

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Mustang Resources Limited

ABN / ARBN:

34 090 074 785

Financial year ended:

30 June 2015

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

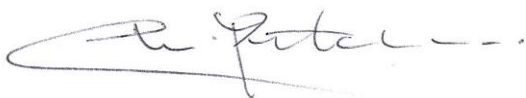
- ☒ These pages of our annual report: Page 32 – Page 37
- ☒ This URL on our website: [www.mustangresources.com.au/investors/corporate-governance](http://www.mustangresources.com.au/investors/corporate-governance)

The Corporate Governance Statement is accurate and up to date as at 8 October 2015 and has been approved by the board.

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

Date: 29 October 2015

Print name: Chris Ritchie



Signature:

Company Secretary

<sup>1</sup> 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.

<sup>2</sup> "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.

<sup>3</sup> 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 ...
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a> ... 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): <input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <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 NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
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</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><b>OR</b></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>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (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>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at this location:</p> <p>[insert location here]</p> <p>... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p><b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>[insert location here]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><b>OR</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><b>OR</b></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 ...
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, 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</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location: www.mustangresources.com.au/investors/corporate-governance</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location: www.mustangresources.com.au/investors/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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 checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location: www.mustangresources.com.au/investors/corporate-governance</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location: www.mustangresources.com.au/investors/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><b>OR</b></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</p> <p><b>OR</b></p> <p><input type="checkbox"/> at this location: [insert location here]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location: [insert location here]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p><b>OR</b></p> <p><input type="checkbox"/> at this location: [insert location here]</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</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><b>OR</b></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 ...
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.	... our board skills matrix: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: [insert location here]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a> ... where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a> ... the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: [insert location here]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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 ...
		<b>AND</b> <input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a>	<b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
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.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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> <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</p> <p><b>OR</b></p> <p><input type="checkbox"/> at this location: [insert location here]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location: [insert location here]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p><b>OR</b></p> <p><input type="checkbox"/> at this location: [insert location here]</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</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a></p>	<p><input checked="" 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 ...
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
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.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at this location: <a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a>	<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</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
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</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><b>OR</b></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>
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</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a></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</p> <p><b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>[insert location here]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>[insert location here]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p><b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>[insert location here]</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</p> <p><b>OR</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a></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; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its 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</p> <p><b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>[insert location here]</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</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>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>	<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</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a></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</p> <p><b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>[insert location here]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>[insert location here]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p><b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>[insert location here]</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"/> in our Corporate Governance Statement</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><b>AND</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.mustangresources.com.au/investors/corporate-governance">www.mustangresources.com.au/investors/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p><b>OR</b></p> <p><input type="checkbox"/> at this location: [insert location here]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><b>OR</b></p> <p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable</p> <p><b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<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</p> <p><b>OR</b></p> <p><input type="checkbox"/> at this location: [insert location here]</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</p> <p><b>OR</b></p> <p><input type="checkbox"/> at this location: [insert location here]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## CORPORATE GOVERNANCE STATEMENT

### 1. OVERVIEW

The Board and management of Mustang Resources Limited ("Company") are committed to conducting the business of the Company in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complied with the ASX Corporate Governance Principles and Recommendations (Third Edition) to the extent appropriate to the size and nature of the Company's operations.

The Company's full Corporate Governance Plan is available at [www.mustangresources.com.au/investors/corporate-governance](http://www.mustangresources.com.au/investors/corporate-governance).

This version of the Company's Corporate Governance Statement was approved by the Board on 8 October 2015.

### 2. PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

**A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.**

**Recommendation 1.1:** A listed entity should disclose the respective roles and responsibilities of its board and management and those matters expressly reserved to the board and those delegated to management.

*The Company has adopted a Board Charter.*

*The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.*

*A copy of the Company's Board Charter as part of the Company's Corporate Governance Plan is available on the Company's website.*

**Recommendation 1.2:** A listed entity should undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election as a director and 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.

*The Company undertakes appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director.*

*All material information relevant to a decision on whether or not to elect or re-elect a director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a director will be voted on.*

**Recommendation 1.3:** A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

*The Company requires that each director and senior executive is a party to a written agreement with the Company which sets out the terms of that director's or senior executive's appointment.*

**Recommendation 1.4:** The Company Secretary of the listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

*The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.*

**Recommendation 1.5:** A listed entity should:

- (a) have a diversity policy which includes requirements of 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;
- (b) disclose that policy or a summary of it; and
- (c) disclose as at the end of each reporting period the measureable 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:
  - i. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
  - ii. 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 the Act.

*The Company has adopted a Diversity Policy.*

*The Diversity Policy provides a framework for the Company to develop a list of measurable objectives that encompass gender equality. The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The Company is responsible for implementing, monitoring and reporting the measurable objectives.*

*The Diversity Policy as part of the Company's Corporate Governance Plan is available on the Company's website.*

*The measurable objectives set by the Board will be included in the annual key performance indicators for the senior executives. In addition, the Board will review progress against the objectives in its annual performance assessment.*

*The Board will include in the annual report each year, the measurable objectives, progress against the objectives and the proportion of male and female employees in the whole organisation, at senior management level and at board Level.*

*No measurable objectives were established during the year due to the Company's focus on acquiring the new assets, the relisting procedure and the integration of the new assets into the Company's operations. It is expected that the measurable objectives will be established in the next financial year.*

Category	Female	Male
Board level	-	100%
Senior management (1)	-	100%
Whole organisation	8%	92%

- (1) *Senior management is defined as a member of the key management personnel as disclosed in the Company's Directors' Report.*

**Recommendation 1.6:** A listed entity should:

- (a) have and disclose a process for periodically evaluation the performance of the board, its committees and individual directors; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

*The Chairman is responsible for ensuring there is a process for evaluating the performance of the Board, its committees and individual directors on an annual basis. The Chairman does so with the aid of an independent advisor where appropriate. The process for this can be found in Schedule 6 of the Company's Corporate Governance Plan.*

*No performance reviews were undertaken during the period due to a significant change in board composition during the reporting period and due to the few months in the life of the relisted company.*



**Recommendation 1.7:** A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

*The Board is responsible for evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives. The process for this can be found in Schedule 6 of the Company's Corporate Governance Plan.*

*No performance review were undertaken during the year due to a significant change in management and the focus on the acquiring of the new assets, the relisting process and the integration of the new assets into the business.*

### **3. PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE**

**A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.**

**Recommendation 2.1:** The board of a listed entity should:

- (a) have a nomination committee which:
  - i. has at least three members, a majority of whom are independent directors; and
  - ii. is chaired by an independent director; and disclose
  - iii. the charter of the committee;
  - iv. the members of the committee; and
  - v. as at the end of each reporting period, the number of time the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a nomination committee, disclose the 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.

*The Company does not have a separate nomination committee but has established a nominations committee charter. The duties and responsibilities typically delegated to such a committee are considered to be the responsibility of the full Board.*

*Given the size and nature of the Company's activities the Board does not believe that any material effectiveness or enhancements would be achieved by the creation of a separate nomination committee.*

*The Board periodically reviews its structure and skills base to ensure that the Board has the optimal spread and depth of skills.*

**Recommendation 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.

*As at this date the Board has not created a board skills matrix. Full details as to each director and senior executive's relevant skills and experience are available in Annual Reports, Prospectuses and on the Company's website.*

**Recommendation 2.3:** A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position, association or relationship 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
- (c) the length of service of each director.

*The Board Charter provides for the disclosure of the names of directors considered by the Board to be independent. These details are provided in Annual Reports, Prospectuses, and the Corporate Governance Statement.*

*The Company considers that only Mr Ian Daymond is an independent director.*

*The Board Charter requires directors to disclose their interest, positions, associations and relationships and requires that the independence of directors is regularly assessed by the Board in light of the interests disclosed by directors. Details of the directors' interests, positions, associations and relationships are provided in Annual Reports, Prospectuses and the Corporate Governance Statement.*

*Mr Andrew Law is the Company's COO and an executive director of the Company and therefore cannot be considered to be independent. Mr Law's services are provided by Fusion (WA) Pty Ltd.*

*Mr Cobus van Wyk is an executive director with the Company. Mr van Wyk is also a director of Regius Resources Group Limited. Regius Resources Group Limited was one of the vendors from which the Company acquired the diamond and graphite projects, and in which they maintain a non-controlling interest in the Company's subsidiaries that hold the diamond licences. Mr van Wyk's services are provided by Regius Resources Group Limited, and this company is a substantial shareholder of the Company with approximately 5.4% of the issued capital of the Company. Mr van Wyk cannot be considered an independent director.*

*Mr Frank Petruzzelli is a non-executive director of the Company. Mr Petruzzelli is also a director of MDB Taxation & Business Pty Ltd, a company that provides consulting services and a serviced office in Melbourne to the Company. Mr Petruzzelli's services are also provided by MDB Taxation & Business Services Pty Ltd. Mr Petruzzelli is also a related party to Elba Investments Pty Ltd, one of the vendors from which the Company acquired the diamond and graphite projects. Elba Investments Pty Ltd is also a substantial shareholder of the Company with approximately 17.9% of the issued capital of the Company. Mr Petruzzelli cannot be considered an independent director.*

*The Board Charter provides for the determination of the Directors' terms and requires the length of service of each director to be disclosed. The length of service of each director is provided in Annual Reports, Prospectuses, and the, Corporate Governance Statement.*

Name of Director	Date of appointment	Length of service
Ian Daymond	30 July 2014	1 year 2 months
Andrew Law	13 July 2015	3 months
Cobus van Wyk	10 June 2015	4 months
Frank Petruzzelli	13 July 2015	3 months

**Recommendation 2.4:** A majority of the board of a listed entity should be independent directors.

*One of the four current Directors is independent.*

*The Board Charter requires that where practical the majority of the Board will be independent.*

*Details of each director's independence are provided in Annual Reports, Prospectuses, and the Company's Corporate Governance Statement. Please see recommendation 2.3, above, for details.*

**Recommendation 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.

*Mr Ian Daymond is an independent director.*

*The Board Charter provides that where practical, the Chairman of the Board will be a non-executive director. If the Chairman ceases to be independent then the Board will consider appointing a lead independent director.*

**Recommendation 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.

*The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for directors. The Remuneration Committee (when active, but currently the full Board assumes this responsibility) is responsible for the approval and review of induction and continuing professional development programs and procedures for directors to ensure that they can effectively discharge their responsibilities.*

*No formal induction program was conducted during the reporting period.*

#### **4. PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY**

**A listed entity should act ethically and responsibly.**

**Recommendation 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.

*The Corporate Code of Conduct applies to the Company's directors, senior executives and employees.*

*The Company's Corporate Code of Conduct as part of the Company's Corporate Governance Plan is available on the Company's website.*

#### **5. PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

**A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.**

**Recommendation 4.1:** The board should:

- (a) have an audit committee which:
  - i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - ii. is chaired by an independent director, who is not the chair of the board, and disclose:
    - iii. the charter of the committee;
    - iv. the relevant qualifications and experience of the members of the committee; and
    - v. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (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.

*The Company does not have a separate audit committee but has established an Audit & Risk Committee Charter. The duties and responsibilities typically delegated to such a committee are considered to be the responsibility of the full Board.*

*Given the size and nature of the Company's activities the Board does not believe that any material effectiveness or enhancements would be achieved by the creation of a separate audit committee.*

*The Audit and Risk Committee Charter as part of the Company's Corporate Governance Plan is available on the Company's website.*

**Recommendation 4.2:** The board should, before it approves the listed 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 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.

*Before the Board approves the entity's financial statements for a financial period, the COO and CFO must have declared 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.*

**Recommendation 4.3:** Listed entities that have an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

*The Board invites the Company's external auditor to attend its AGM and is available to answer questions from security holders relevant to the audit.*

## **6. PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE**

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

**Recommendation 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 summary of it.

*The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 7 of the Corporate Governance Plan is entitled 'Continuous Disclosure' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.*

*The Board Charter and Schedule 7 of the Corporate Governance Plan are available on the Company's website.*

## **7. PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS**

**A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.**

**Recommendation 6.1:** A listed entity should provide information about itself and its governance to investors via its website.

*Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.*

**Recommendation 6.2:** A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

*The Company has adopted a shareholder communications strategy which aims to promote and facilitate effective two-way communication with investors. The shareholder communications strategy outlines a range of ways in which information is communicated to shareholders.*

*A copy of the shareholder communications strategy as part of the Company's Corporate Governance Plan can be found on the Company's website.*

**Recommendation 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.

*The Shareholder Communication Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.*

*Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.*

**Recommendation 6.4:** A listed entity should give security holders the option to receive communication from, and send communications to, the entity and its security registry electronically.

*Security holders can register on the Company's website to receive email notifications when an announcement is made by the Company to the ASX.*

*Shareholders queries should be referred to the Company Secretary at first instance.*

## 8. PRINCIPLE 7: RECOGNISE AND MANAGE RISK

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

**Recommendation 7.1:** The board of the listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
  - i. has at least three members, a majority of whom are independent director; and
  - ii. is chaired by an independent director, and disclose:
    - iii. the charter of the committee;
    - iv. the members of the committee; and
    - v. as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (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.

*The Company does not have a separate risk committee but has established an Audit & Risk Committee Charter. The duties and responsibilities typically delegated to such a committee are considered to be the responsibility of the full Board.*

*Given the size and nature of the Company's activities the Board does not believe that any material effectiveness or enhancements would be achieved by the creation of a separate risk committee.*

*A copy of the Audit and Risk Committee Charter as part of the Company's Corporate Governance Plan is available on the Company's website.*

**Recommendation 7.2:** The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

*The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan is entitled 'Risk Management' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls.*

*Details of the number of times that the Board has met and the individual attendances of members at those meetings are provided in the Company's Annual Reports.*

**Recommendation 7.3:** A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs or
- (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.

*The Company does not have an internal audit function. Review of the Company's risk management framework is conducted at least annually and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.*

**Recommendation 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.

*The Board Charter details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.*

*No review of the Company's risk management framework and associated internal compliance and internal control procedures was carried out during the reporting period.*

## **9. PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY**

**A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.**

**Recommendation 8.1:** The board of a listed entity should:

- (a) have a remuneration committee which;
  - i. has at least three members, a majority of whom are independent directors; and
  - ii. is chaired by an independent director, and disclose:
    - iii. the charter of the committee;
    - iv. the members of the committee; and
    - v. as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (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.

*The Company does not have a separate remuneration committee but has established a Remuneration Committee Charter. The duties and responsibilities typically delegated to such a committee are considered to be the responsibility of the full Board.*

*Given the size and nature of the Company's activities the Board does not believe that any material effectiveness or enhancements would be achieved by the creation of a separate remuneration committee.*

*The remuneration of directors is formalised in service agreements. The Board is responsible for determining and reviewing compensation arrangements for the directors themselves, the managing director and the executive team.*

*It is the Company's objective to provide maximum shareholder benefit from the retention of a high quality Board and executive team by remunerating fairly and appropriately with reference to relevant employment market conditions. To assist in delivering this objective the Board links the nature and amount of executive directors' and officers' emoluments to the Company's financial position and operational performance.*

**Recommendation 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.

*The Board discloses its policies and practices regarding the remuneration of non-executive, executive and other senior directors.*

*A copy of the Remuneration Committee Charter as part of the Company's Corporate Governance Plan is available on the Company's website.*

**Recommendation 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.

*The Company does not currently have an equity-based remuneration scheme.*