with the appropriate assurances in relation to full year and half year statutory financial reports during the reporting period.</p> <p>These assurances include declarations in accordance with Section 295A of the Corporations Act 2001 (Cth) that, in their opinion, the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards, and that they give a true and fair view of the financial position and performance of the Company, 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>																	
4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>✓ The Company's external auditor, Deloitte Touche Tomatsu, is invited to, and attends, the Annual General Meeting. The Auditor's presence is made known to Shareholders during the meeting, and Shareholders are provided with an opportunity to address questions to the Auditor relevant to the audit and the preparation and content of the Auditor's Report.</p> <p>The external auditor is invited to attend Audit and Risk Committee Meetings at least twice yearly, or at the request of the Committee.</p>																	

Principle	Comment
<b>5 Make timely and balanced disclosure</b>	
5.1 A listed entity should: <ul style="list-style-type: none"> <li>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>(b) disclose that policy or a summary of it.</li> </ul>	<ul style="list-style-type: none"> <li>✓ The Company's Policy on Continuous Disclosure and its Compliance Procedures (disclosed on the Company's website) are designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance.</li> <li>✓ The Company's Continuous Disclosure Policy and its Compliance Procedures are listed on the Company's website.</li> </ul> <p>The Board has designated the Company Secretary as the Responsible Officer and the Executive Chairman as the Substitute Responsible Officer. The role of the Responsible Officer is to oversee and coordinate disclosure of information to the ASX and act as the primary contact with the ASX.</p> <p>The Board has also designated the Company Secretary as the Share Price Officer, whose role is to monitor movements in the Company's securities to ensure a proper market is maintained that supports Shareholder and investor confidence.</p> <p>The Board has designated the Executive Chairman as the Company's Media Officer, and has also designated the Company Secretary, Investor Relations Officer, Chief Executive Officer, Chief Financial Officer and the Chief Geological Officer as substitute Media Officers, who are authorised to speak to media on the Company's behalf.</p>
<b>6 Respect the rights of security holders</b>	
6.1 A listed entity should provide information about itself and its governance to investors via its website.	<ul style="list-style-type: none"> <li>✓ The Company's website (<a href="http://www.nsr ltd.com">www.nsr ltd.com</a>) provides information on the Company including its background, objectives, projects and contact details. The Corporate Governance page provides access to key policies, procedures and charters of the Company, such as the Board and Committee Charters, Securities Trading Policy, Diversity Policy and the latest Corporate Governance Statement.</li> </ul> <p>ASX announcements, Company reports and presentations are uploaded to the website following release to the ASX and editorial content is updated on a regular basis.</p>
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<ul style="list-style-type: none"> <li>✓ The Company has a proactive approach to communicating the Company's business to Shareholders and the wider investment community, and encourages ongoing Shareholder feedback and participation at general meetings. The Company conducts conference calls following the release of its quarterly and full year results. These calls may also be conducted following the release of material price sensitive information, such as a major acquisition or discovery. The conference calls are hosted by the Executive Chairman, and accompanied by substitute Media Officers as required, and are open for investors, analysts and the media to attend via telephone. Sufficient time is allowed for questions and answers. The general public can access the conference call at the same time it is being undertaken, or access it at a later time on a delayed basis.</li> </ul> <p>To support the Company's communication strategy, the Company has appointed a dedicated Investor Relations professional to promote the Company's investor relations program, with their contact details provided in each announcement which gives Shareholders an additional opportunity to communicate directly with the Company.</p>
6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<ul style="list-style-type: none"> <li>✓ The Board encourages the attendance of Shareholders at Shareholders' meetings and sets the time and place of each meeting to promote maximum attendance by Shareholders. Notices of meetings are despatched to all Shareholders and are also placed on the Company's website.</li> </ul> <p>The Company encourages Shareholders to submit questions in advance of a general meeting, and for the responses to these questions to be addressed through disclosure relating to that meeting.</p> <p>The Company's Shareholder Communication Policy is disclosed on the Company's website.</p>
6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security register electronically.	<ul style="list-style-type: none"> <li>✓ The Company welcomes electronic communication from its Shareholders via its publicised email address (<a href="mailto:info@nsr ltd.com">info@nsr ltd.com</a>). In addition, details of ASX announcements and Company reports are distributed to interested parties via email as well as being uploaded to the website.</li> </ul> <p>The Company's share registry also engages with Shareholders electronically and makes available a range of relevant forms on its website. Shareholders can register with the Share Registry to access their personal information and shareholdings via the internet.</p>
<b>7 Recognise and manage risk</b>	
7.1 The board of a listed entity should:	<p>The Company has an Audit and Risk Committee which assumes responsibility for overseeing the internal financial control systems and risk management systems and assessments, and makes recommendations to the Board.</p>

Principle	Comment
<p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director;</li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) 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</li> </ul> <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>✓</p> <p>For details of the Audit and Risk Committee refer to Section 4.1 above.</p> <p>The Directors have significant experience in, and understanding of, the industry in which the Company operates, and the risks associated with public companies in the gold mining industry, to perform the functions associated with risk under the Audit and Risk Committee and Board Charters.</p> <p>n/a</p>
<p>7.2 The board or a committee of the board should:</p> <ul style="list-style-type: none"> <li>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>(b) disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul>	<p>✓</p> <p>The Company operates under a Risk Management Policy and Risk Management Standard, which provides the process for risk management and internal control systems and applies to the management of all types of risk throughout the business. The Company's risk reporting and control mechanisms are designed to ensure strategic, operational, legal, financial, reputational and other risks are identified, assessed and appropriately managed. The Risk Management Policy and Standards are reviewed by the Audit and Risk Committee and approved by the Board, on an annual basis in line with the Company's Governance Review processes. A copy of the Company's Risk Management Policy is located on the Company's website.</p> <p>✓</p> <p>The Audit and Risk Committee and the Board review the Company's Risk Management Register on a quarterly basis, and annual basis respectively.</p>
<p>7.3 A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</li> </ul>	<p>✓</p> <p>The Board, through the Audit and Risk Committee, oversee the effectiveness of risk management and internal control processes.</p> <p>Management are charged with resourcing, operating and monitoring the system of internal control, incorporating risk responses in the form of controls into its management systems, and reporting results on balanced assessments regarding the effectiveness of internal controls to the Board.</p> <p>✓</p> <p>The Company has engaged PriceWaterhouseCoopers (PWC), an external consultant, to develop and implement a formal internal audit function. PwC and Management develop a relevant annual scope of works which is reviewed and approved by the Audit and Risk Committee.</p> <p>As part of this role, PwC express an opinion as to the adequacy of the Company's internal control procedures, identify any weaknesses and make recommendations regarding ongoing testing and review. PwC attend Audit and Risk Committee Meetings to report on their findings or to provide updates as required.</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>✓</p> <p>The Company has exposure to the following risks:</p> <ul style="list-style-type: none"> <li>▪ Currency and Commodity Price: Northern Star is exposed to fluctuations in the Australian dollar gold price which can impact on revenue streams from operations. To mitigate downside fluctuations in the gold price, the Board has instigated a formal hedging program to assist in offsetting variations in the Australian dollar gold price. The Board reviews the level of hedging at each Board meeting to ensure it complies with the Company's Treasury Policy and is deemed appropriate.</li> <li>▪ Government Charges: The gold mining industry is subject to a number of taxes, royalties and charges levied by various Government departments. Changes to rates of taxes, royalties and charges can impact on the profitability of the Company. The Company maintains communications with relevant parties to assist in mitigating potential increases.</li> <li>▪ Environmental: The Company is subject to, and responsible for, existing environmental liabilities associated with its tenements as well as potential new liabilities through continuation of mining activities (with core risk areas including waste rock management, tailings management, chemical management, water management and energy efficiency). The Company will continually monitor its ongoing environmental obligations and risks, and implement rehabilitation and corrective actions as appropriate to ensure compliance. These risks may be impacted by change in Government policy. The Company monitors and manages environmental obligations and risks through compliance with the Company's environmental management system.</li> </ul>



Principle	Comment																	
	<ul style="list-style-type: none"> <li>▪ Safety: Due to the nature of mining operations, the Company is exposed to risks associated with injury and work related health problems to its employees and service providers. The Company has a safety management system which aims to ensure all hazards and risks are identified, evaluated, managed or eliminated where possible. The management system incorporates elements such as standard operating procedures, job safety assessments, incident and hazard reporting programs, and workplace inductions.</li> <li>▪ Social Licence: the Company recognises that a failure to appropriately manage or meet local community Stakeholder expectations may lead to dissatisfaction which has the potential to disrupt or prevent production and exploration activities. The Company's Stakeholder Policy and Social Responsibility Standards promote the Company's belief that it must be guided by a purpose beyond profit, and provides a framework for its approach to all Stakeholder engagement. The Company employees committed professionals who have the responsibility to monitor and manage the Company's activities whereby those activities may purpose a risk to its social licence to operate.</li> <li>▪ Other Financial and Capital related risks are detailed in the Company's 2017 Annual Report under Financial Risk Management (Note 13) and Capital Risk Management (Note 14) of the Notes to the Consolidated Financial Statements.</li> </ul>																	
<p><b>8 Remunerate fairly and responsibly</b></p>																		
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director;</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) 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>✓ A Remuneration Committee is in place and comprises three Independent Non-Executive Directors: David Flanagan (Chair), John Fitzgerald and Christopher Rowe. A copy of the Remuneration Committee Charter is available on the Company's website.</p> <p>The Committee's key responsibilities are to review and provide recommendations to the Board regarding remuneration policy, incentive programs, superannuation arrangements and other remuneration related matters.</p> <p>The Committee may meet on an ad hoc basis in addition to scheduled meetings.</p> <p>The Company Secretary is the Secretary to the Remuneration Committee.</p> <p>The Committee met four times during the reporting period.</p> <table border="1" data-bbox="846 815 1339 979"> <thead> <tr> <th rowspan="2">Director</th> <th colspan="2">REMUNERATION</th> </tr> <tr> <th>Attended</th> <th>Held</th> </tr> </thead> <tbody> <tr> <td>David Flanagan (C)*</td> <td>1</td> <td>1</td> </tr> <tr> <td>John Fitzgerald</td> <td>4</td> <td>4</td> </tr> <tr> <td>Christopher Rowe</td> <td>3</td> <td>4</td> </tr> <tr> <td>Peter O'Connor</td> <td>2</td> <td>3</td> </tr> </tbody> </table> <p>n/a</p> <p>*Appointed 25 November 2016.</p>	Director	REMUNERATION		Attended	Held	David Flanagan (C)*	1	1	John Fitzgerald	4	4	Christopher Rowe	3	4	Peter O'Connor	2	3
Director	REMUNERATION																	
	Attended	Held																
David Flanagan (C)*	1	1																
John Fitzgerald	4	4																
Christopher Rowe	3	4																
Peter O'Connor	2	3																
<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>✓ The structure of Non-Executive Director remuneration is clearly distinguishable from that of Executive Directors and Other Key Management Personnel. The Company operates on a detailed Remuneration Framework which is reviewed annually.</p> <p>Non-Executive Directors are remunerated on a fixed fee basis for time, commitment and responsibility as part of an aggregate remuneration pool approved by Shareholders. Directors who sit on the Audit and Risk Committee and the Remuneration Committee receive fees in addition to the base fee for a Non-Executive Director. No fees are paid in relation to the Nomination Committee. No incentives are in place for Non-Executive Directors.</p> <p>A review of Director Fees was undertaken during the reporting period. Modest increases were awarded to all positions except for the Audit and Risk Committee Chair or its Members. A fee was introduced for the Lead Independent Director to recompense for the increased level of responsibility and time commitment.</p> <p>The remuneration packages of the Senior Management Team were reviewed prior to the Annual General Meeting. A revised remuneration package for the Executive Chairman was put before the Annual General Meeting in order to obtain approval for the performance rights and termination benefits.</p> <p>Key Management Personnel are remunerated on an annual basis with a total fixed remuneration (ie. cash base salary, superannuation capped at \$30,000, salary continuance insurance, medical insurance and parking) and variable "at risk" components (ie. a short term incentive and a long term incentive). The exception to this is that the Executive Chairman does not receive STI payments following the restructure of his remuneration package as approved at the 2016 Annual General Meeting on 29 November 2016.</p>																	

Principle	Comment
	<p>The STI variable component is designed to encourage and reward superior performance in a manner which aligns this element of remuneration with the creation of Shareholder wealth. The LTI variable component is designed to incentivise and motivate Key Management Personnel to pursue the long term growth and success of the Company.</p> <p>Grant of the STI is based on achievement of Company key performance indicators, and personal performance and KPI achievement on an annual basis. Award of the LTIs, comprising of performance shares, is dependent on achievement of hurdles at the conclusion of a three year period.</p> <p>Further details on the Company's remuneration practices with regard to Key Management Personnel are contained within the Remuneration Report which forms part of the Directors' Report in the 2017 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>Key Management Personnel are prohibited from entering into transactions which limit the risk of participating in unvested entitlements under any equity-based remuneration scheme.</p> <p>✓ Key Management Personnel are required to comply with the Company's Securities Trading Policy, a copy of which is posted on the Company's website.</p> <p>✓ This Policy is reviewed on an annual basis.</p>