

17 January 2017

2016 Corporate Governance Statement and ASX Appendix 4G Key to Disclosures of Corporate Governance Principles and Recommendations

Heemskirk Consolidated Limited (ASX:HSK) submits the attached 2016 Corporate Governance Statement and Appendix 4G (Key to Disclosures of Corporate Governance Principles and Recommendations) in accordance with ASX Listing Rules 4.7.3, 4.7.4 and 4.10.3.

The Company's 2016 Corporate Governance Statement, Appendix 4G and other ancillary corporate governance related documents can also be found at the following URL on the Company's website:

http://www.heemskirk.com/pages/view/corporate_governance

The Board of Directors of Heemskirk Consolidated Limited has approved this Corporate Governance Statement.

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Corporate Governance Statement

Introduction

The Board of Directors is committed to maintaining high standards of safety, performance and corporate governance for Heemskirk Consolidated Limited (**Company** or **Heemskirk**) and the entities it controls (**Group** or **Heemskirk Group**). Good corporate governance is having a set of core values and behaviours that underpin the Group's activities and ensure transparency, accountability and protection of the interests of stakeholders – including shareholders, personnel, suppliers and communities in which the Group operates.

The Board of Directors supports the Corporate Governance Principles and Recommendations (3rd Edition, released in March 2014) (**ASX Principles and Recommendations**) developed by the ASX Corporate Governance Council (Council). Throughout the reporting period, being the year ended 30 September 2016, the Company's practices are largely consistent with the ASX Principles and Recommendations. The Board considers that the implementation of a small number of ASX Principles and Recommendations is not appropriate, for the reasons set out below in relation to the items concerned. The Board uses its best endeavours to ensure that exceptions to the ASX Principles and Recommendations do not have a negative impact on the Company and the best interests of shareholders as a whole.

As required by the ASX Listing Rules, this Corporate Governance Statement (**CGS**) discloses the extent to which the Company has followed the ASX Principles and Recommendations during the Reporting Period, as summarised below.

The Company has also prepared an "ASX Appendix 4G – Key to Disclosures" (which reports on the Company's compliance with each of the ASX Principles and Recommendations) – this has been lodged with the CGS on ASX and may be viewed and downloaded from the Company's website (details below).

A copy of the ASX Principles and Recommendations can be found on the ASX website at the following URL: <http://www.asx.com.au/documents/asx-compliance/cgc-principles-and-recommendations-3rd-edn.pdf>

The Company's latest Annual Report (and other ASX market announcements and releases) may be viewed and downloaded from the Company's website at the following URL: <http://www.heemskirk.com/>

The Corporate Governance page of the Heemskirk website contains most of the charters, codes and policies which are referred to in this CGS, at the following URL: http://www.heemskirk.com/pages/view/corporate_governance

The names of the Non-Executive Directors currently in office and their qualifications and experience are stated in the Company's latest Annual Report.

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Principle 1 – Lay solid foundations for management and oversight

1.1 Board of Directors – Role and Responsibilities

In general the Board is responsible for, and has the authority to determine, all matters relating to policies, procedures & practices, management, safety performance and operations of the Company. The Board is also responsible for the overall corporate governance of the Company and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole.

The Board also ensures that the Company complies with all of its contractual, statutory and any other legal and regulatory obligations. The Board has the final responsibility for the successful operation of the Company. Where the Board considers that particular expertise or information is required which is not available from within the Board, appropriate external advice may be taken and reviewed prior to a final decision being made.

Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the matters set out below, subject to delegation to the Chief Executive Officer and Senior Management as specified elsewhere in this Statement or as otherwise appropriate:

- (a) the formulation and approval of the strategic direction, objectives and goals of the Company;
- (b) the prudential control the Company's finances and operations, and monitoring the financial performance of the Company;
- (c) the resourcing, review and monitoring of the Chief Executive Officer;
- (d) ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- (e) the identification of significant business risks and ensuring that such risks are adequately managed;
- (f) ensuring the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market; and
- (g) the establishment and maintenance of appropriate ethical standards.

The Board absorbed the functions of the Audit & Risk and the Remuneration & Nomination Committees in 2014, however, the Board refers to matters in those respective Charters in their final decision making.

1.2 Senior Management – Role and Responsibilities

The role of Senior Management is to deliver the strategic direction and goals determined by the Board.

The Board has delegated to the Chief Executive Officer and through the Chief Executive Officer to other Senior Executives, responsibility for the day-to-day management of the Group, which includes:

- (a) management of the Group's operations and finances;
- (b) reporting to the Board on matters including the Group's safety performance, operations and financial performance;
- (c) recommending Group strategy, budgets, plans, policies and risk management systems to the Board; and
- (d) determining Group policies, other than those reserved for the Board.

Senior Management may also be delegated responsibility for other matters under policies adopted by the Board.

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1.3 Board Nominations

The Board will consider nominations for appointment or election of Directors that may arise from time to time, having regard to the skills and experience required by the Company (as detailed in the Board Skills Matrix referred to in Section 2.3 below) and procedures outlined in the Company's Constitution and the Corporations Act 2001 (Cth).

The Company undertakes appropriate checks before appointing a person or putting forward to shareholders a candidate for election as a Director. Candidates are assessed through interviews, meetings and background and reference checks (which may be conducted both by external consultants and by Directors) as appropriate.

The Company gives shareholders all material information in its possession relevant to the decision on whether or not to elect (or re-elect) a Director, either in the Notice of Meeting at which the election of the Director is to be held, or by including in the notice a clear reference to the location on the Company's website, Annual Report or other document lodged with ASX where the information can be found.

1.4 Terms of Appointment – Directors and Senior Executives

Each new Non-Executive Director will receive a letter formalising their appointment and outlining the material terms of their appointment. Non-Executive Directors of the Company have not been appointed for fixed terms.

Senior Executives will generally have written employment agreements with the Company setting out their duties, obligations and remuneration. The present Senior Executives are experienced company executives and are well aware of the requirements of their positions, including their roles and responsibilities and their duties as directors/officers of the Company. Their remuneration has been determined by the Board.

The remuneration paid/payable to the Company's 'key management personnel' (which, during the 2016 year included Peter Bird and Mark Connors) is outlined within the Remuneration Report in the Company's latest Annual Report.

The Company's Constitution requires one third of the Directors (other than any Managing Director) or, if that is not a whole number, the whole number nearest to one third, to retire at each Annual General Meeting (AGM). The Director(s) who retire under this rule are those who have held office the longest since last being elected or appointed. If two or more Directors have been in office for the same period, those Directors may agree which of them will retire. A Director appointed by the Board since the last AGM and subject to retirement and re-election at the following AGM is also not taken into account in determining the number of Directors who must retire by rotation.

The initial appointment and last re-election dates of each current Director are listed below.

Director	First Appointed	AGM last Re-elected
Garry Cameron	24 February 2011	25 February 2016
John Taylor	9 May 2011	20 February 2014
Peter McKenna	23 March 2016	To stand for election at the AGM on 23 February 2017

1.5 The Company Secretary

The Company Secretary is appointed by the Board and is responsible for developing and maintaining the

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systems and processes that are appropriate for the Board to fulfil its role. The Company Secretary is responsible to the Board for ensuring compliance with Board procedures and governance matters. The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

1.6 Meetings of the Board

The Board holds regular meetings, generally monthly, and holds additional meetings whenever necessary to deal with specific matters requiring attention. Directors' Circular Resolutions are also utilised where appropriate either in place of or in addition to formal Board meetings. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

It is recognised and accepted that Board members may also concurrently serve on other boards, either in an executive or non-executive capacity, provided that these commitments do not materially interfere with their ability to serve as a Director of the Company.

1.7 Diversity

The Board, Senior Management and workforce of the Company/Group currently comprise individuals that are culturally diverse, together with possessing an appropriate blend of qualifications and skills. The Company recognises the positive advantages of a diverse workplace and is committed to:

- (a) creating a working environment conducive to the appointment of well qualified employees, Senior Management and Board candidates; and
- (b) identifying ways to promote a corporate culture which embraces diversity.

The Board has established a formal diversity policy and set measurable objectives for achieving diversity in accordance with this policy. The small size of, and low turnover within the Company's workforce and the industry in which the Company operates are such that it cannot realistically be expected to reflect the degree of diversity of the general population. Given these circumstances and the current nature and scale of the Company's activities, the Board has determined that it is not practicable to set quantifiable measurable objectives. The Board will continually assess and review the skills, knowledge and experience of all Board members in light of the objectives and direction of the Company. The Board monitors the extent to which the level of diversity within the Company is appropriate on an ongoing basis and periodically considers measures to improve it. The Board will give further consideration to the establishment of objectives for achieving gender diversity in respect of the Board Composition, Senior Executives, Senior Management and whole organisation parameters as the Company develops and its circumstances change.

The Board and Chief Executive Officer are responsible for monitoring and ensuring workplace diversity.

The Company does not currently have any women on the Board or in a Senior Executive position, however it does have women holding Senior Management roles within the Group. A Senior Manager reports directly to the Chief Executive Officer. Of the Group's employees as at 30 September 2016, 28% are female (30 September 2015: 32%).

The Company's diversity policy is posted on its website. The table overleaf sets out the proportion of women in the Company at 30 September 2016.

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At 30 September 2016	No. of Women		Total No.		% of Women	
	2016	2015	2016	2015	2016	2015
Non-executive Directors	0	0	3	2	0	0
Senior Executives (KMP)	0	0	1	2	0	0
Senior Management	2	2	5	7	40	29
Whole organisation	5	6	18	19	28	32

1.8 Board Performance Review and Evaluation

The Board as a whole has responsibility to review its own performance, the performance of individual Directors and the performance of any Board Committees. The Chairman also speaks to Directors individually regarding their role and performance as a Director.

Generally, evaluations are conducted initially by the Chairman via questionnaires and or interviews covering matters such as each Director's individual contribution, Board and Committee performance (as appropriate) and the functioning of the Board and Committee processes. The overall outcomes are discussed by the Board with measures taken to improve the effectiveness and efficiency of the Board and Committees (as appropriate). A Board performance evaluation was conducted during the Reporting Period.

1.9 Senior Executive Performance Review and Evaluation

The Company conducts annual reviews of the performance of its Senior Executives and Senior Management in accordance with its Remuneration Policy Procedures and Performance Review Process. During the reporting period a review of Senior Executives and Management was conducted in accordance with the Company's Performance Review Process and Procedures.

Principle 2 – Structure the Board to add value

2.1 Board of Directors – Composition, Structure and Process

The Board has been formed so that it has an effective composition, size and commitment to adequately discharge its responsibilities and duties given the current size and the scale and nature of the Company's activities. The Directors periodically review whether the size and composition of the Board remains appropriate to the Company's activities and operating environment.

The names of the Non-Executive Chairman and Non-Executive Directors currently in office and their qualifications and experience are stated in the Company's latest Annual Report. A Director is initially appointed by the Board and retires (and may stand for re-election) at the next AGM after their appointment (as outlined under *Terms of Appointment* above).

2.2 Nomination Committee

The Company currently does not have a separate Nomination Committee. The Board considers that given the current size and scope of the Company's operations, no efficiencies or other benefits would be gained by having a separate Nomination Committee. The Board intends to reconsider the requirement for, and benefits of, a separate Nomination Committee as the Company evolves.

The Board previously had a Remuneration & Nomination Committee which was disbanded in 2014 and the functions of this Committee were then absorbed by the Board. Prior to the functions of the Remuneration &

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Nomination Committee being absorbed by the Board, the Committee operated under a formal charter to prescribe its objectives, duties and responsibilities, access and authority, composition, membership requirements of the Committee and other administrative matters. The Committee's key responsibilities were to oversee the appointment and reappointment of directors to the board, board and CEO succession planning, board induction and continuing professional development, the recruitment of new directors, Board assessment, evaluation of the skills mix of existing and proposed new directors and assessment of board composition, strategic function and size. The Board is guided by this charter in its deliberations on matters which were previously under the delegation of the Remuneration & Nomination Committee. This Charter is posted on the Company's website.

2.3 Skills, Knowledge and Experience

The Board seeks to ensure that its members have an appropriate mix of skills, knowledge and experience to enable it to perform properly its responsibilities and be well equipped to navigate the Company through the many opportunities and challenges it faces.

Directors are appointed based on the specific business, corporate and governance skills and experience required by the Company. The Board recognises the need for Directors to have a relevant blend of skills and personal experience in a range of disciplines required for the proper management and oversight of the Company's operations, having regard to the scale and nature of its activities.

While recognising that each Director will not necessarily have experience in each of the following areas, the Board seeks to ensure that its membership includes an appropriate mix of Directors with experience in the mining sector, financial/investments sector, capital markets, general management, accounting and finance and corporate affairs.

A summary of the Directors' skills and experience relevant to the Group as at the end of the Reporting Period is set out below:

Skills and Experience (out of 3 Directors)	
Leadership	Sector Experience
Garry Cameron	John Taylor
John Taylor	Peter McKenna
Peter McKenna	Garry Cameron
Corporate	Governance
Garry Cameron	Garry Cameron
John Taylor	John Taylor
Peter McKenna	Peter McKenna
People	Finance and Risk
Garry Cameron	Garry Cameron
John Taylor	Peter McKenna

The Company's principal business is mining. All material investment decisions require the approval of the Board.

The diverse qualifications, skills and experiences of the Directors, disclosed in the Company's latest Annual Report, represents a mix that the Board believes is appropriate to have reflected among its members. The Board reviews its Skills Matrix at least annually.

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2.4 *Independence*

An independent Director, in the view of the Company, is a Non-Executive Director who:

- (a) has not previously been employed in an Executive capacity within the Group, unless a period of at least three years has elapsed between ceasing such employment and serving on the Board;
- (b) is not and has not within the three years been a principal or senior employee of a material professional adviser to the Group;
- (c) is not and has not within the last three years been in a material business relationship (eg supplier or customer) with the Group, or an officer of or otherwise associated with someone with such a relationship;
- (d) is not a substantial shareholder of the Company or an officer of, or otherwise associated with, a substantial shareholder of the Company;
- (e) has no material contractual relationship with the Company other than as a Director of the Company;
- (f) has no close family ties with any person who falls within any of the categories described above; and
- (g) has not been a Director of the Company for such a period that his or her independence may have been compromised. There is no specified length of service beyond which a Director is no longer considered independent. The Board regularly reviews the independence of each Non-Executive Director.

In the case where any of the above interests, positions or relationships exist, the Company assesses its materiality to determine whether it might interfere, or reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

The Board assesses the independence of Directors annually, or more frequently if circumstances require.

Mr Garry Cameron is regarded as an independent Director. The other Directors are satisfied that he brings an independent judgement to bear on all matters considered by the Board.

Mr John Taylor is regarded as an independent Director. The other Directors are satisfied that he brings an independent judgement to bear on all matters considered by the Board.

Mr Peter McKenna is regarded as an independent Director. The other Directors are satisfied that he brings an independent judgement to bear on all matters considered by the Board.

Mr Peter Bird, who was Managing Director of the Company during part of this reporting period (from 1 October 2015 to 30 April 2016) was not regarded as an independent Director as he was Managing Director of the Company.

The Board has a majority of Non-Executive Directors and a majority of independent Non-Executive Directors.

2.5 *Non –Executive Directors*

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. The Board currently has a majority of Non-Executive Directors. The Board as a whole is satisfied that the Non-Executive Directors bring independent discretion to their deliberations. Mr Garry Cameron, (appointed 24 February 2011), Mr John Taylor (appointed 9 May 2011) and Mr Peter McKenna (appointed 23 March 2016) are Non-Executive Directors. Their qualifications and experience are stated in the Company's latest Annual Report.

2.6 *Executive Director*

As at 30 September 2016, the Company does not have any Executive Directors. During the reporting period,

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the Company's only Executive Director was Peter Bird (appointed Director on 1 December 2011 and resigned as a Director effective 30 April 2016) whose qualifications and experience are stated in the Company's latest Annual Report.

2.7 *Chairman*

The Chairman leads the Board and has responsibility for ensuring that the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board. The Non-Executive Chairman is Garry Cameron (appointed Director on 24 February 2011), whose qualifications and experience are stated in the Company's latest Annual Report.

2.8 *Induction and Professional Development*

It is the policy of the Board to ensure that the Directors and Senior Management of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively and that individual and collective performance is regularly and fairly reviewed.

The Company has a programme for inducting new Directors. This includes giving new Directors a full briefing about the nature of the business, current issues, the corporate strategy and the expectations of the Board concerning the performance of Directors and access to all employees to gain full background on the Company's operations. Directors are encouraged to attend director training and professional development courses, as may be required to enable them to develop and maintain the skills and knowledge needed to effectively perform their roles as Directors, at the Company's expense (as approved by the Chairman and or the Board, as appropriate and applicable).

2.9 *Conflicts of Interest*

To ensure that Directors are at all times acting in the interests of the Company, Directors must disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director and his or her duties to any other parties and the interests of the Company in carrying out the activities of the Company.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself or herself from the room when Board discussion and/or voting occurs on matters to which the conflict relates (save with the approval of the remaining Directors and subject to the Corporations Act).

2.10 *Related-Party Transactions*

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholders' approval for the related party transaction, the Board may not approve the transaction. The Company also discloses related party transactions in its Annual Report as required under the Corporations Act and relevant Accounting Standards.

2.11 *Share Dealings and Disclosures*

The Company has adopted a Share Trading Policy (dated 24 March 2015), which applies to Directors and employees of the Group and contractors who have agreed to be bound by the policy. The policy is designed to:

- (a) explain the type of conduct in relation to dealings in the Company's securities that is prohibited under the relevant law and by the Group, including insider trading; and
- (b) establish a procedure for buying, selling or otherwise dealing in the Company's securities (generally and during specified prohibited periods) which requires any Employee to obtain the prior written

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approval from the Chairman of the Board or the Company Secretary and Directors to obtain written approval from the Chairman of the Board or the Company Secretary (in the case of the Chairman).

A copy of the Company's Share Trading Policy may be viewed and downloaded from the Company's website.

2.12 Independent Professional Advice

Subject to prior approval by the Chairman, which will not be unreasonably withheld, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as a Director.

2.13 Directors' Deeds

The Company has also entered into a Deed of Indemnity with each of the current Directors to regulate certain matters between the Company and each Director, both during the time the Director holds office and after the Director ceases to be a Director of the Company (or of any of its wholly-owned subsidiaries). A summary of the terms of such deeds is contained within the Remuneration Report in the Company's latest Annual Report.

Principle 3 – Act Ethically and Responsibly

3.1 Code of Conduct

The Company has developed a formal Code of Conduct, which may be viewed and downloaded from the Company's website. The Code sets and creates awareness of the standard of conduct expected of Directors, officers, employees and contractors in carrying out their roles.

The Company seeks to encourage and develop a culture which will maintain and enhance its reputation as a valued corporate citizen of the countries in which it operates and an employer for whom employees enjoy working. The Code sets out policies in relation to various corporate and personal behaviours including safety, discrimination, the environment, communities and heritage issues, respecting the law, anti-corruption, interpersonal conduct, conflict of interest and alcohol and drugs.

While the Code seeks to prescribe standards of behaviour for all Group personnel to observe, it does not, and understandably cannot, identify every ethical issue that an individual might face. The Code's objective is to provide a benchmark for professional and personal behaviour throughout the Group, to safeguard the Group's reputation and to make clear the consequences of breaching the Code.

All Group personnel receive a copy of the Code when they commence with the Group and can access the Code from the Company's website or request a copy from their reporting manager or the Office Manager.

Principle 4 – Safeguard Integrity in Corporate Reporting

4.1 Audit Committee

The Company does not have a separate Audit Committee. The Board considers that, given the current size and scope of the Company's operations, no efficiencies or other benefits would be gained by continuing to have a separate Audit & Risk Committee. The Board intends to reconsider the requirement for, and benefits of, a separate Audit & Risk Committee as the Company evolves.

The Board previously had an Audit & Risk Committee which was disbanded in 2014 and the functions of this Committee were then absorbed by the Board. Prior to the functions of the Audit & Risk Committee being absorbed by the Board, the Committee operated under a formal charter to prescribe its objectives, duties and

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responsibilities, access and authority, composition, membership requirements of the Committee and other administrative matters. The Committee had an audit oversight function, with key responsibilities being to review and approve the audited annual and auditor reviewed half-yearly financial reports, to review reports from management and matters related to the external auditor and a risk management function. The Board is guided by this charter in its deliberations on matters which were previously under the delegation of the Audit & Risk Committee. This Charter is posted on the Company's website.

4.2 CEO and CFO Declarations

The Company currently has an Acting Chief Executive Officer, and does not currently have a Chief Financial Officer. The Board has determined that the Acting Chief Executive Officer and the Financial Controller (currently being the Company's most senior financial officer) together are the appropriate persons to make the declaration as required under section 295A of the Corporations Act and as per ASX Principles and Recommendations.

These declarations state that, in their respective opinions, the financial records of the Company 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 Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. The Board receives written assurances from the Company's most senior financial officer prior to approving the Company's financial statements for a financial period (i.e. the half year and full year reports).

4.3 External Auditor

The Company's external auditor (Auditor) is selected for its professional competence, reputation and the provision of value for professional fees. Within the audit firm, the partner responsible for the conduct of the Company's audits is rotated every five years. The external Auditor attends the Company's AGMs and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

Principle 5 – Make Timely and Balanced Disclosure

5.1 Continuous Disclosure to ASX

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to ASX as well as communicating with ASX.

In accordance with the Corporations Act and ASX Listing Rule 3.1, the Company immediately notifies ASX of information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities, subject to exceptions permitted by that rule. A reasonable person is taken to expect information to have a material effect on the price or value of the Company's securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

All staff are required to inform their reporting manager of any potentially price-sensitive information concerning the Company as soon as they become aware of it. Reporting managers are in turn required to inform the Chief Executive Officer of any potentially price-sensitive information.

In general, the Company will not respond to market speculation or rumours unless required to do so by law or by the ASX Listing Rules.

The Company may request a trading halt from ASX to prevent trading in its securities if the market appears to be uninformed. The Board has the authority to call a trading halt. If the full Board is not available, the Chief Executive Officer and, where the Chief Executive Officer is not available, the Company Secretary (in consultation with the Chairman, or in his absence other Board members if possible), is authorised to

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determine whether to seek a trading halt. If the full Board, Chief Executive Officer and Company Secretary are all unavailable to request a trading halt then the Chairman alone is authorised to request a trading halt.

The Company has a Continuous Disclosure policy, a summary of which is posted on its website.

Principle 6 – Respect the rights of security holders

6.1 *Governance and Company Information*

The Company provides governance information to investors via its website. The Company's governance policies, its board charter and the charter of any standing committees can be found under the Corporate Governance section of the website at http://www.heemskirk.com/pages/view/corporate_governance.

The biographical information for each of the Company's directors can be found on its website at http://www.heemskirk.com/pages/view/company_1_1.

An overview of the Company's business is at http://www.heemskirk.com/pages/view/who_are_we.

6.2 *Market and Shareholder Communications*

The Company is owned by shareholders. Increasing shareholder value is the Company's key mission. Shareholders require an understanding of the Company's operations and performance to enable them to be aware of how that mission is being fulfilled. The Directors are the shareholders' representatives. In order to properly perform their role, the Directors must be able to ascertain the shareholders' views on matters affecting the Company.

The Board therefore considers it paramount to ensure that shareholders are informed of all major developments affecting the Company and have the opportunity to communicate their views on the Company to the Board. Information is communicated to shareholders and the market through various means including:

- (a) the Annual Report which is distributed to shareholders either by post if they have elected to receive a printed version or by email if they have elected to receive an electronic version. The Annual Report is otherwise available for viewing and downloading from the Company's website;
- (b) the AGM and other general meetings (the notices for which are available for viewing and downloading from the Company's website) called in accordance with the Corporations Act and to obtain shareholder approvals as appropriate. The Chief Executive Officer gives an address at the AGM updating shareholders on the Company's activities;
- (c) Half-Yearly Directors' and Financial Reports, which are available for viewing and downloading from the Company's website; and
- (d) other announcements released to ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to shareholders, which are available for viewing and downloading from the Company's website.

The Chief Executive Officer has general responsibility to speak to the media, investors and analysts on the Company's behalf. Other Directors or Senior Executives may be given a brief to do so on particular occasions (where appropriate).

The Company actively promotes communication with shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements may be viewed and downloaded from its website: <http://www.heemskirk.com> or the ASX website: www.asx.com.au under ASX code "HSK".

The Company also maintains an email list for the distribution of the Company's announcements on ASX via email in a timely manner.

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Shareholders may send communications to and receive communications from the Company and its Share Registry electronically. The contact email addresses for the Company and its Share Registry respectively are hsk@heemskirk.com and enquiries@boardroomlimited.com.au (also available on the Company's website).

6.3 Shareholders' meetings

Shareholders communicate with Directors through various other means including:

- (a) having the opportunity to ask questions of Directors at all general meetings;
- (b) the presence of the Auditor at AGMs (in person or by teleconference, as practicable and appropriate) to take shareholder questions on any issue relevant to their capacity as Auditor;
- (c) the Company's policy of expecting Directors to be available to meet shareholders at the AGM; and
- (d) the Company making Directors and selected Senior Executives available to answer shareholder questions submitted by telephone, email and other means (where appropriate).

Traditionally, the key forum for two-way communication between the Company and its shareholders is its AGM. The Board encourages shareholder participation at the Company's AGM and other general meetings of shareholders and the Chairman encourages questions and comments from shareholders and seeks to ensure that shareholders are given ample opportunity to participate. Shareholders who are unable to attend the AGM or a general meeting may submit questions and comments before the meeting to the Company and/or to the Auditor (in the case of the AGM).

Principle 7 – Recognise and Manage Risk

7.1 Risk Committee

The Company does not have a separate Risk Committee. The Board previously had an Audit & Risk Committee which was disbanded in 2014 and the functions of this Committee were then absorbed by the Board. The Board considers that, given the current size and scope of the Company's operations, no efficiencies or other benefits would be gained by continuing to have a separate Audit & Risk Committee. The Board intends to reconsider the requirement for, and benefits of, a separate Audit & Risk Committee as the Company evolves.

Prior to the functions of the Audit & Risk Committee being absorbed by the Board, the Committee operated under a formal charter to prescribe its objectives, duties and responsibilities, access and authority, composition, membership requirements of the Committee and other administrative matters. The Committee had a risk management and internal control structures and compliance oversight function. The Board is guided by this charter in its deliberations on matters which were previously under the delegation of the Audit & Risk Committee. This Charter is posted on the Company's website.

7.2 Internal Control and Risk Management

The Board of Directors is responsible for the overall internal control framework (which includes risk management) and oversight of the Company's policies on and management of risks that have the potential to impact significantly on operations, financial performance or reputation.

The Board recognises that no cost-effective internal control system will preclude all errors and irregularities. The system is based, in part, on the appointment of suitably-qualified and experienced service providers and suitably-qualified and experienced management personnel. The effectiveness of the system is monitored and continually reviewed by management on an on-going basis and at least quarterly by the Board. On a day-to-day basis, managing the various risks inherent in the Company's operations is the responsibility of the Chief Executive Officer. Risks facing the Company can be divided into the broad categories of operations, compliance and market risks.

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Operations risk refers to risks arising from day-to-day operational activities which may result in direct or indirect loss from inadequate or failed internal processes, decision-making, exercise of judgment, people or systems or external events. The Chief Executive Officer has delegated responsibility from the Board for identification of operations risks generally, for putting processes in place to mitigate them and monitoring compliance with those processes.

The Company has clear accounting and internal control systems to manage risks to the accuracy of financial information and other financial risks.

Compliance risk is the risk of failure to comply with all applicable legal and regulatory requirements and industry standards and the corresponding impact on the Company's business, reputation and financial condition. The Company's compliance risk management strategy ensures compliance with key legislation affecting the Company's activities.

The Company has policies on responsible business practices and ethical behaviour, including conflict of interest and share trading policies, to maintain confidence in the Company's integrity and ensure legal compliance.

The material economic risks to which the Company is exposed principally consist of market risks. Market risk encompasses risks to the Company's performance from changes in equity prices, interest rates, currency exchange rates and economic conditions generally. The Board retains final responsibility to assess the Company's exposure to these risks and set the strategic direction for managing them. Further details are in the Financial Risk Management note to the financial statements for the Company's latest financial year.

The Company's approach to risk management is not static; it evolves constantly in response to developments in operations and changing market conditions.

Management has reported to the Board as to the effectiveness of the Company's management of its material business risks in respect of the Company's latest financial year.

7.3 Internal Audit

The Company does not have an independent internal audit function. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function in the manner disclosed below, the expense of an independent internal auditor is not considered to be appropriate.

The Board performs all key elements of an internal audit function, including:

- (a) evaluating, seeking and obtaining reasonable assurance that risk management, control and governance systems are functioning as intended and will enable the Company's objectives and goals to be met;
- (b) evaluating information security and associated risk exposures;
- (c) evaluating regulatory compliance programmes with consultation from internal and external legal counsel;
- (d) evaluating the Company's preparedness in case of business interruption; and
- (e) providing oversight of the Company's anti-fraud programmes.

The Board delegates to the Chief Executive Officer the authority to implement any non-strategic amendments to risk management systems required as a result of changed circumstances, or where the potential for improvement has been identified, reporting all such matters to the Board for consideration at its next meeting. The Chief Executive Officer may also seek recommendations from appropriate Senior Executives where strategic changes to risk management and internal control processes are required.

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7.4 **Material Exposure to Economic, Environmental and Social Sustainability Risks**

Heemskirk undertakes a quarterly review of its risk register across the following categories:

Internal risks including: corporate governance, compliance, human resources, workplace health and safety, finance and administration, operational, product, business development, technology, legal and project risks.

External micro risks including: internal people; key commercial relationships; indirect commercial relationships; reputation; fraud, theft, and corruption; and money laundering and terrorism risks.

External macro risks including: natural events; political events; economic events; technology changes; environmental events; cultural and religious events and industrial events.

The review identifies existing risks and the processes and procedures that are in place to manage continually these risks and considers changes in the Company's operations and identifies new risks that have or may arise and the processes and procedures that the Company must initiate to control and/or mitigate these risks from impacting upon the performance of the Company.

- **Economic Sustainability:**

The Company is an Australian business that reports in Australian dollars, funding for the Company's flagship Moberly Project is received in US dollars and revenue will be derived from the sale of silica sand, largely in Canadian dollars. Costs are mainly incurred by the businesses in both Australian and Canadian dollars therefore events in the CAD/USD, CAD/AUD and AUD/USD exchange rates may adversely or beneficially affect Heemskirk's results of operations and cash flows. The Company is managing these risks through forward currency hedging contracts for the duration of construction of the Moberly Project

Costs of production may also be affected by a variety of factors, including: changing waste-to-ore ratios, product recoveries, labour costs, general inflationary pressures and currency exchange rates.

International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in oil and gas prices and, in particular, a material decline in the price of oil or gas may have a material adverse effect on the Company's business, financial condition and results of operations.

- **Environmental Sustainability:**

The mining of silica at the Moberly mine, hauling the silica to site and processing at the Moberly plant can be potentially environmentally hazardous. The Company has dust risk exposure. The Company has established controls to assist in the mitigation of environmental risks such as establishing a process dust collection system to control dust created during the grinding and drying processes, double wall tanks for diesel storage and secondary containment for oil drums to reduce the risk of spillage, spill kits are also located on site.

Heemskirk ensures that it is compliant with all permitting and environmental laws and regulations in connection with its operations.

- **Social Sustainability:**

Due to significant public debate surrounding the environmental impacts of hydraulic fracturing, the industry is subject to substantial public and regulatory scrutiny and to rigorous public environmental approval and monitoring processes.

The operations of Heemskirk are subject to various Federal, State and local laws. Approvals, licences and permits required to comply with local laws and plans including those relating to mining, prospecting, development, permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage and land access may, in some instances, be subject to the

Corporate Governance Statement

discretion of the applicable government or government officials, and, in some cases, the local community. No assurance can be given that Heemskirk will be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation.

The Company maintains a relationship with government and the community in which it operates, participating in local community forums and hosting information sessions to address community concerns and keep the community informed of the Company's plans and measures for mitigating environmental concerns such as dust and noise.

Principle 8 – Remunerate Fairly and Responsibly

8.1 *Remuneration Committee*

The Company currently does not have a separate Remuneration Committee. The Board considers that given the current size and scope of the Company's operations, no efficiencies or other benefits would be gained by having a separate Remuneration Committee. The Board intends to reconsider the requirement for, and benefits of, a separate Remuneration Committee as the Company evolves.

The Board previously had a Remuneration & Nomination Committee which was disbanded in 2014 and the functions of this Committee were then absorbed by the Board. Prior to the functions of the Remuneration & Nomination Committee being absorbed by the Board, the Committee operated under a formal charter to prescribe its objectives, duties and responsibilities, access and authority, composition, membership requirements of the Committee and other administrative matters. The Committee's key responsibilities were to make recommendations to the Board on policy governing the remuneration benefits of Executive Directors including equity-based remuneration and to assist the Non-Executive Chairman to determine the remuneration benefits of Senior Management and advise on those determinations. The Board is guided by this charter in its deliberations on matters which were previously under the delegation of the Remuneration & Nomination Committee. This Charter is posted on the Company's website.

8.2 *Remuneration Policy*

Details of the Company's remuneration policy are contained in the Remuneration Report within the Company's latest Annual Report.

8.3 *Equity Based Remuneration Scheme*

The Company has an Employee Share Scheme. Under the Plan the Board may issue shares in the Company to any employee of the Company and its subsidiaries. Under Listing Rule 10.14, issue of shares under this Plan to executive and non-executive Directors requires the approval of shareholders.

Shares are issued upon employees receiving an interest-free loan from the Company for the purchase price of the shares.

Pursuant to the terms of the Plan, unless otherwise determined by the Company, the share price at which the shares will be issued under the Plan will be the volume weighted average price for the five days after the day of release of the Company's most recent full year financial year results.

Shares financed by the loan are held on trust for the employee.

The loan is to be repaid through dividends paid on the shares, along with any repayments the employee wishes to make from time to time. The requirement for repayment of the loan generally arises only at the time of exercising the shares or upon the employee's employment with the Company ending. If the loan balance is not retired, the employee is unable to receive any benefit from the shares.

Employees are restricted from selling the shares in the first year following issuing of the shares. Following

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such one year period, one quarter of the shares will become unrestricted (vest) and following each one year period thereafter a further one quarter of the shares will become unrestricted. Whilst the shares are restricted, they may not be sold, transferred, mortgaged, hedged (or otherwise encumbered) or otherwise dealt with by a participant.

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Heemskirk Consolidated Limited

ABN/ARBN

18 106 720 138

Financial year ended

30 September 2016

Our corporate governance statement² for the above period above can be found at:³

☐ These pages of our annual report: _____

☒ This URL on our website: http://www.heemskirk.com/pages/view/corporate_governance

The Corporate Governance Statement is accurate and up to date as at 30 September 2016 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 17 January 2017

Name of ~~Director or~~ Secretary authorising
lodgement: Trish Hally

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Sections 1.1 and 1.2</p> <p>OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>Sections 1.1 and 1.2 of our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 1.3</p> <p>OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 1.4</p> <p>OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 1.5</p> <p>OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 1.7</p> <p>OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location: http://www.heemskirk.com/pages/view/corporate_governance</p> <p>... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>(including how the entity has defined “senior executive” for these purposes); or</p> <p>(2) 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>with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: http://www.heemskirk.com/pages/view/corporate_governance</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 1.7</p> <p>OR</p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p>	
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 1.8</p> <p>OR</p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 1.8</p> <p>OR</p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location: in the Remuneration Report within the 2016 Annual Report at http://www.heemskirk.com/articles/index/annual_reports_1</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 1.9</p> <p><u>OR</u></p> <p><input type="checkbox"/> at this location:</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a 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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location: http://www.heemskirk.com/pages/view/corporate_governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>OR</p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 2.2</p> <p>OR</p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement at Section 2.2</p> <p>OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 2.3</p> <p><u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 2.4</p> <p>OR</p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 2.4</p> <p>OR</p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Sections: 1.4, 2.5 and 2.7</p> <p>OR</p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 2.4</p> <p>OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Sections 2.4 and 2.7</p> <p>OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 2.8</p> <p>OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	<p>... our code of conduct or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: http://www.heemskirk.com/pages/view/corporate_governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, <p>and disclose:</p> <ul style="list-style-type: none"> (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location: http://www.heemskirk.com/pages/view/corporate_governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 4.1</p> <p>OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement at Section 4.1</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 4.2</p> <p><u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 4.3</p> <p><u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 5.1</p> <p><u>OR</u></p> <p><input checked="" type="checkbox"/> at this location: http://www.heemskirk.com/pages/view/corporate_governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.heemskirk.com/ http://www.heemskirk.com/pages/view/who_are_we http://www.heemskirk.com/pages/view/company_1_1 http://www.heemskirk.com/pages/view/corporate_governance</p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 6.2</p> <p>OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 6.3</p> <p>OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.heemskirk.com/pages/view/corporate_governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 6.2</p> <p>OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.heemskirk.com/pages/view/corporate_governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 7.1</p> <p>OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement at Section 7.1</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 7.2</p> <p><u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; <u>OR</u></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 risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 7.3</p> <p><u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 7.4</p> <p>OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.heemskirk.com/pages/view/corporate_governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement at Section 8.1</p> <p>OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
		<input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 8.1 <u>OR</u> <input checked="" type="checkbox"/> at this location: in the Remuneration Report within the 2016 Annual Report http://www.heemskirk.com/articles/index/annual_reports_1	
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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at this location: in the Remuneration Report within the 2016 Annual Report http://www.heemskirk.com/articles/index/annual_reports_1	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 8.3 <u>OR</u> <input checked="" type="checkbox"/> at this location: in our Securities Trading Policy at http://www.heemskirk.com/pages/view/corporate_governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>