

APAC Coal Limited
ACN 126 296 295
(Company)

Corporate Governance Statement

This Corporate Governance summary discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (3rd Edition) (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons have been provided for not following them.

The Company's Corporate Governance Plan has been posted on the Company's website at www.apaccoal.com

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>		
Recommendation 1.1 A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the board, the chair and management; and includes a description of those matters expressly reserved to the board and those delegated to management.	YES	The Company has adopted a Board Charter. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Boards 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 is available on the Company's website. It is Schedule 1 of the APAC Coal Corporate Governance Plan.
Recommendation 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	YES	(a) The Company has detailed guidelines for the appointment and selection of the Board. The Nomination Committee Charter requires the Committee, and in this case the board as no Committee currently exists due to the size of the Company, to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director. (b) 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

<p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>		<p>re-elect a Director will be voted on.</p>
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>YES</p>	<p>The Nomination Committee Charter requires the Committee, and in this case the board, as no Committee currently exists due to the size of the Company, to ensure that each director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> <p>The Company has entered into Executive Service Agreements with senior executives and Letters of Appointment with each Non-Executive Director.</p>
<p>Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>YES</p>	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.</p>
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board:</p> <p>(i) to set measurable objectives for achieving gender diversity; and</p> <p>(ii) to assess annually both the objectives and the entity's progress in achieving them;</p>	<p>NO</p>	<p>(a) The Company has adopted a Diversity Policy</p> <p>(i) The Diversity Policy provides a framework for the Company to achieve a list of measurable objectives that encompass gender equality.</p> <p>(ii) 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 on the measurable objectives.</p> <p>(b) The Diversity Policy is available on the company website. Refer to Schedule 10 of the APAC Coal Corporate Governance Plan.</p> <p>(c)</p> <p>(i) The board believes that given the company has one Executive Director and no employees that it is not at an appropriate size that warrants implementing measurable objectives for achieving gender diversity.</p>

<p>(b) disclose that policy or a summary or it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <ul style="list-style-type: none"> (i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: <ul style="list-style-type: none"> (A) 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 (B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012. 		<p>(ii) For the reporting period all directors were male. The company has no full time employees.</p>
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual</p>	<p>YES</p>	<p>(a) As the Board only consists of three (3) members, the Company does not have a Nomination Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. The responsibilities of the Nomination Committee are currently carried out by the board and evaluating the performance of the Board, any committees and individual directors on an annual basis. The Board may do so with the aid of an independent advisor. The process for this can be found in Schedule 6 of APAC Coal's Corporate Governance Plan.</p>

<p>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>(b) No performance evaluation was undertaken in the reporting period.</p>
<p>Recommendation 1.7</p> <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>YES</p>	<p>(a) As the Board only consists of three (3) members, the Company does not have a Remuneration Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. The responsibilities of the Remuneration Committee are currently carried out by the board, which includes evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives, and may do so with the aid of an independent advisor.</p> <p>(b) The Company has established the Remuneration Committee Charter, which requires an annual performance of the senior executives. Schedule 6 "Performance Evaluation" requires disclosure as to whether or not performance evaluations were conducted during the relevant reporting period. During the reporting period there were no senior executives employed by the Company.</p>
<p>Principle 2: Structure the board to add value</p>		
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p>	<p>NO</p>	<p>(a) As the Board only consists of three (3) members, the Company does not have a Nomination Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. The responsibilities of a Nomination Committee are currently carried out by the board.</p> <p>(b) The Company has adopted the Nomination Committee Charter, which will be followed by the Nomination Committee once it has been established. The Charter provides that the Committee:</p> <p>(i) shall comprise of at least three (3) non-executive directors, the majority of whom are independent. ; and</p> <p>(ii) the Committee Chairman is to be an independent Director.</p> <p>(iii) The Nomination Committee Charter is available online;</p> <p>(iv) The Board Charter provides for the disclosure of the members of each Committee. Details of</p>

<p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>		<p>the members of each Committee are provided in Annual Report; and</p> <p>(v) The Board Charter requires each Committee in relation to the reporting period relevant to that Committee, to disclose the number of times that Committee met throughout the period, and the individual attendances of the members at those Committee meetings. Details of the performance evaluations conducted will be provided in the Company's Annual Report.</p>
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>YES</p>	<p>As the Company does not have a Nomination Committee, the Board with the assistance of an independent advisor, if required, are required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve). The composition of the board is to be reviewed regularly against the Company's Board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.</p> <p>APAC Coal Limited</p> <p>Board Skills Matrix</p> <p style="text-align: right;">Lim Kuan Yew Zane Lewis Quah Boon Ban</p>

		<table border="0"> <thead> <tr> <th data-bbox="819 252 1473 284">Industry experience and knowledge</th> <th data-bbox="1496 260 1664 323">Commercial background</th> <th data-bbox="1738 228 1951 323">Compliance and accounting background</th> <th data-bbox="1973 292 2163 323">IT background</th> </tr> </thead> <tbody> <tr> <td data-bbox="819 347 1429 379">Corporate governance and Risk Management</td> <td data-bbox="1496 339 1664 403">Many prior Directorships</td> <td data-bbox="1738 339 1951 403">Completing the GIA course</td> <td data-bbox="1973 371 2163 403">Engineering</td> </tr> <tr> <td data-bbox="819 411 1357 443">Executive and Non-Executive experience</td> <td data-bbox="1563 411 1597 435">✓</td> <td data-bbox="1827 411 1861 435">✓</td> <td data-bbox="2051 411 2085 435">✓</td> </tr> <tr> <td data-bbox="819 451 965 483">Leadership</td> <td data-bbox="1563 451 1597 475">✓</td> <td data-bbox="1827 451 1861 475">✓</td> <td data-bbox="2051 451 2085 475">✓</td> </tr> <tr> <td data-bbox="819 491 1043 523">Strategic thinking</td> <td data-bbox="1563 491 1597 515">✓</td> <td data-bbox="1827 491 1861 515">✓</td> <td data-bbox="2051 491 2085 515">✓</td> </tr> <tr> <td data-bbox="819 531 1279 563">Desired behavioural competencies</td> <td data-bbox="1563 531 1597 555">✓</td> <td data-bbox="1827 531 1861 555">✓</td> <td data-bbox="2051 531 2085 555">✓</td> </tr> <tr> <td data-bbox="819 571 1133 603">Geographic experience</td> <td data-bbox="1563 571 1597 595">✓</td> <td data-bbox="1827 571 1861 595">✓</td> <td data-bbox="2051 571 2085 595">✓</td> </tr> <tr> <td data-bbox="819 611 1178 643">Capital Markets experience</td> <td data-bbox="1563 611 1597 635">✓</td> <td data-bbox="1827 611 1861 635">✓</td> <td data-bbox="2051 611 2085 635">✓</td> </tr> <tr> <td data-bbox="819 691 1133 722">Subject matter expertise</td> <td></td> <td></td> <td></td> </tr> <tr> <td data-bbox="819 730 987 762">- accounting</td> <td data-bbox="1563 730 1597 754">✓</td> <td data-bbox="1827 730 1861 754">✓</td> <td data-bbox="2051 730 2085 754">✓</td> </tr> <tr> <td data-bbox="819 770 1122 802">- capital management</td> <td data-bbox="1563 770 1597 794">✓</td> <td data-bbox="1827 770 1861 794">✓</td> <td></td> </tr> <tr> <td data-bbox="819 810 1099 842">- corporate financing</td> <td data-bbox="1563 810 1597 834">✓</td> <td data-bbox="1827 810 1861 834">✓</td> <td></td> </tr> <tr> <td data-bbox="819 850 1043 882">- industry taxation</td> <td></td> <td></td> <td></td> </tr> <tr> <td data-bbox="819 890 1066 922">- risk management</td> <td data-bbox="1563 890 1597 914">✓</td> <td data-bbox="1827 890 1861 914">✓</td> <td></td> </tr> <tr> <td data-bbox="819 930 909 962">- legal</td> <td data-bbox="1563 930 1597 954">✓</td> <td></td> <td></td> </tr> <tr> <td data-bbox="819 970 976 1002">- IT expertise</td> <td></td> <td></td> <td data-bbox="2051 970 2085 994">✓</td> </tr> <tr> <td colspan="4" data-bbox="819 1050 2186 1145"> <p>The Board Charter requires the disclosure of each board members qualifications and expertise as set out in the Company's Board skills matrix. Full details as to each director and senior executive's relevant skills and experience are available in the Annual Report and the Company's Website.</p> </td> </tr> </tbody> </table>	Industry experience and knowledge	Commercial background	Compliance and accounting background	IT background	Corporate governance and Risk Management	Many prior Directorships	Completing the GIA course	Engineering	Executive and Non-Executive experience	✓	✓	✓	Leadership	✓	✓	✓	Strategic thinking	✓	✓	✓	Desired behavioural competencies	✓	✓	✓	Geographic experience	✓	✓	✓	Capital Markets experience	✓	✓	✓	Subject matter expertise				- accounting	✓	✓	✓	- capital management	✓	✓		- corporate financing	✓	✓		- industry taxation				- risk management	✓	✓		- legal	✓			- IT expertise			✓	<p>The Board Charter requires the disclosure of each board members qualifications and expertise as set out in the Company's Board skills matrix. Full details as to each director and senior executive's relevant skills and experience are available in the Annual Report and the Company's Website.</p>			
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<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p>	<p>YES</p>	<p>(a) The Board Charter provides for the disclosure of the names of Directors considered by the board to be independent. Currently three members of the Board are considered independent, they are:</p> <ul style="list-style-type: none"> • Kuan Yew Lim, • Boon Ban Quah, • Zane Robert Lewis; 																																																																				

<p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director</p>		<p>(b) 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 the Annual Report; and</p> <p>(c) 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 the Annual Report.</p>
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>YES</p>	<p>The Board Charter requires that where practical the majority of the Board will be independent.</p> <p>Currently the Board has three independent directors.</p> <p>Details of each Director's independence are provided in the Annual Report.</p>
<p>Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>YES</p>	<p>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.</p> <p>Currently Mr Kuan Yew Lim fulfils the responsibilities of the Chairman and is an independent non-executive director.</p>
<p>Recommendation 2.6</p>		<p>The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. As the Company does not have a</p>

<p>A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	<p>YES</p>	<p>Remuneration Committee, the board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.</p>
<p>Principle 3: Act ethically and responsibly</p>		
<p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>YES</p>	<p>(a) The Corporate Code of Conduct applies to the Company's directors, senior executives and employees.</p> <p>(b) The Company's Corporate Code of Conduct is available on the Company's website. It is found in Schedule 2 of the APAC Coal Corporate Governance Plan.</p>
<p>Principle 4: Safeguard integrity in financial reporting</p>		
<p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair</p>	<p>YES</p>	<p>(a) The company has an Audit and Risk Committee consisting of three (3) members whom are non executive and independent directors.</p> <p>The Company has adopted the Audit and Risk Committee Charter. The Charter provides that:</p> <p>(i) The Audit and Risk Committee must have at least three (3) members, all of whom are non-executive directors, with a majority being independent; and</p> <p>(ii) The Chairman of the Audit and Risk Committee must not be Chairman of the Board and must also be independent;</p> <p>(iii) The Audit and Risk Committee Charter will be made available on the Company website;</p> <p>(iv) The Board Charter requires the relevant qualifications and experience of all members to be disclosed. The Audit and Risk Committee Charter also outlines the requisite skills and experience in order to secure a position on the Audit and Risk Committee. Details of the</p>

<p>of the board, and disclose:</p> <ul style="list-style-type: none"> (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 <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 financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p>qualifications and experience of Directors is provided in the Annual Report.</p> <p>(v) The Board Charter requires each Committee in relation to the reporting period relevant to that Committee, to disclose the number of times that Committee met throughout the period, and the individual attendances of the members at those Committee meetings. Details of the Committee meetings will be provided in the Company's Annual Report.</p>
<p>Recommendation 4.2</p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been</p>	<p>YES</p>	<p>The Audit and Risk Committee Charter states that a duty and responsibility of the Committee, and as the Company does not have a Committee, the board, is to ensure that before the Board approves the entity's financial statements for a financial period, the CEO and CFO 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.</p>

<p>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>Recommendation 4.3</p> <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>YES</p>	<p>The Audit and Risk Committee Charter provides that the Committee must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>
<p>Principle 5: Make timely and balanced disclosure</p>		
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>YES</p>	<p>(a) The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 7 of the APAC Coal Corporate Governance Plan is entitled 'Disclosure-Continuous Disclosure' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Board Charter and Schedule 7 of the APAC Coal Corporate Governance Plan are available on the Company website.</p>
<p>Principle 6: Respect the rights of security holders</p>		

<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>YES</p>	<p>Information about the Company and its governance is available in the APAC Coal Corporate Governance Plan which can be found on the Company's website.</p>
<p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>YES</p>	<p>The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders. The Shareholder Communications Strategy can be found on the Company website in the APAC Coal Corporate Governance plan under schedule 11.</p>
<p>Recommendation 6.3</p> <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>YES</p>	<p>The Shareholder Communication Strategy, which can be found in schedule 11 of the APAC Coal Corporate Governance plan on the Company website, 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.</p> <p>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.</p>
<p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>YES</p>	<p>Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX.</p> <p>Shareholders queries should be referred to the Company Secretary at first instance.</p>
<p>Principle 7: Recognise and manage risk</p>		

<p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	<p>NO</p>	<p>(a) The Board is charged with the responsibility of determining the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies.</p> <p>The Company has adopted the Audit and Risk Committee Charter, which will be followed by the Audit and Risk Committee once it has been established.</p> <ul style="list-style-type: none"> (i) The Audit and Risk Committee Charter states that the majority of the Committee must be independent where practical. The Audit and Risk Committee must comprise of at least three (3) members, all being non-executive directors and a majority being independent; (ii) The Chairman of the Audit and Risk Committee must not be the Chairman of the Board and must be independent. (iii) The Audit and Risk Committee Charter is available online at the Company's website. (iv) The Board Charter requires disclosure of the members of the Committee. Details of the current members are provided in the Annual Report. (v) The Board Charter requires each Committee in relation to the reporting period relevant to that Committee, to disclose the number of times each Committee met throughout the period and the individual attendances of the members at those Committee meetings. The relevant details of each Committee meeting held will be provided in the Company's Annual Report.
<p>Recommendation 7.2</p> <p>The board or a committee of the</p>	<p>YES</p>	<p>(a) 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 APAC Coal Corporate Governance Plan, which can</p>

<p>board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>		<p>be found on the Company website, is entitled 'Disclosure - Risk Management' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls.</p> <p>(b) The Audit and Risk Committee Charter requires the Company to disclose the number of times that Committee met throughout the period, and the individual attendances of the members at those Committee meetings. Details of the Committee meetings will be provided in the Company's Annual Report.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>YES</p>	<p>The Audit and Risk Committee Charter provides for the internal audit function of the Company. The Charter outlines the monitoring, review and assessment of a range of internal audit functions and procedures.</p> <p>Given the size of the Company, no internal audit function is currently considered necessary. The Company's Management periodically undertakes an internal review of financial systems and processes and where systems are considered to require improvement these systems are developed. The Board also considers external reviews of specific areas and monitors the implementation of system improvements.</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether,</p>		<p>The Audit and Risk Committee 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</p>

and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	YES	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.
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Principle 8: Remunerate fairly and responsibly

<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of</p>	NO	<p>(a) As the Board only consists of three (3) members, the Company does not have a Remuneration Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. The responsibilities of the Remuneration Committee are currently carried out by the board, with the aid of an independent advisor, if required, which includes evaluating the performance of senior executives.</p> <p>(b) The Company has adopted The Remuneration Committee Charter, which will be followed by the Remuneration Committee once it has been established. The Remuneration Committee Charter outlines the roles and responsibilities of the Remuneration Committee and provides that:</p> <ul style="list-style-type: none"> (i) The Remuneration Committee comprises of at least three (3) Directors, the majority of whom are independent non-executive Directors; (ii) The Remuneration Committee must be chaired by an independent Director who is appointed by the Board. (iii) The Remuneration Committee Charter is available on the Company website; (iv) The Board Charter requires disclosure of the members of the Committee. Details of the current members are provided in the Annual Report; (v) The Board Charter requires each Committee in relation to the reporting period relevant to that Committee, to disclose the number of times that Committee met throughout the period, and the individual attendances of the members at those Committee meetings. Details of the Committee meetings will be provided in the Company's Annual Report.
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<p>remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		
<p>Recommendation 8.2</p> <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 and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p>YES</p>	<p>The Remuneration Committee Charter requires the Company to disclose its policies and practices regarding the remuneration of non-executive, executive and other senior directors.</p>
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>YES</p>	<p>(a) The Remuneration Committee Charter is required to review, manage and disclose the policy (if any) 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. The Remuneration Committee Charter states that the Remuneration Committee, and in this case the Board, as no Remuneration Committee currently exists, must review and approve any equity based plans.</p> <p>(b) A copy of the Remuneration Committee Charter is available on the Company's website.</p>