

KALAMAZOO RESOURCES LIMITED
ACN 150 026 850
(Company)

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as at 23 September 2021 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement discloses the extent to which the Company has followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations 4th Edition (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that have not been followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company has adopted in lieu of the recommendation.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties. The Company's Corporate Governance Plan is available on the Company's website at <http://www.kzr.com.au/corporate-governance/>.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>		
<p>Recommendation 1.1</p> <p>A listed entity should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	YES	<p>The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
		<p>Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website.</p>
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a Director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.</p>	<p>YES</p>	<p>(a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a director or senior executive, or putting forward to security holders a candidate for election, as a Director.</p> <p>(b) Under the Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.</p>
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.</p>	<p>YES</p>	<p>The Company's Nomination Committee Charter requires the Nomination Committee (or, in its absence, the Board) to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> <p>The Company has written agreements with each of its Directors and senior executives.</p>
<p>Recommendation 1.4</p> <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>YES</p>	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION						
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its Board or a committee of the Board set measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) the entity's progress towards achieving those objectives; and</p> <p>(iii) either:</p> <p>(A) the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>PARTIALLY COMPLY</p>	<p>(a) The Company is committed to supporting and managing diversity as a means of enhancing the Company's performance by recognising and utilising the contribution of the diverse skills and talents of its Directors, officers and employees and has established a Diversity Policy. The Company has not fully complied with Recommendation 1.5 in that it has not set measurable objectives for achieving gender diversity. The Board monitors diversity across the Company and is satisfied with the current level of gender diversity. Due to the small size of the Company and its small number of employees, the Board does not consider it appropriate to formally set measurable objectives for gender diversity at this time.</p> <p>(b) The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website.</p> <p>(c)</p> <p>(i) Due to the small size of the Company and its small number of employees, the Board does not consider it appropriate to formally set measurable objectives for gender diversity at this time.</p> <p>(ii) As at the reporting date, the proportion of women employees across the organisation was as follows:</p> <table border="0" data-bbox="1310 981 2049 1109"> <tr> <td>Proportion of women in the whole organisation</td> <td>30%</td> </tr> <tr> <td>Proportion of women in senior executive positions</td> <td>0%</td> </tr> <tr> <td>Proportion of women on the Board</td> <td>0%</td> </tr> </table> <p>The Company is not a "relevant employer" under the Workplace Gender Equality Act 2012.</p>	Proportion of women in the whole organisation	30%	Proportion of women in senior executive positions	0%	Proportion of women on the Board	0%
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Proportion of women in senior executive positions	0%							
Proportion of women on the Board	0%							

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<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	YES	<p>(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. The process for this is set out in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(b) The Company's Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. A formal performance review of the Board and Directors and Committees was completed during the reporting period.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	PARTIALLY COMPLY	<p>(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Company's Remuneration Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director.</p> <p>The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(b) The Company's Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. A formal performance review of the Chief Executive Officer and other senior executives was not undertaken during the reporting period.</p>
<p>Principle 2: Structure the Board to be effective and add value</p>		
<p>Recommendation 2.1</p> <p>The Board of a listed entity should:</p>	YES	<p>(a) The Company does not have a Nomination Committee. The Company's Nomination Committee Charter provides for the</p>

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<p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>		<p>creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director.</p> <p>(b) The Company does not have a Nomination Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively:</p> <ul style="list-style-type: none"> (i) Devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and (ii) All Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership.</p>	<p>YES</p>	<p>Under the Nomination Committee Charter (in the Company's Corporate Governance Plan), the Nomination Committee (or, in its absence, the Board) is required to prepare and maintain a Board skills matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) and to review this against the Company's Board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.</p> <p>The Company has a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p> <p>The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director's relevant skills and experience are set out in the Company's Annual Report.</p>

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<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (4th Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director</p>	YES	<p>(a) The Board has three Directors, one of which is considered to be independent, namely Mr Angus Middleton.</p> <p>(b) There are no independent Directors who fall into this category.</p> <p>(c) The length of service of each Director as at the end of financial year is as follows: Mr Luke Reinehr 10.3 years, Mr Angus Middleton 7.4 years and Mr Paul Adams 3 years.</p>
<p>Recommendation 2.4</p> <p>A majority of the Board of a listed entity should be independent Directors.</p>	NO	<p>The Company's Board Charter requires that, where practical, the majority of the Board should be independent.</p> <p>The Board currently comprises a total of 3 Directors, of whom 1 is considered to be independent. As such, the Board does not have a majority of independent Directors.</p> <p>The Board believes that the current composition of the Board is most appropriate for the Company having regard to its size, its current level of operations, its history and its strategy and includes an appropriate mix of relevant skills and expertise.</p> <p>The Board recognises the ASX Corporate Governance Council's recommendation that the majority of the Board should be comprised of independent Directors and as the Company grows and/or its circumstances change, the Board may make further appointments of independent Directors if considered appropriate.</p>
<p>Recommendation 2.5</p> <p>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>	NO	<p>The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director.</p>

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		<p>The Chair of the Company is Mr Luke Reinehr who is not an independent Director by virtue of his current role as Chief Executive Officer (CEO).</p> <p>The Board believes that Mr Reinehr is the most suitable person to be the current Chair and CEO of the Company given his close association with the Company from its incorporation and his significant contribution to the development of the Company.</p>
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.</p>	YES	<p>In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.</p>
<p>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</p>		
<p>Recommendation 3.1</p> <p>A listed entity should articulate and disclose its values.</p>	YES	<p>The Company has outlined its core vision and values by expressing the standards of behaviour it expects from its Directors, senior executives and employees in its Code of Conduct.</p>
<p>Recommendation 3.2</p> <p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its Directors, senior executives and employees; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material breaches of that code.</p>	YES	<p>(a) The Company's Corporate Code of Conduct, which is available on the Company's website, applies to the Company's Directors, senior executives and employees.</p> <p>(b) The Company Secretary is responsible for informing the Board of any material breaches of the Corporate Code of Conduct.</p>
<p>Recommendation 3.3</p> <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p>	YES	<p>(a) The Company's Whistleblower Policy is available on the Company's website.</p> <p>(b) The Company Secretary is responsible for informing the Board of any material incidents reported under the Company's Whistleblower Policy.</p>

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(b) ensure that the Board or a committee of the Board is informed of any material incidents reported under the policy.		
<p>Recommendation 3.4 A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material breaches of that policy.</p>	YES	<p>(a) The Company's Anti-Bribery and Corruption Policy is available on the Company's website.</p> <p>(b) The Company Secretary is responsible for informing the Board of any material breaches of the Company's Anti-Bribery and Corruption Policy.</p>
<p>Principle 4: Safeguard the integrity of corporate reports</p>		
<p>Recommendation 4.1 The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, who is not the Chair of the Board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify</p>	YES	<p>(a) The Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director who is not the Chair.</p> <p>(b) The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p>(i) The Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal controls and arrangements with external auditors; and</p>

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and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		(ii) All members of the Board are involved in the Company's external audit process to ensure the proper maintenance of the entity and the integrity of all financial reporting.
<p>Recommendation 4.2</p> <p>The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO/Managing Director and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	YES	<p>The Company's Audit and Risk Committee Charter requires the CEO/Managing Director and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.</p> <p>The Company's CEO and Chief Financial Officer have provided the Board with the appropriate declarations in accordance with section 295A of the Corporations Act and this Recommendation 4.2 in relation to the full year and half year statutory financial reports as well as the quarterly cash flow reports.</p>
<p>Recommendation 4.3</p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	YES	<p>The Company's process for verification of the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor is similar to the process followed for all releases to the market. That is, it ensures all releases and reports are prepared by appropriately qualified personnel with access to the appropriate information available to them to support the relevant report or release. All reports are then checked and approved for release by authorised personnel in accordance with the Company's delegation of authority.</p>
Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1</p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1</p>	YES	<p>The Board Charter provides details of the Company's continuous disclosure policy. In addition, the Corporate Governance Plan details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p>
<p>Recommendation 5.2</p>		<p>The Company Secretary is responsible for ensuring that the Board receives a copy of all market announcements promptly after they</p>

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A listed entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.	YES	have been made. This is done via notification directly from the ASX Online platform.
<p>Recommendation 5.3</p> <p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	YES	The CEO/Managing Director and Company Secretary are responsible for ensuring that any new and substantive investor or analyst presentation is released on the ASX Market Announcements Platform ahead of its presentation.
Principle 6: Respect the rights of security holders		
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website (www.kzr.com.au).
<p>Recommendation 6.2</p> <p>A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p>	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan.
<p>Recommendation 6.3</p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	YES	Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting.
<p>Recommendation 6.4</p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	YES	The Company has adopted the policy of putting all resolutions at a meeting of security holders to a poll.

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<p>Recommendation 6.5</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	YES	<p>The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p> <p>Shareholders queries should be referred to the Company Secretary in the first instance.</p>
Principle 7: Recognise and manage risk		
<p>Recommendation 7.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	YES	<p>(a) The Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director.</p> <p>A copy of the Corporate Governance Plan is available on the Company's website.</p> <p>(b) The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter. The Company's Risk Management Review Procedure is contained in the Corporate Governance Plan which is available on the Company's website.</p>
<p>Recommendation 7.2</p>		<p>(a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at</p>

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<p>The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	YES	<p>least annually, satisfy itself that the Company's risk management framework continues to be sound.</p> <p>(b) The Company's Corporate Governance Plan requires the Company to disclose at least annually whether such a review of the company's risk management framework has taken place. The Company's risk management framework was reviewed by management and the Board during the reporting period.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	YES	<p>(a) Due to the size of the Company and its current level of activity and operations, the Company does not have an internal audit function.</p> <p>(b) The Company conducts periodic reviews of the Company's financial systems, documents and processes, and any recommendations for improvement are reported to the Board as part of the Company's risk management processes.</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	YES	<p>The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management determine whether the Company has any material exposure to economic, environmental and social risks and, if it does, how it manages or intends to manage those risks.</p> <p>The Company's Corporate Governance Plan requires the Company to disclose whether it has any material exposure to economic, environmental and social risks and, if it does, how it manages or intends to manage those risks. The Company will disclose this information in its Annual Report and on its website as part of its continuous disclosure obligations.</p> <p>In order to mitigate any material exposure to economic, environmental and social sustainability risks, the Board has oversight of risk management and meet to review and assess risks. The Company currently does not have any material exposure to economic, environmental or social risks.</p>

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Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	YES	<p>(a) The Company does not have a Remuneration Committee. The Company's Corporate Governance Plan contains a Remuneration Committee Charter that provides for the creation of a Remuneration Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom must be independent Directors, and which must be chaired by an independent Director.</p> <p>(b) The Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and to ensure that such remuneration is appropriate and not excessive:</p> <ul style="list-style-type: none"> (i) Devoting time at least annually to discuss a) the on-going appropriateness and relevance of Director and executive remuneration and other executive benefit programs and b) ensuring that remuneration policies fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and prevailing remuneration expectations in the market; and (ii) All Board members being involved in the Company's remuneration process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive</p>	YES	<p>The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives.</p> <p>Non-executive Directors are remunerated on a fixed fee basis for their time, commitment and responsibilities as part of an aggregate</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<p>Directors and the remuneration of executive Directors and other senior executives.</p>		<p>remuneration pool approved by Shareholders. These fees are not linked to the performance of the Company. Non-executive Directors' remuneration may also include options, subject to approval by Shareholders.</p> <p>Senior executives are remunerated either by way of annual salary (i.e. cash and superannuation components) or by consulting fees. Senior executives may also, at the Board's discretion, receive incentive options. Further details on the Company's remuneration practices with regard to Directors and senior executives is contained within the Remuneration Report which forms part of the Directors' Report in the Annual Report.</p>
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>YES</p>	<p>(a) The Company has adopted an Incentive Option Plan ("Plan"). A provision of the Plan is that participants to the Plan must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure to options acquired under the Plan.</p> <p>(b) The Company's Trading Policy (available on the Company's website) prohibits Directors, officers and employees from entering into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first seeking and obtaining written acknowledgement from the Chairman.</p>