



PALADIN ENERGY LTD

ACN 061 681 098

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE FRAMEWORK

The Board of Directors of Paladin Energy Ltd is responsible for the corporate governance of the Group.

Paladin has adopted systems of control and accountability as the basis for the administration of corporate governance.

This Corporate Governance Statement, dated 1 February 2018 and approved by Board on 1 February 2018, outlines the key principles and practices of the Company which, taken as a whole, represents the system of governance.

The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Recommendations contained in the ASX Corporate Governance Council's (ASX CGC) 3rd Edition of its Corporate Governance Principles and Recommendations. For FY2017, Paladin has complied with all the recommendations and has referenced these throughout this Corporate Governance Statement.

Paladin's Corporate Governance Statement can be found in the Corporate Governance section of the Investor Centre on its website at www.paladinenergy.com.au, along with the ASX Appendix 4G, a checklist cross-referencing the ASX Principles and Recommendations to disclosures in this statement, the current Annual Report and the Company website. The Corporate Governance Statement, together with the 4G, are expected to be lodged with the ASX on 2 February 2018.

The Company reviews and amends its corporate governance policies as appropriate to reflect the growth of the Company, current legislation and good practice. Copies or summaries of key corporate governance policy documents can be found on the Company's website (www.paladinenergy.com.au).

BOARD OF DIRECTORS

Role of the Board and Management

ASX CGC Recommendation (3rd Edition) 1.1, 1.4, 1.7 – Complied with.

The Board guides and monitors the business of Paladin on behalf of shareholders, by whom they are elected and to whom they are accountable. The Board is responsible for setting corporate direction, defining policies and monitoring the business of the Company, to ensure it is conducted appropriately and in the best interests of shareholders. It is also responsible for CEO succession planning. The Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

The role of the Board is to oversee and guide the management of the Company with the aim of protecting and enhancing the interests of its shareholders, taking into account the interests of other stakeholders, including employees, customers, suppliers and the wider community.

The Board operates under a Charter and has a written Code of Conduct (Code), which establishes guidelines for its conduct. The purpose of the Code is to ensure that Directors act honestly, responsibly, legally and ethically and in the best interests of the Company.

The Board is responsible for setting the strategic direction and establishing goals for management and the monitoring of the achievements against these goals. The CEO conducted evaluation interviews with all Senior Management during the financial reporting period with the Non-Executive Directors reviewing

the performance of the CEO. Open discussion on management performance takes place at Board level. A review of the performance appraisal process is underway.

Other than the powers expressly reserved to the Board in the Board Charter, the Board has delegated responsibility for the management of the Company's business and affairs to the CEO. The CEO is supported in this function by the Company's senior leadership team, which comprises the direct reports to the CEO and the Group Company Secretary. The Board maintains ultimate responsibility for strategy and control of the Group.

Composition of the Board and Director Independence

ASX CGC Recommendations (3rd Edition) 2.3, 2.4, 2.5 – complied with.

The Board comprises three Non-executive Directors, including the Chairman. The names of the Directors, both in office at the date of this report and those who held the position during the past year, are set out in the Directors' Report of the Paladin Energy Ltd Annual Report 2017. This information includes their status as Non-executive, executive or independent, their qualifications and experience and length of service. Details of the Directors appointed on 1 February 2018 on the implementation of the Deed of Company Arrangement (DOCA) are not included in the Annual Report and are as follows:

- *Mr David Noel Riekie BEcon, Dip Acc , MAICD, CA - Independent Non-executive director appointed 1 Feb 2018.*

Mr Riekie is an experienced ASX director at both the Executive and Non-Executive levels. He has operated in a variety of countries globally and throughout Africa; notably Namibia and Tanzania. He is Managing Director of junior explorer iCobalt Limited which is focussed on high grade cobalt in Ontario, Canada. He has throughout his career provided corporate, strategic and compliance services to a variety of organisations operating in the Resource and Industrial sector, usually enterprises seeking expansion capital and listing on ASX. He has been directly responsible for successful capital raising, stakeholder engagement, acquisition and divestment programs. Additional experiences were been gained during his time as a corporate reconstruction specialist with Price Waterhouse. He has overseen, exploration and resource development, scoping and feasibility studies, production, optimisation and rehabilitation initiatives. He has special interest in the energy and energy storage sector, primarily through energy storage minerals and commodities with specific knowledge of uranium (Uranio Limited), oil and gas (Hawkley Oil and Gas), graphite (Battery Minerals Limited) and cobalt (iCobalt Limited). David has previously operated as either Chairman or member of Audit, Risk, Remuneration and Nomination Committees.

- *Daniel Harris BSc - Independent Non-executive director appointed 1 Feb 2018.*
Mr Harris is a seasoned and highly experienced mining executive and director and has most recently held the role of interim CEO and Managing Director of ASX listed Atlas Iron, a mid-sized, independent Australian iron ore mining company with operations in the Northern Pilbara of Western Australia. Daniel remains an Non-Executive Director to the Atlas Iron Board and is Chairman of the Audit and Risk Committee. Mr Harris has been involved in all aspects of the industry for over 37 years and held both COO and CEO positions in Atlantic Ltd. The company's subsidiary, Midwest Vanadium, owned a +\$500 million-dollar production plant and vanadium mine in Western Australia. As COO, Daniel was tasked with the start-up of the newly constructed vanadium plant and brought it into commercial operation, before moving to the CEO role. Mr Harris is also the former Vice President of EVRAZ Plc, Vanadium assets responsible for their global vanadium business. EVRAZ plc is a £4.2 billion publicly traded steel, mining and vanadium business with operations in the Russian Federation, Ukraine, Europe, USA, Canada and South Africa. EVRAZ consolidated vanadium business produced and marketed approximately one quarter of the world's vanadium supply. Prior to EVRAZ, Mr Harris held numerous positions with Strategic Minerals Corporation. Throughout his 30 years with the company, he advanced his career from junior engineer, through to CFO and CEO roles within the group. Mr Harris is also a Non-Executive Director of Perth based Australian Vanadium who are looking to develop their Gabanintha vanadium deposit in Western Australia. Mr Harris is a consultant and member of the Advisory Board of Black Rock Metals. Black Rock Metals is developing a mine in Quebec to produce high purity pig iron, titanium, and vanadium products. Mr Harris is the Chief Advisor to the Board of Directors of Queensland Energy Minerals, QEM, based in Brisbane. QEM has a large oil shale and vanadium deposit in Queensland Australia that they are looking to bring into production.

Daniel also acts as a technical executive consultant to GSA Environmental in the UK, a process engineering company that is well credentialed in the vanadium and oil industries. GSAe is the UK's leading technology company for extraction and recovery of metals from ashes, minerals, refinery residues, spent catalyst and industrial by-products.

Directors are expected to bring independent views and judgement to the Board's deliberations. All the directors are considered by the Board to be independent. In considering whether a Director is independent, the Board has regard to the independence criteria set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations and other facts, information and circumstances that the Board considers relevant.

The Board assesses the independence of new Directors prior to appointment and reviews the independence of all Directors as appropriate.

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

In reaching this conclusion, the Board has noted that Mr R Crabb (the Chairman) has served on the Board for 24 years. Notwithstanding his period of service, the Board concluded that Mr Crabb retains independence of character and judgement and continues to make outstanding contributions at Board level. He brings unique skills to the Board and participates in robust constructive debate. The Board considers that Mr Crabb's international resource law experience remains valuable at Board level.

The structure of the Board has evolved over time to reflect the changing needs of the Company to ensure an appropriate mix of skills and experience is available to oversee the growth of Paladin to its full potential.

The Board proposes to appoint additional non-executive directors with appropriate qualifications and experience, in the near future.

Knowledge, Skills and Experience

ASX CGC Recommendations (3rd Edition) 2.2, 2.6 – complied with

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

During 2014, the Board developed a skills matrix and undertook a formal assessment via the Nomination Committee. This was reviewed in 2017 to ensure there continued to be no gaps in the collective skills of the Board. This review confirmed that all key skills considered to be most relevant to the business were currently well represented across the Board. The range of skills includes, amongst other more general business and corporate related matters, the following key areas:

- uranium industry knowledge;
- mining and exploration;
- strategic planning;
- mergers and acquisitions;
- legal;
- accounting/auditing and corporate finance;
- risk management;
- environmental; and
- health and safety

To assist Directors in maintaining an appropriate level of knowledge, skill and experience in the operations of the Company, Directors have the opportunity to undertake site visits to familiarise themselves with the Company's operations.

Directors are encouraged to undertake continuing education relevant to the discharge of their obligations as Directors of the Company. Subject to prior approval by the Company Secretary, the reasonable cost

of such education is met by the Company. Directors are also regularly briefed on any changes to legislation and practices relevant to the business.

With the recent changes to the Board, a review of the Skills Matrix will occur in 2018.

Retirement and Re-election

ASX CGC Recommendations (3rd Edition) 1.2 – Complied with

The Constitution of the Company requires one third of the Directors to retire from office at each AGM. Directors who have been appointed by the Board are required to retire from office at the next AGM and are not taken into account in determining the number of Directors to retire by rotation at that AGM. Directors cannot hold office for a period in excess of three years or later than the third AGM following their appointment without submitting themselves for re-election. All material information in the possession of the Company relevant to a decision on whether or not to elect or re-elect a Director is included in the Notice of Meeting. Retiring Directors are eligible for re-election by shareholders.

Nomination and Appointment of New Directors

ASX CGC Recommendations (3rd Edition) 1.2, 1.3, 2.6 – Complied with

If it is necessary to appoint a new Director to fill a vacancy on the Board or to complement the existing Board, a wide and diverse potential base of possible candidates is considered and, if required, external consultants are engaged to assist in the selection process. The Board assesses the qualifications of the proposed new Director against a range of criteria including background, experience, professional skills, personal qualities, the potential for the candidate's skills to augment the existing Board, and the candidate's availability to commit to the Board's activities. In addition to considerable reference checking, appropriate checks are also made regarding any criminal record or bankruptcy history. If these criteria are met and the Board appoints the candidate as a Director, that Director must retire at the next AGM and will be eligible for re-election by shareholders at that AGM.

New Directors appointed to the Board must participate in an induction programme, which includes provision of comprehensive written material regarding the Company such as:

- information on the financial, strategic and operational position of the Company;
- information on the nuclear industry and market generally;
- a comprehensive letter of appointment which sets out the Company's expectations on acceptance of the position;
- a written statement, which sets out the duties, rights and responsibilities they undertake on becoming a Director, together with material detailing the operations, policies and practices of the Company; and
- access to previous Board papers, together with recent Annual Reports and interim financial statements.

Furthermore, new Directors are invited to attend briefing sessions with the CEO and key members of the senior management team where they may ask questions and direct any queries they may have to the Chairman and/or the CEO or obtain any other briefings they feel necessary from the Chairman and/or the CEO. They are encouraged to attend site visits in liaison with the CEO, at appropriate times. Directors agree to participate in continuous improvement programmes from time to time, as considered appropriate.

Meetings of the Board

The Board meets formally face to face at least four times a year (each over a one to two day period). Conferencing facilities provide greater ease of communications and meetings via this medium are held at six week intervals between face to face meetings. Additional ad-hoc meetings are held as required. Members of senior management attend and make presentations to the Board covering all aspects of the Company's operations. This provides an excellent opportunity for dialogue and networking, with management from all operations present. Non-executive Directors meet together without the CEO and management being present, prior to each of the four principal Board meetings. The number of meetings of the Board during the reporting period and the names on the attendance record are set out in the Directors' Report of the Paladin Energy Ltd Annual Report 2017.

Directors are provided with papers, presentations and briefings on the Company's operations and on matters which may affect the Company. These are provided in addition to Board papers and are designed to assist the Directors in gaining relevant and timely information to assist in their decision making process. The Company has implemented a secure electronic information repository to facilitate access to past and present Board documentation and other relevant reference material.

The entire Board is required (as stated in their Letters of Appointment) to attend the AGM of the Company.

The Board holds an annual strategic planning session with management at which the Company's strategic plans for each operating activity and the Group as a whole are presented. This is held as part of the budget review process. The CEO encourages full access to executive managers by the Board to ensure transparency at a senior management level. Access to all Perth-based staff is available in a casual setting at each face to face meeting.

Evaluation of Board Performance

ASX CGC Recommendations (3rd Edition) 1.6 – Complied with

Improvement in Board processes and effectiveness is a continuing objective and the primary purpose of Board evaluation is to identify ways to improve performance. The Chairman is responsible for conducting an annual review of the Board performance.

Evaluations of the performance of the Board, individual Directors, the Chairman of the Board and the Board Committees have been carried out during the reporting period. This process involved completion of individual questionnaires focused on process, structure, effectiveness and contributions. Responses to the questionnaires were collated and discussed by the Board and Committees in an open forum and recommendations for improvement considered. These discussions were also enhanced by using an Efficiency, Effectiveness and Ethics performance review model to promote frank and meaningful discussion.

Position Descriptions

The Board has developed and adopted written position descriptions for the Non-executive Chairman of the Board, the Chairman of each Board Committee, the Managing Director/CEO and the Company Secretary.

These delineate the role and responsibility of each position and provide clarity on the expectations for those individuals occupying these key positions within the Company.

Conflicts of Interest

The Code of Conduct for Directors, a copy of which is available on the Company's website, sets out the procedure to be followed if there is, or may be, a conflict between the personal or other interests of a Director and the business of the Company. A Director with an actual or potential conflict of interest in relation to a matter before the Board does not receive the Board papers relating to that matter and, when the matter comes before the Board for discussion, the Director withdraws from the meeting for the period the matter is considered and takes no part in the discussions or decision-making process.

Minutes reporting on matters in which a Director is considered to have a conflict of interest are not provided to that Director; however, the Director is given notice of the nature of the matter for discussions and, as much as practicable, of the general nature of the discussion or decision reached.

Remuneration

ASX CGC Recommendation (3rd Edition) 8.3 – Complied with

Details of the remuneration policies and practices of the Company and the remuneration paid to the Directors (Executive and Non-executive) and senior executives are set out in the Remuneration Report included in the Directors' Report of the Paladin Energy Ltd Annual Report 2017. Shareholders will be invited to consider and to approve the Remuneration Report at the next AGM.

In relation to the Non-executive Directors, there are no termination or retirement benefits other than those contained in statutory superannuation plans.

Independent Advice

The Board and its Committees may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chairman, individual Directors may seek independent professional advice, at the expense of the Company, on any matter connected with the discharge of their responsibilities. No Director availed himself of this right during the course of the year.

BOARD COMMITTEES

The Board has established Audit, Nomination, Remuneration, and Sustainability Committees which assist in the discharge of the Board's responsibilities. In addition to a review by the Board, each committee reviews its performance by way of individual questionnaires and Charter on an annual basis. This review took place in 2017 and, as a result, the Board is satisfied that the Committees have performed effectively with reference to their Charters.

Board approved charters set out the terms of reference and rules governing these Committees. These committee charters are available in the Corporate Governance section of Paladin's website.

Audit Committee

ASX CGC Recommendations (3rd Edition) 4.1, 4.3, 7.3 – Complied with

The Audit Committee assists the Board in discharging its responsibilities to ensure that the Company complies with appropriate and effective accounting, auditing, internal control and compliance and reporting practices in accordance with the Audit Committee Charter. The Audit Committee Charter is reviewed annually by the Board and minor changes were made to the charter during the financial year.

The role of the Audit Committee is to:

- monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgments;
- review the Company's internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;
- monitor and review the effectiveness of the Company's internal audit function;
- monitor and review the external audit function, including matters concerning appointment and remuneration, independence and non-audit services; and
- perform such other functions as assigned by law, the Company's constitution, or the Board.

The Audit Committee will comprise of three members. Due to the recent Board restructure new members need to be appointed to the committee. It is intended that the following directors will be appointed to the Audit Committee in due course. All of the intended members are Independent Non-executive Directors as follows:

- David Riekie, Committee Chairman
Non-executive, Independent Director
- Daniel Harris
Non-executive, Independent Director
- Rick Crabb
Non-executive chairman, independent Director

The relevant qualifications and experience of the members of the Committee can be found in their biographical information, which is included above or in the Directors' Report of the Paladin Energy Ltd Annual Report.

The Audit Committee meets at least once a quarter and at any other time requested by a Board member, Company Secretary or external auditor. The external auditors attend each quarterly meeting and on

other occasions where circumstances warrant. At the discretion of the Chairman, having regard to the nature of the agenda, relevant members of management may be invited to attend meetings. The number of meetings of the Audit Committee during the reporting period and the names on the attendance record is set out in the Directors' Report of the Paladin Energy Ltd Annual Report 2017.

The external auditors can meet with the Audit Committee without management present at any meeting and as a standing agenda item at the August meeting. This did not occur in August 2017 due to the Company being placed into Administration on 3 July 2017.

The external auditors are required to attend the AGM and be available to answer any shareholder questions relevant to the audit.

The Board will review the need, scope and appropriate independent consultant for an internal audit function. A plan will be developed on an annual basis to determine the scope of work across the Group, which is then reviewed and endorsed by the Audit Committee. Following execution, the findings and management responses are reported to the Audit Committee and remedial actions taken are tracked and reviewed on a quarterly basis at each committee meeting. The internal audit representative is present at those meetings to report and advise accordingly.

Nomination Committee

ASX CGC Recommendations (3rd Edition) 2.1 - complied with

The responsibilities of the Nomination Committee include:

- reviewing the size and composition of the Board, taking into account director independence, outside directorships and time commitments, and making recommendations to the Board on any appropriate changes;
- developing a board skills matrix to assist in identifying any gaps in the collective skills of the Board for professional development, and succession planning purposes;
- making recommendations on the appointment and removal of Directors;
- establishing evaluation methods for rating the performance of the Board on an annual basis; and,
- providing new Directors with an induction into the Company and providing all Directors with access to ongoing education relevant to their position.

Due to the recent Board changes new members and chairman will need to be appointed to the Nomination Committee. Rick Crabb will chair the Nomination Committee. The Board considers that, given the importance of Board composition, it is appropriate that all members of the Board will become members of the Nomination Committee.

The number of meetings of the Nomination Committee during the reporting period and the names on the attendance record is set out in the Directors' Report of the Paladin Energy Ltd Annual Report 2017.

Remuneration Committee

ASX CGC Recommendations (3rd Edition) 8.1, 8.2 – complied with

The role of the Committee, in accordance with the Remuneration Committee Charter, is to assist the Board with respect to remuneration by reviewing and making appropriate recommendations on:

- remuneration packages of executive Directors, Non-executive Directors and senior executives; and,
- employee incentive and equity based plans including the appropriateness of performance hurdles and total payments proposed.

The ASX Listing Rules and the Constitution require that the maximum aggregate amount of remuneration to be allocated among the Non-executive Directors be approved by the shareholders in a general meeting. In proposing the maximum amount for consideration by shareholders, and in determining the allocation, the Remuneration Committee will take into account the time demands made on Directors given the increasing complexity of the Paladin Group and such factors as fees paid to Non-executive Directors in comparable Australian companies.

The policies and practices regarding remuneration and the remuneration paid to Directors and senior executives are shown in the Remuneration Report, forming part of the Directors' Report of the Paladin Energy Ltd Annual Report 2017.

The Remuneration Committee will comprise of three members. Due to the recent Board changes new members and a new chairman will need to be appointed to the committee. It is intended that the following directors will be appointed to the Remuneration Committee in due course. All of the intended members are Independent Non-executive Directors as follows:

- Rick Crabb – Committee Chairman (current member of the Remuneration committee)
Non-executive chairman, Independent Director
- David Riekie
Non-executive, Independent Director
- Daniel Harris
Non-executive Director, Independent Director

The number of meetings of the Remuneration Committee during the reporting period and the names on the attendance record are set out in the Directors' Report of the Paladin Energy Ltd Annual Report 2017.

Sustainability Committee

The role of the Sustainability Committee is to provide the Board with an overview of Paladin's performance in the areas of health, safety, environment, social responsibility and sustainability and to provide the Board with advice and recommendations where relevant significant incidents occur.

The Sustainability Committee's Charter, which sets out further details on the role and duties of the Committee, is available in the corporate governance section of Paladin's website.

The Sustainability Committee comprises three members, the majority of whom are independent Non-executive Directors.

Due to the recent Board restructure a new member and chairman will need to be appointed to the committee. It is intended that the Daniel Harris will be appointed as a member and chairman will be appointed to the Sustainability Committee in due course.

The members of the Sustainability Committee will be:-

- Daniel Harris – Committee Chairman
Non-executive, Independent Director
- Rick Crabb (current member)
Non-executive, Independent Director, Board Chairman
- Alex Molyneux (current member)
CEO

The Sustainability Committee meets at least twice a year, with further meetings as required. At the discretion of the Chairperson, having regard to the nature of the agenda, relevant members of management and external consultants may be invited to attend meetings.

The number of meetings of the Sustainability Committee during the reporting period and the names on the attendance record are set out in the Directors' Report of the Paladin Energy Ltd Annual Report 2017.

DIVERSITY POLICY

ASX CGC Recommendations (3rd Edition) 1.5- complied with

The Board has approved a Diversity Policy, which documents the Company's commitment to workplace diversity and recognises the benefits arising from the recruitment, development and retention of a talented, diverse and motivated workforce.

Diversity within the Company means all the things that make individuals different to one another, including, but not limited to, gender, ethnicity, religion, culture, language, disability and age. It involves a commitment to equality and treating one another with respect.

Responsibility for review of all matters contained within the Diversity Policy rests with the Board as a whole and is reflected accordingly in its Charter.

The ASX Corporate Governance Council's Principles and Recommendations requires the Company to set 'measurable objectives' for achieving gender diversity and to report against them on an annual basis. During the year, the Board met and reviewed the measurable objectives set for FY2017 and looking forward to FY2018. Due to the continuing record low uranium price and group wide efficiency initiatives, the Board agreed that it would be unrealistic to set any further significant measurable objectives for FY2018, given the focus on preserving cash and limiting further redundancies. As such, the measurable objectives for FY2018 remain unchanged from the previous year.

In respect to gender diversity specifically as at 30 June 2017, 14.35% (a slight improvement from 14.05% the previous period) of the total workforce globally are female. This statistic is somewhat skewed due to the cultural and educational challenges faced with increasing the female component of the workforce at the African operations. The percentage of Australian based female employees has decreased slightly to 40.00% from 41.67% the previous year. Details across the Group are included in the table set out in the "Our People" section in the Annual Report of the Paladin Energy Ltd Annual Report 2017. There is currently one female director at the Paladin Energy Ltd level.

Across the Group, the workforce is split into five levels – senior management, management, professional, skilled and unskilled roles. The percentage of females represented in the top three levels is shown in the table below:

	Perth	LHM	KM		Aurora	Group wide
			Nationals	Expats		
Directors	0%	0%	0%	0%	0%	0%
Senior Management	0%	20.00%	0%	0%	0%	10.00%
Management	0%	5.88%	0%	0%	0%	3.33%
Professional	42.86%	52.94%	18.18%	0%	0%	44.23%

Measurable Objectives

Objective for FY2018	Outcome
Review Diversity Policy annually.	Reviewed and remained unchanged.
Undertake an annual gender pay audit to ensure equity in remuneration practices.	This was undertaken as part of the annual salary review process.
Report annual data across the Group on diversity in the workforce.	Commenced in 2012 and ongoing.
Encourage training and development to assist in furthering career goals.	A reduced number of educational initiatives were offered during the year, with this currently being under review.
Develop and implement flexible working arrangements to support employees' personal or family commitments whilst continuing in employment.	The Company provides employees with flexible working arrangements and paid parental leave together with a financial incentive paid on return to work. Females participated in flexible work arrangements group wide.
When the Board next recruits for an independent non-executive director, at least one woman must be included in the list of potential candidates.	Ongoing.
Initiate diversity training and awareness across the Group.	Rollout of this training commenced in FY2015 with the aim being for all employees group wide and key suppliers to have been trained by end of FY2017.

Further information on diversity within the Company can be found in the Our People section of the Paladin Energy Ltd Annual Report 2017.

FINANCIAL REPORTING

ASX CGC Recommendations (3rd Edition) 4.2 – complied with

CEO and CFO Certification

In accordance with the Corporations Act 2001, ASX Corporate Governance Principle 4.2 and Canadian Securities Law, relevant declarations, statements and certifications are provided by the Managing Director/CEO and the Chief Financial Officer in relation to the Company's financial statements for a financial period.

RELATIONSHIP WITH SHAREHOLDERS

ASX CGC Recommendations (3rd Edition) 5.1, 6.1, 6.2, 6.3, 6.4 – complied with

The Company places a high priority on communications with, and accountability to, shareholders. The Board recognises that shareholders, as the ultimate owners of the Company, are entitled to receive timely and relevant high quality information about their investment. Similarly, prospective investors should be able to make an informed decision when considering the purchase of shares in Paladin.

To safeguard the effective dissemination of information, a Continuous Disclosure & Communication Policy is in place. This reinforces the Company's commitment to its continuous disclosure obligations imposed by law.

Information will be communicated to shareholders by:

- ensuring that published financial and other statutory reports are prepared in accordance with applicable laws and industry best practice;
- ensuring the disclosure of full and timely information about the Company's activities in accordance with the general and continuous disclosure principles in the ASX Listing Rules, the Corporations Act in Australia and all relevant legislation in Canada;
- providing detailed reports from the Chairman, the CEO and other senior executives at the Annual General Meeting (AGM);
- placing all material information released to the market (including notices of meeting and explanatory materials) on the Company's website as soon as practical following release;
- placing the Company's market announcements and financial data for the preceding seven years on its website;
- providing the Annual Report in a "user friendly" electronic format on its website;
- providing quarterly conference calls incorporating Q&A together with investor updates; and,

In addition, the website includes a facility to allow interested parties to subscribe to receive, electronically, public releases and other relevant material concerning the Company. There are also contact details if shareholders wish to contact the Company or its security registry with any queries.

Shareholders are encouraged to attend AGMs and ask questions of Directors, senior management and the Company's external auditors, who are required to be in attendance. In the event that shareholders are unable to attend meetings, they are encouraged to lodge proxies signifying their approval or otherwise of the business to be considered. Shareholders are able to directly lodge their votes online via the Company's website and the Computershare (the Company's share registry) voting platform.

DISCLOSURE CONTROLS

ASX CGC Recommendations (3rd Edition) 5.1 – complied with

Paladin is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal and timely access to material information concerning the Company.

The Company understands and respects that timely disclosure of price sensitive information is central to the efficient operation of the ASX's securities market and has adopted a Continuous Disclosure & Communication Policy with underlying procedures covering public announcements, the prevention of selective or inadvertent disclosure, conduct of investor and analysts briefings, and media

communications. This Policy reflects the commitment of the Directors and management to promoting consistent disclosure practices aimed at accurate, timely and broadly disseminated disclosure of material information to the market.

RISK MANAGEMENT

ASX CGC Recommendations (3rd Edition) 7.1, 7.2, 7.4 – complied with

The Company does not have a risk committee or separate committees to oversee risk. Risk is managed at the Board level with all Board members involved in the process whilst taking into account the individual Sustainability, Audit and Remuneration Committees' inputs in relation to those matters overseen by those committees.

The Company has established policies on risk oversight and management and has a risk management and internal control system to manage the Company's material business risks. The Company has developed its risk management policy in line with the implementation of the risk management system and a risk management framework.

The Company's Risk Management Policy is to identify, assess, evaluate, monitor and mitigate risks which are considered unacceptable to the Company. Operational business controls have been identified and are in place to ensure unwanted threats to the business are managed. Paladin has also developed the business environment for managers and senior personnel to assess risks and make sound business decisions. Whilst all personnel have a responsibility to identify and report to management risks which may materially affect the Company, the CEO has the overall responsibility for the management of risk in the Company. The CEO is assisted by the heads of operational business units who "champion" risks within the business unit. Paladin has adopted the Australian and New Zealand Standard ISO 31000:2009 - "Risk Management" in managing the risk management process.

The risk management system is designed and implemented by the CEO, with assistance from senior executives, and is subject to review on a quarterly basis by the Board of Directors. The latest review took place at the May 2017 board meeting. A report is provided annually to the Board of Directors detailing the management process in relation to the Group's material business risks.

The Company maintains a risk register, which sets out all of the enterprise risks that have been identified and includes an assessment of the risk (risks analysed and evaluated), and treatment plans to mitigate risks. The risk register has been compiled and is reviewed quarterly by the CEO and senior management to ensure adequate risk control measures have been identified. An operational risk assessment system is in place at the Langer Heinrich operation, which is continuously reviewed and updated.

Paladin is committed to continual improvement of the risk management process and procedures to ensure the highest return to shareholders and stakeholders.

The Company has developed a Crisis and Emergency Management System with individual site plans for LHM and KM. The Company also conducts scenario-based exercises to practise crisis and emergency response.

The Company's risk management processes were the subject of an internal audit programme during FY2017 and recommendations from the review were considered and, where appropriate, implemented.

The Company also commenced formal sustainability reporting in FY2012 and now publishes its Sustainability Report on an annual basis.

The Company has exposure to economic, environmental and social sustainability risks. Details of Paladin's sustainability aspects and how they are managed are contained within the Company's published Sustainability Reports. The most recent report (2016) is available on the Paladin website at www.paladinenergy.com.au. The Company is currently in the process of completing the 2017 Sustainability Report, which is expected to be published on the Paladin website shortly.

ENVIRONMENT

Paladin is committed to ensuring that effective environmental management is planned and undertaken for all aspects of its operations. The approach to environmental management is guided by Paladin's Environmental Policy, which promotes a standard of excellence for environmental performance across its operations.

HEALTH AND SAFETY

The safety, health and wellbeing of employees, contractors and the community are of core value to Paladin's operations. A healthy workforce contributes to business success and the Company's aim is for zero injuries. The Company encourages safe behaviour by employees and contractors, establishes a mindset that injuries are preventable, provides safety education and training, and conducts safety risk assessments. The safety and health performance of Paladin is measured through internal and external internationally recognised auditing and reporting processes.

During the year, external health and safety audits were carried out at LHM and KM.

SECURITIES OWNERSHIP AND DEALINGS

ASX CGC Recommendation (3rd Edition) 8.3 – complied with

The Company has a Policy for Trading in Company Securities, which is binding on all Directors and employees. As well as the overriding prohibition, which relates to all Directors and employees, against dealing in the Company's securities, when a person is in possession of inside information, the Policy also details additional restrictions for a group of Restricted Employees. This group consists of all Directors and officers and other key personnel as nominated by the Chairman and Company Secretary and is reviewed on a regular basis to take into account changes in personnel. Prescribed 'blackout' periods are included in the Policy during which Restricted Employees will be prohibited from dealing in the Company's securities. Additionally, Restricted Employees are at all times (irrespective of 'blackout' periods) required to complete an application form to gain the written acknowledgement of either the Chairman, CEO or the Company Secretary before they deal in the Company's securities.

The Company's Policy also prohibits hedging of options granted under share options plans. This relates to both vested and unvested options. Prohibited hedging practices include put/call arrangements over "in money" options to hedge against a future drop in share price. The Board considers such hedging to be against the spirit of a share option plan and inconsistent with shareholder objectives.

This Policy is included in the annual refresher training on all corporate policies. Training is also extended to all external directors on subsidiary boards with new employees completing the training as part of the induction process.

ACTING ETHICALLY AND RESPONSIBLY

Paladin exists to create value for its shareholders. In pursuit of this goal, the Company recognises that measurement of corporate success encompasses economic, environmental and social values. Paladin stakeholders expect their Company to be a good corporate citizen with fair and beneficial business practices, operating to the highest ethical standards, contributing to the growth and prosperity of host countries, and responding positively to community needs.

Paladin has adopted various policies to assist in this commitment, a summary of which can be found below. These policies are also available on the Company's website.

Codes of Conduct

ASX CGC Recommendations (3rd Edition) 3.1 – complied with

The Board has approved a Code of Conduct for Directors (incorporating underlying Guidelines for the Interpretation of Principles) together with a Code of Business Conduct and Ethics, which applies to all

Directors, officers and employees, including those employed by subsidiaries, in all countries where Paladin does business. A copy of the Code is available on the Company's website.

These Codes demonstrate and codify Paladin's commitment to appropriate and ethical corporate practices. Compliance with the Codes will also assist the Company in effectively managing its operating risks and meeting its legal and compliance obligations, as well as enhancing Paladin's corporate reputation.

The principles outlined in this document are intended to:

- establish a minimum global standard of conduct by which all Paladin employees are expected to abide;
- protect the business interests of Paladin, its employees and customers;
- maintain Paladin's reputation for integrity; and,
- facilitate compliance by Paladin employees with applicable legal and regulatory obligations.

The Code of Business Conduct and Ethics addresses honesty and integrity, following the law, conflicts of interest, confidentiality, protection of Company assets, dealing with public officials, responsibility for international operations, employment practices, record keeping and community relations.

The Board has appointed the Company Secretary as the Company's compliance officer in the case of employees, and the Chairman of the Audit Committee in the case of Directors and officers, as the person responsible for receiving reports of breaches of the Code. This is the mechanism by which compliance with the Code is monitored.

Community Relations Policy

Paladin believes that mining and mineral processing activity can play a central role in sustainable community development by acting as a catalyst for positive economic and social change.

When operating in overseas jurisdictions, Paladin acknowledges the importance of understanding that it is operating in a "visitor" capacity in the country of interest and that it must engage with due respect in all interactions.

Paladin aims to achieve a balance between the economic, environmental and social needs in all phases of its projects and has adopted a Community Relations Policy, which is available on the Company's website.

Human Rights Policy

Paladin is committed to respecting human rights and fundamental freedoms. The aim of the Human Rights Policy is to provide the overarching framework for the business in respecting human rights. Paladin commits to respecting human rights throughout its business and to upholding the laws and regulations of the countries in which it operates. Human rights are fundamental principles of personal dignity and universal equality. Respect for human rights fosters social progress, better standards of life and greater freedom for individuals.

Paladin supports and respects the following international guiding documentation and seeks to conduct its business in accordance with the spirit and intent of them, UN International Bill of Human Rights, UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, UN Global Compact, International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, The Voluntary Principles on Security and Human Rights, OECD Guidelines for Multinational Enterprises and Equator Principles.

Whistleblower Policy

The Board has also approved a Whistleblower Policy, which documents commitment to maintaining an open working environment in which employees and contractors are able to report instances of unethical, unlawful or undesirable conduct without fear of intimidation or reprisal.

The purpose of the Whistleblower Policy is to:

- help detect and address unacceptable conduct;
- help provide employees and contractors with a supportive working environment in which they feel able to raise issues of legitimate concern to them and to the Company; and,
- help protect people who report unacceptable conduct in good faith.

To assist in the understanding of this Policy by the local Malawian workforce due to language and cultural differences, a storybook has been written and translated into the local language dealing with the issues of fraud, corruption and whistleblowing. This has been distributed to all local employees. In addition, the local acting troupe has been employed in presenting small plays to the workforce on these subjects. Both mediums have been extremely well received and proved effective in presenting the message.

Anti-Bribery and Corruption Compliance

Paladin does not operate in any country rated an extreme risk for corruption in the latest Transparency International Global Corruption Index – Australia and Canada are in the top quartile and rank 13th and 9th respectively (out of 176 countries surveyed); Namibia is in the second quartile and ranks 53rd and Malawi is in the third quartile, ranked 120th.

Paladin opposes corruption and honours the *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions* (OECD Convention). Paladin is committed to conducting its business in accordance with applicable laws, rules and regulations, and the highest standards of business ethics, and to full and accurate disclosure in compliance with applicable laws, rules and regulations. The Company operates under a Code of Business Conduct and Ethics and a Code of Conduct for its Directors. An Anti-Bribery and Corruption (ABC) Compliance Guide provides practical advice on ethical business conduct for Paladin Directors, employees and third parties. A Whistleblower Policy and procedure are also in place to facilitate disclosure of any alleged corrupt practices.

The Company has established a Compliance Committee which has been trained by external legal counsel, expert in the field. The Committee operates under a Charter, its role being to oversee Paladin's anti-bribery and corruption compliance (as documented in Paladin's Anti-Bribery and Corruption Compliance Guide) and address employee or representative's concerns.

The roll-out of unified anti-bribery and corruption training across the Group began during 2012, with substantially all employees across the Group trained by the end of FY2014. All employees also received a personal copy of the localised guide to the ABC regime. Given educational and cultural challenges, local mine site workers at KM operating below the supervisor level received training through a number of media – story books (each worker received a personal copy) and posters on the subject written in their local language, together with performances by the local drama group. The story book was produced in four local languages in addition to English and was distributed not only to all local staff but to various government departments and the community both in the surrounding area and in Lilongwe, the capital. Paladin also engages with significant suppliers and contractors in regard to its stance on anti-bribery and corruption and ensures the matter is specifically addressed with contracting parties. During FY2018 it is expected all employees will receive refresher training on the subject.

No employees at KM have been terminated over the past financial year due to bribery and corruption related offences.

Privacy Policy

The Company has a firm commitment to protecting the privacy of any personal information that it collects and holds and recognises its obligations under the existing privacy legislation. It has adopted a Privacy Policy which provides details on the collection and use of personal information, circumstances under which it can be disclosed, management and security of personal information and how it can be accessed.

Any changes to the above Codes and Policies are considered by the Board for approval.