

CWH RESOURCES LIMITED – CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out CWH Resources Limited’s current compliance with the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (**the ASX Principles and Recommendations**). The ASX Principles and Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has followed the Principles and Recommendations.

The Board of the Company currently has in place a Good Corporate Governance and Best Practice Policy (“Plan”).

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
1. Lay solid foundations for management and oversight		
1.1. Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes	<p>The Plan sets out the specific responsibilities of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Executive Directors and relevant special purpose committees.</p> <p>The Company’s framework has been designed to enable the Board to provide strategic guidance for the Company and effective oversight of management.</p> <p>Generally, the Board assumes the following responsibilities:</p> <ul style="list-style-type: none"> (a) guiding and monitoring the business and affairs of the CWH Group, including compliance with the CWH Group’s corporate governance objectives. It is responsible for the oversight the performance of the CWH Group; (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis; (c) Monitoring and approving all financial reports and all other reporting and external communications by the CWH Group; (d) Evaluation of Board and individual director performance; (e) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

		<p>Every director and senior executive clearly understands the corporate expectations of them, having been involved in adoption of the Plan, which includes a Code of Conduct that applies to all directors, officers and employees.</p> <p>It is expected that the division of responsibility of the Board and senior executives will vary with the evolution of the Company. The Company intends to regularly review the balance of responsibilities to ensure that the division of functions remains appropriate to the needs of the Company.</p>
<p>1.2. Companies should disclose the process for evaluating the performance of senior executives.</p>	<p>Yes</p>	<p>The Company has in place an Audit and Remuneration Committee.</p> <p>The primary purpose of the Audit and Remuneration Committee is to support and report to the Board in fulfilling its responsibilities to shareholders in relation to:</p> <ul style="list-style-type: none"> ▪ identification and appointment of directors and executives; ▪ executive remuneration policy; ▪ the remuneration of executive directors; ▪ the Company's recruitment, retention and termination policies and procedures; ▪ superannuation arrangements; and ▪ all bonus and equity-based plans. <p>In addition the Audit and Remuneration Committee monitors and reviews the effectiveness of the Company's control environment in the areas of operational risk, legal/regulatory compliance and financial reporting. It will advise and assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to:</p>

		<ul style="list-style-type: none"> ▪ reporting of financial information to users of financial reports, in particular the quality and reliability of such information; ▪ assessing the consistency of disclosures in the financial statements with other disclosures made by the CWH Group to the financial markets, governmental and other public bodies; ▪ review and application of accounting policies; ▪ financial management; ▪ review of internal and external audit reports to ensure that where weaknesses in controls or procedures have been identified, appropriate and prompt remedial action is taken by management; ▪ evaluation of the CWH Group's compliance and risk management structure and procedures, internal controls, corporate governance and ethical standards; ▪ review of business policies and practices; ▪ conduct of any investigation relating to financial matters, records or accounts, and to report those matters to the Board; ▪ protection of the CWH Group's assets; and ▪ compliance with applicable laws, regulations, standards and best practice guidelines.
<p>1.3. Companies should provide the information indicated in the Guide to reporting on Principle 1.</p>	<p>Yes</p>	<p>The Company's Corporate Governance policies are set out in its Plan, which is available on the company's website.</p> <p>Where available, the Company intends to provide the information set out in the ASX Principles and Recommendations in its annual reports.</p> <p>The Company intends to provide an explanation of any departure from Principle 1 of the ASX Principles and Recommendations in its future corporate governance</p>

2. Structure the board to add value		
2.1. A majority of the board should be independent directors.	Yes	<p>The Board has reviewed the position and associations of each of the six directors in office and has determined that five of the directors are independent. In making this determination the Board has had regard to the independence criteria in ASX Principle 2 and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of the other directors, as appropriate.</p> <p>The director who does not meet the independence criteria is Bao Cheng Luo who is a substantial shareholder in the company.</p>
2.2. The chair should be an independent director.	No	<p>The Company's current Chairman, Mr Bao Cheng Luo, does not satisfy the ASX Principles and Recommendations definition of an independent director, being an executive director and a shareholder of the Company.</p> <p>However, the Board considers Mr Bao Cheng Luo's role as Chair essential to the success of the Company at this early stage of its restructure and the development of its new business.</p>
2.3. The roles of chair and chief executive officer should not be exercised by the same individual.	No	<p>Mr Bao Cheng Luo is both Chair and managing director.</p> <p>However, the Board considers Mr Bao Cheng Luo's role as both Chair and managing director essential to the success of the Company at this early stage of its restructure and the development of its new business.</p> <p>As the Company develops the Board intends to review its practices, and if deemed necessary in the future, the role of Chair and managing director may be separated.</p>

2.4. The board should establish a nomination committee.	No	<p>The election of Board members is substantially the province of the shareholders in general meeting.</p> <p>The Company's Plan makes reference to recommendation 2.4 and, while there is currently no committee established it is expected that one will be established in due course.</p>
2.5. Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes	<p>The Company Audit and Remuneration Committee and its role in evaluating performance are disclosed in the Plan (and set out in answer to point 1.2 above).</p>
2.6. Companies should provide the information indicated in the Guide to reporting on Principle 2.	Yes	<p>The Company's Corporate Governance policies are set out in the Plan, which is available on the company's website.</p> <p>Where available, the Company intends to provide the information set out in the ASX Principles and Recommendations in its annual reports.</p> <p>Given the current size of the Company and the fact that the Company is only in the early stages of its restructure and the development of its new business, the Company has not yet fully complied with Principle 2 of the ASX Principles and Recommendations. However, to the extent that it has not complied with principle 2, the Company intends to do so as the Company develops.</p> <p>The Company intends to provide an explanation of any departure from Principle 2 of the ASX Principles and Recommendations in its future corporate governance</p>
3. Promote ethical and responsible decision-making		
<p>3.1. Companies should establish a code of conduct and disclose the code or a summary of the code as to:</p> <ul style="list-style-type: none"> • the practices necessary to maintain confidence in the company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; 	Yes	<p>The Plan includes a Code of Conduct which provides a framework for decisions and actions in relation to ethical conduct in employment.</p>

<ul style="list-style-type: none"> the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 		
<p>3.2. Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.</p>	No	<p>The Company's Corporate Governance Plan does not include a formal policy addressing diversity. Given the current size of the Company and the fact that the Company is only in the early stages of its restructure and the development of its new business, the Board does not consider it necessary to have a diversity policy.</p> <p>As the Company develops the Board intends to review its practices, and if deemed necessary in the future, the Board may consider adopting a policy in the future.</p>
<p>3.3. Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.</p>	No	<p>The Company's Corporate Governance Plan does not include a formal policy addressing diversity. Given the current size of the Company and the fact that the Company is only in the early stages of its restructure and the development of its new business, the Board does not consider it necessary to have a diversity policy.</p>
<p>3.4. Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.</p>	N/A	<p>There are currently no women on the Board.</p> <p>The Board intends to provide details as to the proportion of women employees in the organisation, women in senior executive positions and women on the board in its future annual reports.</p>
<p>3.5. Companies should provide the information indicated in the Guide to reporting on Principle 3.</p>	Yes	<p>The Company's Corporate Governance policies are set out in its Plan, which is available on the company's website.</p> <p>Where available, the Company intends to provide the information set out in the ASX Principles and Recommendations in its annual reports.</p> <p>Given the current size of the Company and the fact that the Company is only in the early stages of its restructure and the</p>

		<p>fully complied with Principle 3 of the ASX Principles and Recommendations. However, to the extent that it has not complied with principle 3, the Company intends to do so as the Company develops.</p> <p>The Company intends to provide an explanation of any departure from Principle 3 of the ASX Principles and Recommendations in its future corporate governance statements in its annual reports.</p>
4. Safeguard integrity in financial reporting		
4.1. The board should establish an audit committee.	Yes	The Board has established an Audit and Remuneration Committee, which has a formal charter to verify the integrity of CWH's financial reporting.
4.2. The audit committee should be structured so that it: <ul style="list-style-type: none"> • consists only of non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair, who is not chair of the board; • has at least three members. 	No	The audit committee is chaired by an independent director. Following re-listing the Company will consider appropriate steps to comply with recommendation 4.2.
4.3. The audit committee should have a formal charter.	Yes	The Audit and Remuneration Committee is established by a formal charter.
4.4. Companies should provide the information indicated in the Guide to reporting on Principle 4.	Yes	<p>The Company's Corporate Governance policies are set out on the Company' Plan, which is available on the company's website.</p> <p>Where available, the Company intends to provide the information set out in the ASX Principles and Recommendations in its annual reports.</p> <p>Given the current size of the Company and the fact that the Company is only in the early stages of its restructure and the development of its new business, the Company has not yet fully complied with Principle 4 of the ASX Principles and Recommendations. However, to the extent that it has not complied with Principle 4, the Company intends to do so as</p>

		The Company intends to provide an explanation of any departure from Principle 4 of the ASX Principles and Recommendations in its future corporate governance statements in its annual reports.
5. Make timely and balanced disclosure		
5.1. Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	<p>The Company has a continuous disclosure policy in place to promote effective communication with its shareholders and the public.</p> <p>The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX and shareholders as well as providing guidance to directors and employees on disclosure requirements and procedures.</p>
5.2. Companies should provide the information indicated in the Guide to reporting on Principle 5.	Yes	<p>The Company's Corporate Governance policies are set out on the Company's Plan, which is available on the company's website.</p> <p>Where available, the Company intends to provide the information set out in the ASX Principles and Recommendations in its annual reports.</p> <p>The Company intends to provide an explanation of any departure from Principle 5 of the ASX Principles and Recommendations in its future corporate governance statements in its annual reports.</p>
6. Respect the rights of shareholders		
6.1. Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	All Group announcements, presentations to analysts and other significant briefings are posted on the CWH Group's website after release to the Australian Securities Exchange. Consistent with ASX Principle 6 and CLERP 9, the CWH Group's auditors attend, and are available to answer questions at, the CWH Group's Annual General Meetings.

		<p>The CWH Group encourages shareholders to register for receipt of announcements and updates electronically. It is exploring means to provide remote access to Group meetings for those unable to attend in person.</p>
6.2. Companies should provide the information indicated in the Guide to reporting on Principle 6.	Yes	<p>The Company's Corporate Governance policies are set out in its Plan, which is available on the company's website.</p> <p>The Company intends to provide an explanation of any departure from Principle 6 of the ASX Principles and Recommendations in its future corporate governance statements in its annual reports.</p>
7. Recognise and manage risk		
7.1. Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	<p>The Board is responsible for the oversight and management of all material business risks.</p> <p>CWH has approved delegations and limits for approval of expenditure and for incurring contractual obligations.</p> <p>In accordance with ASX Principle 7, the executive officers provide the Board with an annual written statement that:</p> <ul style="list-style-type: none"> ▪ the statement given with respect to the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and ▪ the CWH Group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

		<p>The risk profile can be expected to change and procedures adapted as the CWH business develops and it grows in size and complexity. Regular review by the Audit and Remuneration Committee will ensure that procedures adopted continue to be appropriate.</p> <p>The Board intends to continue to regularly review and approve the risk management and oversight policies of the Company.</p>
7.2. The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	No	This has not been formalised as a role of management, which presently sits at Board level. The Board intends to appoint professional management and have management make recommendations for internal control systems and reporting, in addition to those outlined in the Plan.
7.3. The board should disclose whether it has received assurance from the chief executive office (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	<p>In accordance with ASX Principle 7, the executive officers provide the Board with an annual written statement that:</p> <ul style="list-style-type: none"> ▪ the statement given with respect to the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and ▪ the CWH Group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.
7.4. Companies should provide the information indicated in the Guide to reporting on Principle 7.	Yes	<p>The Company's Corporate Governance policies are set out in its Plan, which is available on the company's website.</p> <p>Where available, the Company intends to provide the information set out in the ASX Principles and</p>

		<p>Recommendations in its annual reports.</p> <p>Given the current size of the Company and the fact that the Company is only in the early stages of its restructure and the development of its new business, the Company has not yet fully complied with Principle 7 of the ASX Principles and Recommendations. However, to the extent that it has not complied with principle 7, the Company intends to do so as the Company develops.</p> <p>The Company intends to provide an explanation of any departure from Principle 7 of the ASX Principles and Recommendations in its future corporate governance statements in its annual reports.</p>
8. Remunerate fairly and responsibly		
8.1. The Board should establish a remuneration committee.	Yes	<p>CWH has established a Remuneration Committee, with responsibility for reviewing general remuneration policies for the CWH Group, and approving remuneration for senior executives. The composition of this committee is according to the ASX guidelines.</p> <p>Non-executive directors are remunerated by director's fees only. No schemes for retirement benefits (other than statutory contributions to a superannuation scheme where relevant) or termination payments are in place.</p>
8.2. The remuneration committee should be structured so that it: <ul style="list-style-type: none"> • consists of a majority of independent directors; • is chaired by an independent chair; • has at least three members. 	No	At present the remuneration committee only has two members.
8.3. Companies should clearly distinguish the structure of	Yes	See above.

<p>non-executive directors' remuneration from that of executive directors and senior executives.</p>		
<p>8.4. Companies should provide the information indicated in the Guide to reporting on Principle 8.</p>	<p>Yes</p>	<p>The Company's Corporate Governance policies are set out in its Plan, which is available on the company's website.</p> <p>Where available, the Company intends to provide the information set out in the ASX Principles and Recommendations in its annual reports.</p> <p>Given the current size of the Company and the fact that the Company is only in the early stages of its restructure and the development of its new business, the Company has not yet fully complied with Principle 8 of the ASX Principles and Recommendations. However, to the extent that it has not complied with principle 8, the Company intends to do so as the Company develops.</p> <p>The Company intends to provide an explanation of any departure from Principle 8 of the ASX Principles and Recommendations in its future corporate governance statements in its annual reports.</p>