



**Corporate Governance Statement**

**Tungsten Mining NL**

**ACN 152 084 403**

**30 June 2019**

**Approved by the Board on 16 September 2019**

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## **Principle 1 – Lay solid foundations for management and oversight**

### **Responsibilities of the Board**

- 1.1 The Board is responsible for the following matters:
- 1.1.1 ensuring the Company's conduct and activities are ethical and carried out for the benefit of all its stakeholders;
  - 1.1.2 setting the strategic direction of the Company and monitoring the Company's performance against its stated objectives;
  - 1.1.3 providing input into and final approval of corporate strategy and monitoring implementation of corporate strategy, business plans and performance objectives;
  - 1.1.4 setting the risk profile for the Company and reviewing, ratifying and monitoring systems of risk management;
  - 1.1.5 reviewing and monitoring codes of conduct, and legal and regulatory compliance;
  - 1.1.6 the appointment and where necessary replacement of the Company's Chief Executive Officer or equivalent (**Chief Executive Officer**), a right of veto in relation to the appointment of the Chief Financial Officer, Company Secretary and other senior executives, and monitoring senior executives' performance and implementation of strategy;
  - 1.1.7 determining appropriate remuneration policies;
  - 1.1.8 allocating resources and ensuring appropriate resources are available to management;
  - 1.1.9 procuring appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as a director;
  - 1.1.10 approving and monitoring the annual budget, progress of major capital expenditure, capital management, and acquisitions and divestitures; and
  - 1.1.11 approving and monitoring financial and other reporting.

### **Chairperson**

- 1.2 The Chairperson is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's business. The Chairperson should facilitate the effective contribution of all directors and promote constructive and respectful relations between directors and between the Board and management of the Company. The Chairperson is responsible for briefing directors on issues arising at Board meetings and ultimately is responsible for communications with security holders and arranging Board performance evaluation.

### **Chief Executive Officer**

- 1.3 The Chief Executive Officer or equivalent is responsible for running the affairs of the Company under delegated authority from the Board. In carrying out his or her responsibilities the Chief Executive Officer must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

## **Company Secretary(s)**

- 1.4 The Company Secretary(s) report to the Board through the Chairperson and is / are responsible for monitoring the extent that Board policy and procedures are followed, and coordinating the timely completion and despatch of Board agenda and briefing material. All directors are to have access to the Company Secretary(s).

## **Board's relationship with Management**

- 1.5 The role of management is to support the Chief Executive Officer or equivalent and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

## **Appointment and Election of Directors**

- 1.6 The Company shall ensure that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the persons character, experience, education, criminal record and bankruptcy history.
- 1.7 The following information about a candidate standing for election or re-election as a director should be provided to security holders to enable them to make an informed decision on whether or not to elect or re-elect the candidate:
- 1.7.1 biographical details, including their relevant qualifications and experience and the skills they bring to the Board;
  - 1.7.2 details of any other material directorships currently held by the candidate;
  - 1.7.3 in the case of a candidate standing for election as a director for the first time:
    - (a) any material adverse information revealed by the checks the entity has performed about the director;
    - (b) details 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 interests of the entity and its security holders generally; and
    - (c) if the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect;
  - 1.7.4 in the case of a candidate standing for re-election as a director:
    - (a) the term of office currently served by the director; and
    - (b) if the Board considers the director to be an independent director, a statement to that effect; and
  - 1.7.5 a statement by the Board as to whether it supports the election or re-election of the candidate.
- 1.8 A candidate for appointment or election as a non-executive director should provide the Board with the information above and a consent for the Company to conduct any background or other checks the entity would ordinarily conduct. The candidate should also provide details of his or her other commitments and an indication of time involved, and should specifically acknowledge to the Company that he or she will have sufficient time to fulfil his or her responsibilities as a director.

## Written Agreements with Directors and Senior Executives

- 1.9 The Company shall enter into a written service contract with each of its executive directors and senior executives which sets out at a minimum a description of their:
- 1.9.1 position;
  - 1.9.2 duties;
  - 1.9.3 responsibilities;
  - 1.9.4 to whom they report;
  - 1.9.5 circumstances in which their service contract may be terminated; and
  - 1.9.6 any entitlement upon termination.
- 1.10 The Company shall provide each non-executive director a letter of appointment which sets out at a minimum:
- 1.10.1 their term of appointment;
  - 1.10.2 expected commitments;
  - 1.10.3 remuneration;
  - 1.10.4 requirements to disclose directors' interests which may affect the director's independence;
  - 1.10.5 requirements to comply with Company policies;
  - 1.10.6 the Company's policy on when directors may seek independent advice;
  - 1.10.7 the circumstances in which the director's office becomes vacant;
  - 1.10.8 indemnity and insurance arrangements;
  - 1.10.9 ongoing rights of access to corporate information; and
  - 1.10.10 confidentiality obligations.

## Diversity

- 1.11 The Board has adopted a policy on achieving gender, age and ethnic diversity in the Company's Board and employees as set out in the Company's Diversity Policy.

The Chief Executive Officer and the Company Secretary are responsible for ensuring the policy is brought to the attention of all affected persons and for monitoring compliance with the policy.

### *Gender Diversity*

- 1.12 The Board is reviewing its practices with a focus on ensuring the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair and tolerant. It has not established measureable objectives at this stage, the Company currently has 14 employees outside of the Board.

### *Women Employees, Executives and Board Members*

The Company and its consolidated entities have 6 female and 8 male employees and contractors. There are currently no female members of the Board of the Company. The Group is not a "relevant employer" under the Workplace Gender Equality Act, because the Group had less than 80 employees in Australia for more than 6 months of the year ending 30 June 2019.

## **Performance Evaluation**

- 1.13 The Chairperson shall review the performance of each Director and each Board committee at least once every calendar year and the Chief Executive Officer shall review the performance of executive management at least once every calendar year with reference to the terms of their employment contract.

The performance review has been undertaken for the current financial year.

## **Principle 2 - Structure the Board to add value**

### **Composition of the Board**

- 1.14 The Board should be of a size and composition that is conducive to making appropriate decisions. The Board should be large enough to incorporate a variety of perspectives and skills, and to represent the best interests of the Company as a whole rather than of individual security holders or interest groups. It should not, however, be so large that effective decision-making is hindered. The current Memorandum and Articles of Association of the Company restricts the number of directors to 12 in the absence of shareholder approval.

- 1.15 The Board has conducted an informal review of its composition, the broad skill sets currently on the Company's Board include technical, financial, legal, managerial, corporate, and commercial.

At this stage of the Groups development the Board believes that there is an appropriate mix of skills, experience, expertise and diversity on the Board. In the coming years as the Group assesses development options additional expertise may be required and at that time further consideration will be given to ensuring the Board has an appropriate mix of skills and diversity.

### **Procedure for selection of new directors**

- 1.16 The Company believes it is not of a size to justify having a Nomination Committee. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board believes corporate performance is enhanced when the Board has an appropriate mix of skills, experience, expertise and diversity.

### **Independent Directors**

- 1.17 The Company will regularly review whether each non-executive director is independent and each non-executive director should provide to the Board all information that may be relevant to this assessment.

The Company discloses the following information:

- 1.17.1 although each of the directors on the Board are non-executive, only one Mr Chew Wai Chuen is considered to be independent. Mr Gary Lyons, Mr Tan Sri Dato Tien Seng Law, Mr Teck Siong Wong and Mr Kong Leng (Jimmy) Lee are Directors of the Company's largest shareholder GWR Group Limited and therefore are not considered to be independent;
- 1.17.2 if a director has an interest, position, association or relationship of the type that might cause doubts about the independence of the director 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

1.17.3 the length of service of each director is set out in the Directors Report in the Company's Annual Report.

1.18 The Company will endeavour to ensure that the majority of its directors are independent at all times, subject to the right of security holders in general meeting to elect and remove directors.

### **Independent decision- making**

1.19 All directors – whether independent or not - should bring an independent judgement to bear on Board decisions. Directors are encouraged to confer regularly without management present. Their discussions are to be facilitated by the Chairperson. Non-executive directors should inform the Chairperson before accepting any new appointments as directors.

### **Independent advice**

1.20 To facilitate independent decision making, the Board and any committees it convenes from time to time may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chairperson, individual directors may seek independent professional advice, at the expense of the Company, on any matter connected with the discharge of their responsibilities.

### **Chairperson**

1.21 The Company has a non-executive Chairperson, however that person is not an independent director. The roles of Chairperson and Chief Executive Officer are separate.

### **Induction and education**

1.22 The Company does not have a formal induction process, however, new Directors appointed to the Board are provided with written material incorporating Financial, Corporate and Operating information in relation to the Company. In addition they are provided with a detailed appointment letter outlining the Company's expectations and setting out the requirements of the role as well identifying director interests and potential conflicts.

1.23 Directors have reasonable access to continuing education to update and enhance their skills and knowledge, including education concerning key developments in the Company and the relevant industry sector.

### **Access to information**

1.24 The Board has the right to obtain all information from within the Company which it needs to effectively discharge its responsibilities.

1.25 The Chief Executive Officer is required on request from the Board to supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions. Directors are entitled to meet with executives as required to fulfil their executive roles, or in the case of non-executive Directors provided prior notice is given to the Chairperson or the Chief Executive Officer.

## **Principle 3: Act ethically and responsibly**

### **Code of conduct**

- 1.26 The Board has adopted a Code of Conduct to promote ethical and responsible decision making by directors, management and employees. The Code embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of stakeholder opportunity.
- 1.27 The Chief Executive Officer is responsible for ensuring that training on the Code of Conduct is provided to staff and officers of the Company.
- 1.28 The Chief Executive Officer and the Company Secretary are responsible for making advisers, consultants and contractors aware of and accountable to the Company's expectations set out in the Code of Conduct.

### **Securities Dealings**

- 1.29 There is no requirement for Directors to hold Company securities.

#### *Securities Trading Policy*

- 1.30 The Board is committed to ensuring that all Directors and employees comply with their legal obligations as well as conducting their business in a transparent and ethical manner. All Directors and employees (including their immediate family or any entity for which they control investment decisions), must ensure that any trading in securities issued by the Company is undertaken within the framework set out in the Securities Trading Policy.
- 1.31 The Securities Trading Policy does not prevent Directors or employees (including their immediate family or any entity for which they control investment decisions) from participating in any share plan or share offers established or made by the Company. However, Directors or employees are prevented from trading in the securities once acquired if the individual is in possession of price sensitive information not generally available to all security holders.
- 1.32 Additional restrictions are placed on trading by Directors, Executives and other key management personnel, as determined by the Chairman and Company Secretary from time to time ('Restricted Employees'). The Company has nominated certain periods which are trading windows during which time Restricted Employees can trade. Restricted Employees must also obtain written consent from the Chairman prior to trading in the Company's securities.
- 1.33 The Securities Trading Policy also includes a clause prohibiting Directors and Executives from entering into transactions in associated products which operate to limit the economic risk of security holdings in the Company over unvested entitlements.

## **Principle 4: Safeguard integrity in corporate reporting**

### **Audit and Risk Management Committee**

- 1.34 The Board has adopted an Audit and Risk Management Committee Charter. However the Board has not formed a separate Audit and Risk Management Committee and the full Board acts in this capacity.



- 1.35 The Audit and Risk Management Committee's Charter provides that it should:
- 1.35.1 review the integrity of the Company's financial reporting;
  - 1.35.2 identify and manage risks including business, economic, environmental and social sustainability risks;
  - 1.35.3 review the Company's risk management framework; and
  - 1.35.4 oversee the independence and competence of the external auditors.

#### **Verification of financial reports**

- 1.36 The Chief Executive Officer and person filling the role of Chief Financial Officer (or equivalent) are required to state the following in writing prior to the Board approving the Company's financial statements for a financial period:
- 1.36.1 that in their opinion the Company's financial reports have been properly maintained and contain a true and fair view, in all material respects, of the financial condition and operating performance of the Company and comply with relevant accounting standards; and
  - 1.36.2 that the opinion is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.

#### **External auditor available at AGM**

- 1.37 The Company shall ensure that its auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

### **Principle 5: Make timely and balanced disclosure**

#### **Disclosure Policy**

- 1.38 The Board has adopted a Disclosure Policy for ensuring timely and accurate disclosure of price-sensitive information to security holders through the ASX.
- 1.39 The Disclosure Policy ensures that:
- 1.39.1 all investors have equal and timely access to material information concerning the Company including its financial position, performance, ownership and governance; and
  - 1.39.2 Company announcements are subjected to a vetting and authorisation process designed to ensure they:
    - (a) are released in a timely manner;
    - (b) are factual and balanced;
    - (c) do not omit material information; and
    - (d) are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

## **Principle 6: Respect the rights of security holders**

### **Communication with Security holders**

- 1.40 The Board is committed to open and accessible communication with holders of the Company's shares. Disclosure of information and other communication will be made as appropriate by mail or email. Security holders shall be given the option to receive communication from, and send communications to, the Board and its security registry electronically.
- 1.41 The Company's website will also be used to provide the following relevant information to security holders:
- 1.41.1 the names, photographs and brief biographical information for each of its directors and senior executives;
  - 1.41.2 the Corporate Governance Policies and other Corporate Governance materials;
  - 1.41.3 copies of its annual reports and other financial statements;
  - 1.41.4 copies of its announcements to ASX;
  - 1.41.5 copies of notices of meetings of security holders and any accompanying documents;
  - 1.41.6 if it keeps them, webcasts and/or transcripts of meetings of security holders and copies of any documents tabled or otherwise made available at those meetings;
  - 1.41.7 if it keeps them, webcasts and/or transcripts of investor or analyst presentations and copies of materials distributed at those presentations; and
  - 1.41.8 such other information as is required by the ASX Listing Rules or recommended by the ASX Corporate Governance Council.
- 1.42 The Company will keep a summary record for internal use of the issues discussed at group or one-on-one briefings with investors and analysts, including a record of those present and the time and place of the meeting.

### **General Meetings**

- 1.43 The Company is committed to improving shareholder participation in general meetings. In order to achieve that objective, the Company has adopted guidelines of the ASX Corporate Governance Council for improving shareholder participation through the design and content of notices and through the conduct of the meeting itself.

## **Principle 7: Recognise and manage risk**

### **Audit and Risk Management Committee**

- 1.44 The Board has adopted an Audit and Risk Management Committee Charter (refer the company's website).

### **Establishment and Review of Policies**

- 1.45 The Board as a whole is ultimately responsible for establishing and reviewing the Company's policies on risk profile, oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.
- 1.46 The Board believes it is not of a size to justify having an internal audit function for efficiency purposes.
- 1.47 Risk management policies and procedures shall be adopted to identify, assess and minimise material risks affecting the Company including the following categories:
- 1.47.1 operational;
  - 1.47.2 environmental;
  - 1.47.3 sustainability;
  - 1.47.4 compliance;
  - 1.47.5 strategic;
  - 1.47.6 ethical conduct;
  - 1.47.7 reputation or brand;
  - 1.47.8 technological;
  - 1.47.9 human capital;
  - 1.47.10 financial reporting; and
  - 1.47.11 market-related risks.
- 1.48 The risk management policies and procedures ensure that where the Company has a material exposure to economic, environmental and social sustainability risks it has a policy to manage those risks.

### **Management Responsibility**

- 1.49 The Company's risk management program will be implemented by senior management under the direction of the Chief Executive Officer as follows:
- 1.49.1 ensuring that matters affecting the goals, objectives and performance of the Company and the safety of its stakeholders are identified and assessed by an operational risk management framework in accordance with industry accepted standards;
  - 1.49.2 obtaining and regularly reviewing insurance for the Company relevant to managing material risks;
  - 1.49.3 implementing and maintaining internal control systems which will be identified in conjunction with the external auditors;
  - 1.49.4 monitoring and verifying the Company's compliance with record keeping and operating requirements, including all requirements of law including indigenous and community rights and environmental obligations; and

- 1.49.5 minimising the potential for loss or damage resulting from risks affecting the Company.
- 1.50 the Chief Executive Officer shall report to the Board at least twice every financial year as to the effectiveness of the Company's management of its material risks.
- 1.51 The Chief Executive Officer is required regularly (quarterly, half yearly and annually) to state in writing to the Board that the Company has a sound system of risk management, that internal compliance and control systems are in place to ensure the implementation of Board policies, and that those systems are operating efficiently and effectively in all material respects.

### **Economic, Environmental and Social Sustainability Risks**

- 1.52 The Company is focused on the discovery and exploitation of mineral deposits and operates in diverse physical environments primarily in Australia. As a result there is some potential for material exposure to economic, environmental and social sustainability risks.
- 1.53 The Company is very aware of the potential for risk in this area and is committed to ensuring that sound environmental management and safety practices are carried out in its exploration activities. The Company's activities are conducted in a manner that minimises our environmental "footprint" as much as possible, and are conducted strictly in accordance with all necessary permits and approvals from regulators.
- 1.54 The Company's underlying goals relating to environmental sustainability are to minimise any adverse impacts upon the environment resulting from the Company's activities.

### **Review by the Board**

- 1.55 The Board must review the effectiveness of implementation of the risk management system at least annually.
- 1.56 When reviewing risk management policies the Board should take into account the Company's legal obligations and should also consider the reasonable expectations of the Company's stakeholders, including security holders, employees, customers, suppliers, creditors, consumers and the community.

## **Principle 8: Remunerate fairly and responsibly**

### **Remuneration Committee**

- 1.57 The Company did not have a separate Remuneration Committee during the year and the full Board acted in this capacity.

### **Director and senior executive remuneration policies**

- 1.58 The Company's remuneration policy is structured for the purpose of:
- 1.58.1 motivating executive directors and senior management to pursue the long-term growth and success of the Company; and
  - 1.58.2 demonstrating a clear relationship between executive directors' and senior management's performance and remuneration.
- 1.59 The Board's responsibility is to set the level and structure of remuneration for executive directors and senior management, for the purpose of balancing the Company's competing interests of:
- 1.59.1 attracting and retaining executive directors and senior management; and

- 1.59.2 not paying excessive remuneration.
- 1.60 Executive directors' remuneration should be structured to reflect short and long-term performance objectives appropriate to the Company's circumstances and goals.
- 1.61 Executive directors' and senior management's remuneration packages should involve a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.
- 1.62 Non-executive directors' remuneration are formulated with regard to the following guidelines:
- 1.62.1 non-executive directors should normally be remunerated by way of fees, in the form of cash fees, superannuation contributions and non-cash benefit in lieu of fees (such as salary sacrifice into superannuation or equity);
  - 1.62.2 the level of a non-executive director's fixed remuneration should reflect the time commitment and responsibilities of the role;
  - 1.62.3 non-executive directors should not generally receive performance based remuneration as it may lead to bias in their decision making, and compromise their objective;
  - 1.62.4 non-executive directors are able to participate in schemes designed for the remuneration of executives (such as Performance Rights) if the Board believe that the participation is in the interests of security holders; and
  - 1.62.5 non-executive directors should not be provided with retirement benefits other than superannuation.
- 1.63 If the Company offers any equity based remuneration scheme participants will not be permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme unless specifically approved by the Board.
- 1.64 No director may be involved in setting their own remuneration or terms and conditions and in such a case relevant directors are required to be absent from the full Board discussion.
- 1.65 Shareholder approval will be sought in the event that it is required pursuant to the ASX Listing Rules or the Company's Constitution for any aspect of director or senior executive remuneration.

The table below summarises the status of the Company's compliance with each of the recommendations contained in the ASX Principles and Recommendations, and discloses reasons for non-compliance where necessary. (if not why not)

ASX Principles and Recommendations	Status
<b>1</b>	<b>Lay solid foundations for management and oversight</b>
1.1	<p>Companies should establish and disclose the respective roles and responsibilities of Board and management and those matters expressly reserved to the Board and those delegated to Management.</p> <p>Compliant.</p> <p>The role of the Board, delegations of authority, and powers of the Board have been formalised in the Board Charter, and have been disclosed on the Company website.</p>
1.2	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director.</li> <li>• 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.</li> </ul> <p>Compliant.</p> <p>The Board will ensure that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the persons character, experience, education, criminal record and bankruptcy history. Security holders will be provided with all relevant information in the Board's possession, relevant to a decision on whether or not to elect or re-elect a Director.</p>
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> <p>Compliant.</p> <p>The Company has a written agreement with each Director setting out the terms of their appointment.</p>
1.4	<p>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>Compliant.</p> <p>The Company Secretary(s) are accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>
1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• Disclose that policy or a summary of it</li> <li>• Disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board, and the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including a definition of 'senior executive')</li> </ul> <p>Compliant.</p> <p>A copy of the Diversity Policy is available to be viewed on the Company's website.</p> <p>Gender analysis is disclosed in the Corporate Governance Statement.</p> <p>The Company has not established measureable objectives at this stage. The Group is not a "relevant employer" under the Workplace Gender Equality Act, because the Group had less than 80 employees in Australia for more than 6 months of the year ending 30 June 2019.</p>
1.6	<p>A listed entity should:</p> <p>Compliant.</p>

	<ul style="list-style-type: none"> <li>• Have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors</li> <li>• Disclose in relation to each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process</li> </ul>	<p>The Company has a formal process for the evaluation of the effectiveness, processes and structure of the Board. The review process takes place annually and has been completed for the 2019 financial year.</p>
1.7	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• Have and disclose a process for periodically evaluating the performance of its senior executives</li> <li>• Disclose in relation to each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process</li> </ul>	<p>Compliant.</p> <p>The Company undertakes a evaluation of the performance of the senior executives.</p> <p>The Non-executive Chairman, on behalf of the Board, assesses the performance of senior executives on an informal basis and reports that evaluation to the other Non-executive Directors. .</p>
<b>2</b>	<b>Structure the Board to add value</b>	
2.1	<p>The Board of a listed entity should:</p> <ul style="list-style-type: none"> <li>• Have a nomination committee which has at least 3 members (majority independent), be chaired by an independent director, disclose the committee charter, disclose the committee members, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance</li> <li>• If it does not have a nomination committee disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively</li> </ul>	<p>Non-Compliant.</p> <p>The Board carries out the functions of a Nomination Committee in respect of the selection and appointment process for Directors. While this does not comply with Recommendation 2.1 of the Corporate Governance Council which recommends having a separate Nomination Committee, the Board considers that the Company is not of a size to justify the establishment of a separate committee. It is therefore more appropriate for such responsibilities to be met by the full Board rather than a separate committee.</p> <p>The Board reviews its composition periodically in the context of changes in the growth and development of the Company and with the Company's Diversity Policy in mind.</p>
2.2	<p>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>Compliant.</p> <p>The Board has assessed a matrix of key skills and diversity which match its current stage of development. The skills, experience and expertise of each Director will be set out in the Directors' Report section of the Company's Annual Report.</p>
2.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>• The names of the directors considered by the Board to be independent directors</li> <li>• If a director has an interest, position, association or relationship of the type described in Box 23 (independence guidelines) but the Board is of the opinion that it does not compromise the independence of the director, the nature</li> </ul>	<p>Compliant.</p> <p>The Board makes the relevant disclosures recommended at 2.3. The disclosures are made both in the Director Report in the Annual Report and in the Corporate Governance Statement.</p>

	<p>of the relationship and an explanation of why the Board is of that opinion</p> <ul style="list-style-type: none"> <li>The length of service of each director</li> </ul>	
2.4	A majority of the Board of a listed entity should be independent directors	<p>Non-Compliant.</p> <p>The Board currently comprises 5 directors, one of whom is independent. However the Board believes that its composition is appropriate at the current time.</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>Non-Compliant.</p> <p>The Company's Chairman, Mr. Gary Lyons, is a Non-Executive director however he is not independent as he is also a director of the Company's 3<sup>rd</sup> largest shareholder. In accordance with the ASX Principles and Recommendations the Company has a separate CEO.</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 roles as directors effectively	<p>Non-Compliant.</p> <p>The Company does not have a formal induction program for inducting new directors. However new directors are provided with considerable information relating to their roles and responsibilities as well as industry and company specific information to enable them to fulfil their role effectively. This approach is disclosed in the Board Charter and in the Corporate Governance Statement.</p> <p>The Board will, when it considers the Company to be of an appropriate size, implement a formal induction process that complies with Recommendation 2.6.</p>
<b>3</b>	<b>Act ethically and responsibly</b>	
3.1	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>Have a code of conduct for its directors, senior executives and employees, and</li> <li>Disclose that code or a summary of it</li> </ul>	<p>Compliant.</p> <p>The Company's Board Charter and Code of Conduct addresses these practices and issues, and is included on the Company's website.</p>
<b>4</b>	<b>Safeguard integrity in corporate reporting</b>	
4.1	<p>The Board of a listed entity should:</p> <ul style="list-style-type: none"> <li>Have an audit committee which has at least 3 members (all of whom are non-executive directors and a majority independent), be chaired by an independent director who is not Chair of the Board, disclose the committee charter, the relevant qualifications and experience of the members of the committee, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance</li> <li>If it does not have an audit committee disclose that fact and the processes it employs that independent verify and safeguard the integrity of its corporate</li> </ul>	<p>Non-Compliant.</p> <p>Considering the size of the Board and executive, the Company is not of a size to justify a separate committee. The full Board acts in this capacity.</p> <p>The Board has however adopted an Audit and Risk Management Committee Charter which is available on the Company's website.</p> <p>As a result the Company does not comply with recommendation 4.1.</p> <p>It is the view of the Board that it has the necessary skills and experience to discharge its responsibilities in this area.</p>



	reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner	
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	Compliant.  The Board receives a declaration from the Chief Executive and person filling the role of Chief Financial Officer before approving the financial statements to be disclosed for the full year, half year and for each quarterly report.
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	Compliant.  The external auditor attends the Company's AGM.
<b>5</b>	<b>Make timely and balanced disclosure</b>	
5.1	A listed entity should: <ul style="list-style-type: none"> <li>• Have a written policy for complying with its continuous disclosure obligations and the listing rules, and</li> <li>• Disclose that policy or a summary of it</li> </ul>	Compliant.  The Company's policies and procedures for compliance with the ASX Listing Rule disclosure requirements are included in the Company's Disclosure Policy and Procedure document on the Company website.
<b>6</b>	<b>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	Compliant.  The Company discloses its policies and governance in its Corporate Governance Statement which is available on its website. Electronic communication with the Company is encouraged.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors	Compliant.  The Company has through its website and ongoing ASX disclosures maintained good communications with its investors.
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	Compliant.  Refer Corporate Governance Statement.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically	Compliant.  The Company encourages the use of electronic means of communications. Refer to the email alerts section on the Company's website.
<b>7</b>	<b>Recognise and manage risk</b>	
7.1	The Board of a listed entity should:	Non-Compliant.

	<ul style="list-style-type: none"> <li>• Have a committee, or committees, to oversee risk, each of which has at least 3 members (majority independent), be chaired by an independent director, disclose the committee charter, disclose the committee members, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance</li> <li>• If it does not have a risk committee, or committees that satisfy the above requirements, disclose that fact and the processes it employs for overseeing the entity's risk management framework</li> </ul>	<p>The Company has not established a separate Risk Committee. The full Board has oversight of Risk Management and has delegated the management of material business risks to the Company's executive.</p> <p>A Risk Strategy has been incorporated and a risk register established.</p> <p>A review of the Risk Register is carried out twice a year at the time of considering and approving the half and full year financial statements.</p>
7.2	<p>The Board, or committee, of the Board should:</p> <ul style="list-style-type: none"> <li>• Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound, and</li> <li>• Disclose in relation to each reporting period whether such a review has taken place</li> </ul>	<p>Compliant.</p> <p>During the Financial year, management have reviewed the material business risks and updated the Company's Risk Register where necessary.</p>
7.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>• If it has an internal audit function, how the function is structured and what role it performs, or</li> <li>• 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>Compliant.</p> <p>The Company does not have an internal audit function.</p> <p>The Board oversees risk management and will review the strategy on an annual basis and the material risk register every six months.</p> <p>The Company has a sound system of internal controls for an organisation of its size which is monitored by senior executives and the Board.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure and social sustainability risks, and if it does, how it manages or intends to manage those risks</p>	<p>Compliant.</p> <p>Disclosed in the Company's Corporate Governance Statement.</p>
<b>8</b>	<p><b>Remunerate fairly and responsibly</b></p> <p>Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear</p>	
8.1	<p>The Board of a listed entity should:</p> <ul style="list-style-type: none"> <li>• Have a remuneration committee which has at least 3 members (majority independent), be chaired by an independent director, disclose the committee charter, disclose the committee members, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance</li> <li>• 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</li> </ul>	<p>Non-Compliant.</p> <p>The Board has not created a Remuneration Committee as it considers that the Company is not of a size to justify the establishment of a separate committee. The full Board act in this capacity.</p> <p>The Company's policy in respect to remuneration is set out in the Corporate Governance Statement.</p>

	ensuring that such remuneration is appropriate and not excessive	
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	Compliant. The Company separately discloses its policy on remuneration in the Corporate Governance Statement and in the Remuneration section of its Directors Report in the Company's Annual Report.
8.3	A listed entity which has an equity based remuneration scheme should: <ul style="list-style-type: none"> <li>• 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 and participation in the scheme, and</li> <li>• Disclose that policy or a summary of it</li> </ul>	Compliant. The Company's Securities Trading Policy specifically prohibits the use of derivatives by the Company's employees.