

# STYLE LIMITED

## Corporate Governance Statement as at 30 June 2015

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**Dated 30 June 2015**

**Approved by the Board on 29 September 2015**

The Company has adopted corporate governance practices that are consistent with the ASX Corporate Governance Council Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (Recommendations), except in regard to specific elements of the Principles and Recommendations as explained in this statement.

In light of the Company's size and nature, the Board considers that the composition of the current board is appropriate. As the Company's activities develop, as is intended, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Statement are outlined below and the Company's full suite of Corporate Governance policies, as stated below, are available on the Company's website ([www.stylelimited.com.au](http://www.stylelimited.com.au)):

### **BOARD OF DIRECTORS**

#### **Board Charter**

The Company's Board Charter establishes the role, responsibilities and powers of the Board of Directors. The directors' overriding objective is to increase shareholder value within an appropriate framework which protects the rights and enhances the interests of shareholders and ensures the Company and its controlled entities are properly managed. The function of the Board of directors is clearly defined and includes responsibility for:

- Approval of corporate strategies, the annual budget and financial plan;
- Monitoring financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditors;
- Appointment of, and assessment of the performance of the Executive Chairman;
- Establishing policies on risk management and ensuring that the significant risks facing the Company and its controlled entities have been identified, and appropriate and adequate control, monitoring and reporting mechanisms are in place; and
- Reporting to shareholders and regulatory authorities.

The directors are committed to the principles underpinning best practice in corporate governance, applied in a manner which is best suited to the Company and to addressing the directors' accountability to shareholders and other stakeholders.

**The Board has delegated the day to day operations of the Company to the Executive Chairman.**

#### **Composition of the Board**

The skills, experience and expertise relevant to the position of each director who is in office at the date of the Annual Report are detailed in the Directors' Report.

The Board currently comprises three directors, including two non-executive directors.

When determining whether a non-executive director is independent, the Board considers whether the director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated with, a substantial shareholder of the Company
- is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board
- has within the last three years been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided
- is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer

- has a material contractual relationship with the Company or another group member other than as a director

The Board currently includes one independent director, Mr James Clement.

Mr Peter Hutchinson is an executive and a substantial shareholder and Mr Mark Pitts is an officer and a provider of professional advice, as a result neither of these Directors can be considered independent.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board includes the quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the scope of activities of the Group, intellectual ability to contribute to Board duties and responsibilities. In complying with recommendations of the Corporate Governance Council, the Board is mindful to ensure that it is comprised of individuals with skills to provide appropriate stewardship to the Company as it transitions from a company focused on developing its timber manufacturing and processing Intellectual Property to an Agri-business with an initial focus on Seafood.

### **Skills and Experience**

Subsequent to the end of the year the Board undertook an informal assessment of its skills. The Skill sets currently on the Company's Board include financial, managerial, fishing industry, corporate, and commercial.

Key skill sets for the Board identified from the informal assessment included:

- fishing and seafood;
- accounting/auditing and corporate finance;
- commercial;
- wholesale / retail sales;
- risk management;
- environmental and health and safety.

At this stage of the Company's development the Board believes that there is an appropriate mix of skills, experience, expertise and diversity on the Board. However the Board will continue to monitor its composition with a view to ensuring it has an appropriate mix of skills and diversity.

### **Director selection, appointment and succession**

Directors are selected based upon the specific skills, knowledge and experience that they possess.

The Board has considered the need for a nomination committee, and believes that the Company is not of a size to justify the establishment of a separate committee. It is therefore more appropriate for such responsibilities to be met by the full Board rather than a separate committee.

In determining the composition of the Board, the directors consider the skills represented on the Board by sitting directors and determine whether those skills meet the skills identified as required, taking into account such factors as the complexity and size of operations.

The directors have access to the advice of external consultants or specialists in determining the composition of the Board. A majority of directors must agree to the appointment of a new director to the Board.

The Board ensures that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the persons character, experience, education, criminal record and bankruptcy history. Security holders will be provided with all relevant information in the Board's possession, relevant on a decision on whether or not to elect or re-elect a Director.

A director appointed mid-term by the Company must seek re-election at the next general meeting.

Whilst there are no set terms for a director to serve, the Constitution requires that one-third (or the number nearest to but not less than one-third) of the directors must retire from office at each annual general meeting.

A retiring director is eligible for re-election. Prior to the election of any director, candidate information with appropriate detail to support an informed decision is provided to shareholders.

The Company does not have a formal induction process, however, new Directors appointed to the Board are provided with written material incorporating Financial, Corporate and Operating information in relation to the

Company. In addition they are provided with a detailed appointment letter outlining the Company's expectations and setting out the requirements of the role as well identifying director interests and potential conflicts.

### **Access to Information and Advice**

The Company has, due to the Board's size and situation, an informal induction process. New Directors are fully briefed about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors.

All directors have access to the Company Secretary. The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The Board has determined that individual directors may, in appropriate circumstances, engage independent professional advisers at the Company's expense. The engagement of an independent professional adviser is subject to the prior approval of the Chair, which will not be unreasonably withheld.

### **Director Remuneration**

Remuneration packages for Executive Directors comprise fixed remuneration and may include short term incentives in the form of cash bonuses and/or long term incentives in the form of performance rights as per individual contractual agreements. Remuneration packages are reviewed by the Board. The process consists of a review of Group, individual performance and relevant comparative remuneration externally and internally.

Non-executive Director remuneration is a fixed annual amount of Director fees, the total of which is within the amount approved by shareholders. Performance based cash bonuses or equity based remuneration has previously not been considered appropriate for Non-executive Directors.

The Company continues to distinguish between the remuneration practices for its Non-executive Directors and the remuneration practices applicable to Executive Directors, the Company therefore complies with Recommendation 8.3 of the Corporate Governance Council. A full outline of the remuneration policy is set out in the Remuneration Report of the Company's Annual Report.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

### **Board Operations**

The Board will determine an appropriate frequency of Board and Board committee meetings to be held during the year. In addition, directors are expected to engage in regular informal discussions with management.

### **Board Committees**

The Board has adopted an Audit Committee Charter which outlines the composition of the committee, its purpose, its responsibilities and requirements of its meetings. In summary the Charter notes that the audit committee is responsible for ensuring the integrity of the Company's financial statements, the effectiveness of financial reporting and liaison with the Company's auditor. However, the Board has not established a separate audit committee and until the size and/or activities of the Company warrant the creation of a separate audit committee, the duties of an audit committee will be undertaken by the full Board.

The Board has not established a separate Remuneration Committee, the full Board is responsible for preparing and reviewing the Company's strategy with regard to remunerating, recruiting, incentivising, retaining and, where appropriate, terminating the Company's executives, non-executive directors and employees. The Board has and will engaged third party experts to assist it in meeting its responsibilities.

It is the view of the Board that they have the skills and experience to discharge their responsibilities in this area.

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#### Evaluation of the Board and individual Directors.

The Company does not have a formal process for the evaluation of the performance of the Board and as such does not comply with Recommendation 1.6 of the Corporate Governance Council. The Chairman assesses the performance of the Board, individual directors and key executives on an informal basis. Subsequent to the end of the financial year evaluation of Board performance and Key Executives will be undertaken by the Non-executive Directors.

The Board has not conducted a performance evaluation for the period to 30 June 2015.

#### ETHICS AND DIVERSITY

##### Diversity

The Board has adopted a diversity policy that details the purpose of the policy and the employee selection and appointment guidelines, consistent with the recommendations of the Corporate Governance Council. The Board believes that the adoption of an efficient diversity policy has the effect of broadening the employee recruitment pool, supporting employee retention, including different perspectives and is socially and economically responsible governance practice.

The Company employs new employees and promotes current employees on the basis of performance, ability and attitude. The Board is continually reviewing its practices with a focus on ensuring that the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair and tolerant.

The Company, in keeping with the recommendations of the Corporate Governance Council provides the following information regarding the proportion of gender diversity in the organisation as at 30 June 2015:

	Proportion of female / total number of persons employed
Females employed in the Company as a whole	0 / 0
Females employed in the Company in senior positions **	0 / 3
Females appointed as a Director of the Company	0 / 3

\*\*There are no individuals considered by the Board to be senior executives outside of the Company's directors

The recommendations of the Corporate Governance Council relating to reporting require a Board to set measurable objectives for achieving diversity within the organisation, and to report against them on an annual basis. The Company has implemented measurable objectives as follows:

Measurable Objective	Objective Satisfied	Comment
Adoption and promotion of a Formal Diversity Policy	Yes	The Company has adopted a formal diversity policy which has been made publicly available via the ASX and the Company's website.
To ensure Company policies are consistent with and aligned with the goals of the Diversity Policy	Yes	The Company's selection, remuneration and promotion practices are merit based and as such are consistent with the goals of the Company's Diversity Policy.
To provide flexible work and salary arrangements to accommodate family commitments, study and self-improvement goals, cultural traditions and other personal choices of current and potential employees.	Yes	The Company will, where considered reasonable, and without prejudice, accommodate requests for flexible working arrangements.

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To implement clear and transparent policies governing reward and recognition practices.	Yes	The Company will grant reward and promotion based on merit and responsibility as part of its annual and ongoing review processes.
To provide relevant and challenging professional development and training opportunities for all employees.	Yes	The Company seeks to continually encourage self-improvement in all employees, irrespective of seniority, ability or experience, through external and internal training courses, regular staff meetings and relevant on job mentoring.

The Company has not implemented specific measurable objectives regarding the proportion of females to be employed within the organisation or implement requirements for a proportion of female candidates for employment and Board positions. The Board considers that the setting of quantitative gender based measurable targets is not consistent with the merit and ability based policies currently implemented by the Company.

The Board will consider the future implementation of gender based diversity measurable objectives when more appropriate to the size and nature of the Company's operations.

#### Code of Conduct

The Company has established a code of conduct and all directors are expected to comply with this code. In summary, the code requires that all Company personnel act with honesty and integrity and in compliance with the letter and the spirit of the law, ASX Listing Rules and Company policies.

#### Financial Reporting

The Board relies on Executive Director to monitor the internal controls. Financial performance is monitored on a regular basis by the Board and is discussed at scheduled Board Meetings.

#### Executive Chairman and Chief Financial Officer Confirmations

In accordance with Recommendation 4.2 of the Corporate Governance Council, Australian Accounting Standards and the Corporations Act the Board requires that the Executive Chairman and Chief Financial Officer provide a written statement in respect to all annual, interim and other statutory financial reports for the Company. In addition, the Board requires assurance that the declaration is founded upon a sound system of risk management and internal controls, and that the system operates effectively in all material aspects.

#### SECURITIES DEALINGS

**There is no requirement for Directors to hold securities.**

#### Securities Trading Policy

The Board is committed to ensuring that all Directors and employees comply with their legal obligations as well as conducting their business in a transparent and ethical manner. All Directors and employees (including their immediate family or any entity for which they control investment decisions), must ensure that any trading in securities issued by the Company is undertaken within the framework set out in the Securities Trading Policy.

The Securities Trading Policy does not prevent Directors or employees (including their immediate family or any entity for which they control investment decisions) from participating in any share plan or share offers established or made by the Company. However, Directors or employees are prevented from trading in the securities once acquired if the individual is in possession of price sensitive information not generally available to all security holders.

In addition to the overriding prohibition against dealing in the Company's securities when a person is in possession of inside information, Directors or Employees and their associated parties are at all times prohibited from dealing in the Company's securities during prescribed 'blackout' periods. The Company has nominated blackout periods to run for the period which starts at the end of the full and half year reporting period until one full trading day after the release of financial results. Written consent from the Chairman must be obtained prior to trading in the Company's securities.

The Securities Trading Policy also includes a clause prohibiting Directors and Executives from entering into transactions in associated products which operate to limit the economic risk of security holdings in the Company over unvested entitlements.

The Share Trading Policy is available on the Company website.

## **RISK MANAGEMENT**

### **Adoption of Risk Management Policies**

The Board has not appointed a separate committee to oversee risk, the full Board acts in this capacity. The Board monitors material business risks on an ongoing basis.

The Board is in the process of compiling a Risk Register which once complete will be reviewed twice a year at the time of considering and approving the half and full year financial statements.

The Company's Risk Policy is disclosed on the Company's website.

The Company does not believe it is of a size that warrants an internal audit function. However the Board and Management maintain the required level of assurance through a sound system of internal controls which is monitored by senior executives and the Board.

In order to implement the Risk Management Policy, it was considered important to establish a Risk Management Strategy and an internal control regime, this will be in place for the 2016 financial year.

To manage and assess risk, the Board will need to assess its material business risks and adopt a 'tailored to fit' Risk Management Plan and a Risk Management Framework as outlined in the Australia/New Zealand Standard AS/NZS 4360:2004.

The Risk Management Policy will continue to evolve and develop with the growth of the Group's activities and will focus on:

- |             |                         |                   |                        |
|-------------|-------------------------|-------------------|------------------------|
| * Financial | * Legal                 | * Human Resources | * Environmental/Social |
| * Corporate | * Government regulation | * Political       |                        |

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

The Company has been focused on the development and exploitation of its existing Intellectual Property and as a result in the Board's view has had very limited exposure to economic, environmental and social sustainability risks.

However, with an intended change to operations the Company is very aware of the potential for risk in this area and is committed to ensuring that sound environmental management and safety practices are developed and maintained.

## **SHAREHOLDER COMMUNICATION**

The Board is committed to ensuring that there is open and timely communication with all shareholders.

### **Communications Policy**

The Board supports practices that provide effective and clear communications with security holders and allow security holder participation at general meetings. A formal Shareholder Communications Policy has been adopted, complying with Recommendation 6.3 of the Corporate Governance Council.

In addition to electronic communication via the ASX website, all ASX announcements together with all statutory reports are published. These documents are available on request and are posted on the Company website at [www.stylelimited.com](http://www.stylelimited.com).

The website provides shareholders and others the opportunity to receive additional information such as press releases and other materials electronically.

Shareholders are able to pose questions on the audit process directly to the independent auditor who attends the Annual General Meeting for that purpose.

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### Continuous Disclosure Policies

The Board is committed to the promotion of investor confidence by providing full and timely information to all security holders and market participants about the Company's activities and to comply with the continuous disclosure requirements contained in the Corporations Act 2001 and the Australian Securities Exchange Listing Rules. The Board has adopted a Continuous Disclosure Policy, complying with Recommendation 5.1 of the Corporate Governance Council and with the ASX Listing Rule Requirements.

Continuous disclosure is discussed at all regular board meetings and on an ongoing basis the Board ensures that all activities are reviewed to assess the need for disclosure to the market.

In accordance with ASX Listing Rules, the Company Secretary has been appointed as the Group's disclosure officer.

The Company has policies and procedures contained within the Continuous Disclosure Policy that focus on continuous disclosure of any information concerning the Company and its controlled entities that a reasonable person would expect to have a material effect on the price of the Company's securities.

*The table below summarises the status of the Company's compliance with each of the recommendations contained in the 3<sup>rd</sup> Edition of the ASX Principles and Recommendations, and discloses reasons for non-compliance where necessary.*

ASX Principles and Recommendations		Status
1	Lay solid foundations for management and oversight	
1.1	Companies should establish and disclose the respective roles and responsibilities of Board and management and those matters expressly reserved to the Board and those delegated to Management.	Compliant. The role of the Board, delegations of authority, and powers of the Board have been formalised in the Board Charter, and have been disclosed on the Company website and in the Corporate Governance Statement.
1.2	A listed entity should: <ul style="list-style-type: none"><li>Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director.</li><li>Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director</li></ul>	Compliant. The Board will ensure that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the persons character, experience, education, criminal record and bankruptcy history. Security holders will be provided with all relevant information in the Board's possession, relevant to a decision on whether or not to elect or re-elect a Director.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment	Compliant. The Company has a written agreement with each Director setting out the terms of their appointment.
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	Compliant. The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
1.5	A listed entity should:	Compliant.



	<ul style="list-style-type: none"> <li>Have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them</li> <li>Disclose that policy or a summary of it</li> <li>Disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board, and the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including a definition of 'senior executive')</li> </ul>	<p>A copy of the Diversity Policy is available to be viewed on the Company's website.</p> <p>The Company reports at the end of each reporting period both the measurable objectives it has adopted and the respective proportions of men and women across the organisation.</p>
1.6	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>Have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors</li> <li>Disclose in relation to each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process</li> </ul>	<p>Non compliant.</p> <p>The Company does not have a formal process for the evaluation of the performance of the Board and as such does not comply with Recommendation 1.6 of the Corporate Governance Council. The Chairman assesses the performance of the Board, individual directors and key executives on an informal basis.</p>
1.7	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>Have and disclose a process for periodically evaluating the performance of its senior executives</li> <li>Disclose in relation to each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process</li> </ul>	<p>Non-compliant</p> <p>The Company does not have a formal process for the evaluation of the performance of the senior executives. The Chairman assesses the performance of the Board, individual directors and key executives on an informal basis.</p>
<b>2</b>	<b>Structure the Board to add value</b>	
2.1	<p>The Board of a listed entity should:</p> <ul style="list-style-type: none"> <li>Have a nomination committee which has at least 3 members (majority independent), be chaired by an independent director, disclose the committee charter, disclose the committee members, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance</li> <li>If it does not have a nomination committee disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable</li> </ul>	<p>Non-Compliant.</p> <p>The Board has considered the need for a nomination committee, and believes that the Company is not of a size to justify the establishment of a separate committee.</p> <p>At this stage it is believed more appropriate for such responsibilities to be met by the full Board rather than a separate committee.</p>



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	it to discharge its duties and responsibilities effectively	
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>Compliant.</p> <p>The Company has the mix of skills it currently has and is looking to achieve.</p> <p>Whilst it does have considerable experience the board will consider the skill, knowledge, experience and independence of the Company's directors in response to any actual or proposed changes in the Company's activities or operations.</p>
2.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>The names of the directors considered by the Board to be independent directors</li> <li>If a director has an interest, position, association or relationship of the type described in Box 23 (independence guidelines) but the Board is of the opinion that it does not compromise the independence of the director, the nature of the relationship and an explanation of why the Board is of that opinion</li> <li>The length of service of each director</li> </ul>	<p>Compliant.</p> <p>Refer disclosure in the Company's Annual Report and in the Corporate Governance Statement.</p>
2.4	A majority of the Board of a listed entity should be independent directors	<p>Non-Compliant.</p> <p>The Board currently comprises 3 directors, one of whom is independent. However the Board believes that its composition is appropriate at the current time.</p>
2.5	The Chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity	<p>Non-Compliant.</p> <p>The Company's Chairman, Mr. Peter Hutchinson, is an executive director; in addition he is a substantial shareholder. As a result he is not considered independent in accordance with the ASX Principles and Recommendations.</p>
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively	<p>Non-Compliant.</p> <p>The Company does not have a formal program, however, it does provide new directors with access to professional development if required and it does provide an appointment letter which describes the expectations and responsibilities that will come with the role.</p>
<b>3</b>	<b>Act ethically and responsibly</b>	
3.1	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>Have a code of conduct for its directors, senior executives and employees, and</li> <li>Disclose that code or a summary of it</li> </ul>	<p>Compliant.</p> <p>The Company's Code of Conduct addresses these practices and issues, and is included on the Company's website.</p>
<b>4</b>	<b>Safeguard integrity in corporate reporting</b>	
4.1	<p>The Board of a listed entity should:</p> <ul style="list-style-type: none"> <li>Have an audit committee which has at least 3 members (all of whom are non-executive directors and a majority independent), be chaired by an</li> </ul>	<p>Compliant.</p> <p>The Board has established an Audit Committee Charter, however, as a consequence of the size of the Company, and the Board consisting of two non-executive directors and one executive director, the</p>

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	<p>independent director who is not Chair of the Board, disclose the committee charter, the relevant qualifications and experience of the members of the committee, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance</p> <ul style="list-style-type: none"> <li>If it does not have an audit committee disclose that fact and the processes it employs that independent verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner</li> </ul>	<p>duties of the Audit Committee are discharged by the full Board. It is the view of the Board that it has the skills and experience to discharge their responsibilities in this area.</p>
4.2	<p>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>	<p>Compliant.</p> <p>The Board receives a declaration form the Executive Chairman and Company Secretary before approving the financial statements.</p>
4.3	<p>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>	<p>Compliant.</p> <p>The Company ensures that the engagement audit partner, or their representative, attends the AGM.</p> <p>The Company will enable security holders to ask questions relevant to the audit at, or ahead of, its AGM.</p>
<b>5</b>	<b>Make timely and balanced disclosure</b>	
5.1	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>Have a written policy for complying with its continuous disclosure obligations and the listing rules, and</li> <li>Disclose that policy or a summary of it</li> </ul>	<p>Compliant.</p> <p>The Company's policies and procedures for compliance with the ASX Listing Rule disclosure requirements are included in the Company's Continuous Disclosure Policy and Procedure document on the Company website.</p>
<b>6</b>	<b>Respect the rights of security holders</b>	
6.1	<p>A listed entity should provide information about itself and its governance to investors via its website</p>	<p>Compliant.</p> <p>The Company has a Shareholder Communications Policy and shareholder communication with the Company is encouraged.</p>
6.2	<p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors</p>	<p>Compliant.</p> <p>Disclosed in Shareholder Communications Policy on the Company's website.</p>
6.3	<p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders</p>	<p>Compliant.</p> <p>Disclosed in Shareholder Communications Policy on the Company's website.</p>

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6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically	Compliant. The Company encourages electronic communications, refer the Shareholder Communications Policy on the Company's website.
<b>7</b>	<b>Recognise and manage risk</b>	
7.1	<p>The Board of a listed entity should:</p> <ul style="list-style-type: none"> <li>Have a committee, or committees, to oversee risk, each of which has at least 3 members (majority independent), be chaired by an independent director, disclose the committee charter, disclose the committee members, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance</li> <li>If it does not have a risk committee, or committees that satisfy the above requirements, disclose that fact and the processes it employs for overseeing the entity's risk management framework</li> </ul>	<p>Non-Compliant.</p> <p>The Company does not have a separate risk committee, however it does have a risk management plan which is outlined in the Risk Management Policy and the Code of Conduct.</p> <p>Day to day risk management is delegated to the Executive Chairman, who is supported in monitoring and managing risks by Board and the company secretary.</p>
7.2	<p>The Board, or committee, of the Board should:</p> <ul style="list-style-type: none"> <li>Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound, and</li> <li>Disclose in relation to each reporting period whether such a review has taken place</li> </ul>	<p>Non-Compliant.</p> <p>The Board has not yet received a report from Management setting out material business risks. The Board has asked management to prepare a risk management strategy and framework and will monitor policy in this area as the Company moves to change its operations.</p>
7.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>If it has an internal audit function, how the function is structured and what role it performs, or</li> <li>If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes</li> </ul>	<p>Compliant.</p> <p>The Company does not have an internal audit function.</p> <p>The Board oversees risk management and is moving to establish an appropriate strategy and framework.</p> <p>The processes adopted to date have been appropriate for the Company's size.</p>
7.4	A listed entity should disclose whether it has any material exposure and social sustainability risks, and if it does, how it manages or intends to manage those risks	<p>Compliant.</p> <p>Disclosed in the Corporate Governance Statement.</p>
<b>8</b>	<b>Remunerate fairly and responsibly</b>	
	Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear	
8.1	<p>The Board of a listed entity should:</p> <ul style="list-style-type: none"> <li>Have a remuneration committee which has at least 3 members (majority independent), be chaired by an independent director, disclose the committee charter, disclose the committee members, and disclose at the end of each reporting period the</li> </ul>	<p>Non-Compliant.</p> <p>The Company does not have a separate Remuneration Committee.</p> <p>The Board has considered the need for a remuneration committee, and believes that the Company is not of a size to justify the establishment of a separate committee.</p>

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### Corporate Governance Statement as at 30 June 2015

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	<p>number of times the committee met during the reporting period and individuals attendance</p> <ul style="list-style-type: none"><li>• If it does not have a remuneration committee disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive</li></ul>	<p>The responsibilities in this area are being met by the full Board.</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives</p>	<p>Compliant.</p> <p>The Company's remuneration report, which is published in the Annual Report, provides information regarding remuneration policy and also sets out the specific remuneration of directors and other senior executives.</p>
8.3	<p>A listed entity which has an equity based remuneration scheme should:</p> <ul style="list-style-type: none"><li>• Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk and participation in the scheme, and</li><li>• Disclose that policy or a summary of it</li></ul>	<p>Compliant.</p> <p>The Company does not have an Equity based remuneration scheme, however it specifically prohibits directors and executives of the Company from entering into arrangements for the purpose of limiting the economic risk of any securities which are held. Refer to the Company Securities Trading Policy available on the website.</p>