

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

MARETERRAM LIMITED

ABN / ARBN

87 009 248 720

Financial year ended:

31 DECEMBER 2017

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

- These pages of our annual report:
- This URL on our website: <http://www.mareterram.com.au/about-us/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 31 December 2017 and has been approved by the board.

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

Date: 22 February 2018

Name of Company Secretary authorising
lodgement:

Richard Duncan

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

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

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

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

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

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 ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... 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 type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <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 OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <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 OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

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
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 <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at</p> <p>http://www.mareterram.com.au/about-us/corporate-governance</p> <p>... and 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 checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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 <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at</p> <p>http://www.mareterram.com.au/about-us/corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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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 <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<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 <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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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 <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at <i>[insert location]</i>	<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.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></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 board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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
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.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	... 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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	
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>NOT APPLICABLE</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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>NOT APPLICABLE</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



Mareterra

CORPORATE GOVERNANCE STATEMENT

Adopted by the Board on 22 February 2018

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

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

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

BOARD OF DIRECTORS

Board Charter

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

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

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

The Board will delegate the day to day operations of the Company to the Managing Director.

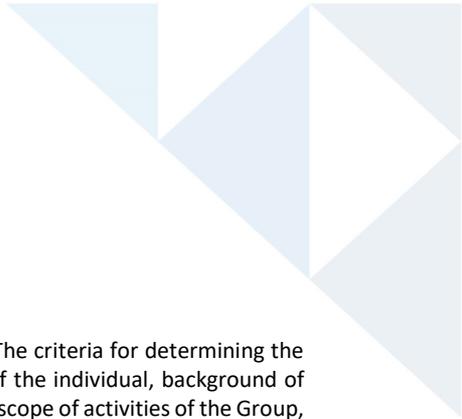
Composition of the Board

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

The Board comprises six directors, including five non-executive directors.

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

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



Of the current Board Mr Mark Pitts is considered the only independent.

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

Skills and Experience

The Skill sets currently on the Company’s Board include financial, managerial, fishing industry, corporate, and commercial.

Key skill sets for the Board include:

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

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

Length of Service

Name	Length of service
Mr David Lock	2.0 years
Mr Mark Pitts	2.5 years
Mr James Clement	2.5 years
Mr Felix Ratheb	2.0 years
Mr Fred Robertson	1.5 years
Mr Muhammad Brey	0.5 years

Director selection, appointment and succession

Directors are selected based upon the specific skills, knowledge and experience that they possess. In determining the composition of the Board, the directors consider the skills represented on the Board by sitting directors and determine whether those skills meet the skills identified as required, taking into account such factors as the complexity and size of operations.

The Board has established a Remuneration and Nomination Committee, the committee has access to the advice of external consultants or specialists in determining the composition of the Board. A majority of directors must agree to the appointment of a new director to the Board.

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

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

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

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

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



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

Access to Information and Advice

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

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

Director Remuneration

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

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

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

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

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

Board Operations

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

Board Committees

The Board has established several Committees with separate charters which it relies on to assist with the proper discharge of its duties.

Audit Committee

The Audit Committee is comprised of five Non-executive Directors and is chaired by an Independent Director who is not the Chairman of the Board. However, the majority of members of the Audit Committee are not independent and as a result the Group does not comply with Recommendation 4.1 of the Corporate Governance Council.

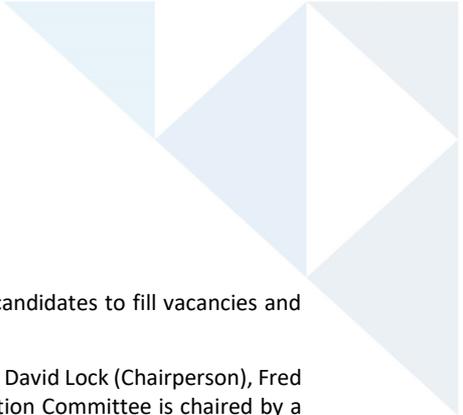
The members of the Audit Committee are Mark Pitts (Chairperson), David Lock, Felix Ratheb, Fred Robertson and Muhammad Brey. The relevant qualifications and details of attendance at Audit Committee meetings are set out in the Directors' Report of the Company's Annual Report.

The Audit Committee operates under an Audit Committee Charter. The responsibilities of the Audit Committee include the appointment, compensation and oversight of the independent auditor and the review of the published financial reports.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee has been established to assist the Board by making recommendations on:

- a) remuneration packages, including a review of proposed long and short term incentive plans including the appropriate use of performance based hurdles, for Executive and Non-executive Directors, and where appropriate, senior managers;

- 
- b) make recommendations to the Board in relation to the recruitment of potential candidates to fill vacancies and the formulation of policies to ensure the retention of Directors.

The Remuneration and Nomination Committee consists of five Non-Executive Directors being David Lock (Chairperson), Fred Robertson, Felix Ratheb, Muhammad Brey and Mark Pitts. The Remuneration and Nomination Committee is chaired by a Non-Executive Director, but does not comprise a majority of Independent Directors and accordingly does not comply with Recommendation 8.1 of the Corporate Governance Council.

The Remuneration and Nomination Committee operates under a Charter which clearly sets out the role and responsibilities of the Remuneration and Nomination Committee. The charter terms provide the Committee with the ability to access internal and external resources as appropriate.

Evaluation of the Board and individual Directors.

The Company has not yet instituted a formal process for the evaluation of the performance of the Board and as such does not comply with Recommendation 1.6 of the Corporate Governance Council. The Chairman assesses the performance of the Board, individual directors and key executives on an informal basis. Subsequent to the end of the financial year a formal process for the evaluation of Board performance will be considered.

The Board has not conducted a performance evaluation for the period to 31 December 2017.

Evaluation of Senior Executive Performance

The Company is drafting a performance review and evaluation policy for adoption and intends on having a formal process in place for the evaluation of the performance of the senior executives in the coming year. As a result, the Company has not complied with Recommendation 1.7 of the Corporate Governance Council.

ETHICS AND DIVERSITY

Diversity

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

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

The Company, in keeping with the recommendations of the Corporate Governance Council provides the following information regarding the proportion of gender diversity in the organisation as at the date of this Statement:

	Proportion of female / total number of persons employed
Females employed in the Company as a whole	14 / 87
Females employed in the Company in senior positions	5 / 10
Females appointed as a Director of the Company	0 / 6

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



The Company has implemented measurable objectives as follows:

Measurable Objective	Objective Satisfied	Comment
Adoption and promotion of a Formal Diversity Policy	Yes	The Company has adopted a formal diversity policy which has been made publicly available via the ASX and the Company's website.
To ensure Company policies are consistent with and aligned with the goals of the Diversity Policy	Yes	The Company's selection, remuneration and promotion practices are merit based and as such are consistent with the goals of the Company's Diversity Policy.
To provide flexible work and salary arrangements to accommodate family commitments, study and self-improvement goals, cultural traditions and other personal choices of current and potential employees.	Yes	The Company will, where considered reasonable, and without prejudice, accommodate requests for flexible working arrangements.
To implement clear and transparent policies governing reward and recognition practices.	Yes	The Company will grant reward and promotion based on merit and responsibility as part of its annual and ongoing review processes.
To provide relevant and challenging professional development and training opportunities for all employees.	Yes	The Company seeks to continually encourage self-improvement in all employees, irrespective of seniority, ability or experience, through external and internal training courses, regular staff meetings and relevant on job mentoring.

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

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

Code of Conduct

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

FINANCIAL REPORTING

Financial Reporting

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

Chief Executive Officer and Chief Financial Officer Declaration

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



SECURITIES DEALINGS

There is no requirement for Directors to hold securities.

Securities Trading Policy

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

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

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

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

The Securities Trading Policy is available on the Company website.

RISK MANAGEMENT

Adoption of Risk Management Policies

The Board has delegated risk management to the executive but monitors material business risks on an ongoing basis. A separate risk committee has been established comprised of executive directors and management. Members of the risk committee are: James Clement (Chairperson) and Richard Duncan.

The Company has a full Risk Register that has been prepared and adopted by management. The Risk Register has been reviewed this financial year and going forward it is the Board's intent to review the register twice a year at the time of considering and approving the half and full year financial statements.

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

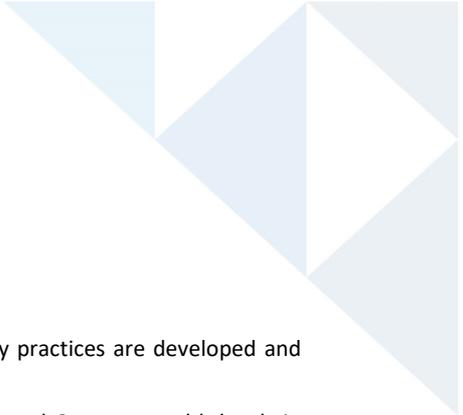
The Company does not believe it is of a size that warrants an internal audit function. However the Board and Management maintain the required level of assurance through a sound system of internal controls which is monitored by senior executives and the Board.

In order to implement the Risk Management Policy, it was considered important to establish a Risk Management Strategy and an internal control regime, this will be completed during the coming financial year.

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

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

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



Economic, Environmental and Social Sustainability Risks

The Company is committed to ensuring that sound environmental management and safety practices are developed and maintained.

The Company and its controlled entities are subject to significant regulation at both State and Commonwealth levels in respect of its marine operations, land and use tenure and environmental requirements. This includes specific environmental permits, licenses and statutory authorisations, trade and export and workplace health and safety.

In addition to the Marine Stewardship Certification which was obtained for the Shark Bay Fishery relating to the sustainable way in which the fishery is managed, the Company is very conscious of the social licence which it is building and needs to maintain for the benefit of the wider community.

The Company and its controlled entities has well established management frameworks for routinely and regularly monitoring compliance with the relevant regulatory requirements and to monitor and manage environmental compliance in relation to new regulations as they come into effect. Compliance within the regulatory framework is routinely reported to the Board.

A cross-functional team is employed to manage compliance within the regulatory framework and guide a strategy of continuous improvement in environmental management and sustainability.

SHAREHOLDER COMMUNICATION

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

Communications Policy

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

In addition to electronic communication via the ASX website, all ASX announcements together with all statutory reports are published. These documents are available on request and are posted on the Company website at www.mareterram.com.au.

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

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

Continuous Disclosure Policies

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

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

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

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

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

ASX Principles and Recommendations	Status
1 Lay solid foundations for management and oversight	
1.1 Companies should establish and disclose the respective roles and responsibilities of Board and management and those matters expressly reserved to the Board and those delegated to Management.	Compliant. The role of the Board, delegations of authority, and powers of the Board have been formalised in the Board Charter, and have been disclosed on the Company website and in the Corporate Governance Statement.
1.2 A listed entity should: <ul style="list-style-type: none"> • Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director. • 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 	Compliant. Prior to appointing a director or recommending a new candidate for election as a director appropriate checks are undertaken as to the persons character, experience, education, criminal record and bankruptcy history. Security holders are provided with all relevant information in the Board's possession, relevant to a decision on whether or not to elect or re-elect a Director.
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment	Compliant. The Company has a written agreement with each Director setting out the terms of their appointment.
1.4 The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board	Compliant. The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
1.5 A listed entity should: <ul style="list-style-type: none"> • 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 • Disclose that policy or a summary of it • Disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board, and the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including a definition of 'senior executive') 	Compliant. A copy of the Diversity Policy is available to be viewed on the Company's website. The Company reports at the end of each reporting period both the measurable objectives it has adopted and the respective proportions of men and women across the organisation.
1.6 A listed entity should: <ul style="list-style-type: none"> • Have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors • Disclose in relation to each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process 	Non-compliant. The Company did not formally evaluate the performance of the Board during the year and as such does not comply with Recommendation 1.6 of the Corporate Governance Council.



1.7	<p>A listed entity should:</p> <ul style="list-style-type: none"> • Have and disclose a process for periodically evaluating the performance of its senior executives • Disclose in relation to each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process 	<p>Non-compliant</p> <p>The Company is drafting a performance review and evaluation policy for adoption and intends on having a formal process in place for the evaluation of the performance of the senior executives in the coming year.</p>
2	Structure the Board to add value	
2.1	<p>The Board of a listed entity should:</p> <ul style="list-style-type: none"> • Have a nomination committee which has at least 3 members (majority independent), be chaired by an independent director, disclose the committee charter, disclose the committee members, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance • 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>Compliant.</p> <p>The Board has established a Remuneration and Nomination Committee. It is comprised, of the Non-executive directors, and has Mr Lock, the Board chair as its Chairperson.</p> <p>The committee does not have a majority of independent directors and as a result does not comply with recommendation 2.1.</p> <p>A Remuneration and Nomination Committee Charter has been adopted by the Board.</p>
2.2	<p>A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership</p>	<p>Compliant.</p> <p>The Company has an appropriate mix of skills for its current size and immediate growth plans.</p> <p>Whilst it does have considerable experience the board will consider the skill, knowledge, experience and independence of the Company's directors in response to any actual or proposed changes in the Company's activities or operations.</p>
2.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> • The names of the directors considered by the Board to be independent directors • If a director has an interest, position, association or relationship of the type described in Box 23 (independence guidelines) but the Board is of the opinion that it does not compromise the independence of the director, the nature of the relationship and an explanation of why the Board is of that opinion • The length of service of each director 	<p>Compliant.</p> <p>Refer disclosure in the Company's Annual Report and in this Corporate Governance Statement.</p>
2.4	<p>A majority of the Board of a listed entity should be independent directors</p>	<p>Non-Compliant.</p> <p>The Board currently comprises 6 directors. The Company believes that one of the current directors could reasonably be termed independent.</p>

		However given the size of the Company and the experience of the Board, the composition believed to be appropriate at the current time.
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	Non-Compliant. The Company's Chairman, Mr. David Lock, has formerly been executive CEO of the entity and has a share holding which in the Board's view means he does not meet the definition of an independent director in accordance with the ASX Principles and Recommendations.
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	Non-Compliant. The Company does not have a formal induction process. New Directors are fully briefed about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors. The Company provides new directors with access to professional development if required and it does provide an appointment letter which describes the expectations and responsibilities that will come with the role.
3	Act ethically and responsibly	
3.1	A listed entity should: <ul style="list-style-type: none"> • Have a code of conduct for its directors, senior executives and employees, and • Disclose that code or a summary of it 	Compliant. The Company's Code of Conduct addresses these practices and issues, and is included on the Company's website.
4	Safeguard integrity in corporate reporting	
4.1	The Board of a listed entity should: <ul style="list-style-type: none"> • Have an audit committee which has at least 3 members (all of whom are non-executive directors and a majority independent), be chaired by an independent director who is not Chair of the Board, disclose the committee charter, the relevant qualifications and experience of the members of the committee, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance • If it does not have an audit committee disclose that fact and the processes it employs that independent verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner 	Compliant. The Board has established an Audit Committee comprised of five members all of whom are non-executive. The Chairman of the Audit Committee is an independent director who is not the Chairman of the Board, however the committee is not comprised of a majority of independent directors and as a result the Company does not comply with recommendation 4.1. It is the view of the Board that the Audit Committee has the skills and experience to discharge its responsibilities in this area. The Board has adopted an Audit Committee Charter.
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	Compliant. The Board receives a declaration from the Chief Executive Officer and Chief Financial Officer / Company Secretary before approving the financial statements.

	management and internal control which is operating effectively	
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	Compliant. The Company ensures that the engagement audit partner, or their representative, attends the AGM. The Company will enable security holders to ask questions relevant to the audit at, or ahead of, its AGM.
5	Make timely and balanced disclosure	
5.1	A listed entity should: <ul style="list-style-type: none"> Have a written policy for complying with its continuous disclosure obligations and the listing rules, and Disclose that policy or a summary of it 	Compliant. The Company's policies and procedures for compliance with the ASX Listing Rule disclosure requirements are included in the Company's Continuous Disclosure Policy and Procedure document on the Company website.
6	Respect the rights of security holders	
6.1	A listed entity should provide information about itself and its governance to investors via its website	Compliant. The Company provides both Corporate, Industry and Governance information on its website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors	Compliant. Disclosed in Shareholder Communications Policy on the Company's website.
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	Non-Compliant. The Company does not have a formal investor relations program. However, the Shareholder Communications Policy is available on the Company's website.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically	Compliant. The Company encourages electronic communications, refer the Shareholder Communications Policy on the Company's website.
7	Recognise and manage risk	
7.1	The Board of a listed entity should: <ul style="list-style-type: none"> Have a committee, or committees, to oversee risk, each of which has at least 3 members (majority independent), be chaired by an independent director, disclose the committee charter, disclose the committee members, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance If it does not have a risk committee, or committees that satisfy the above requirements, disclose that fact and the processes it employs for overseeing the entity's risk management framework 	Non-Compliant. The Company has established a separate risk committee, comprised of executive directors and senior management. It is not comprised of a majority of independent directors nor is it chaired by an independent director, therefore the Company does not comply with recommendation 7.1. The Board has delegated day to day risk management to the Chief Executive Officer/Managing Director together with other senior executives. A risk management plan is outlined in the Risk Management Policy and the Code of Conduct.
7.2	The Board, or committee, of the Board should: <ul style="list-style-type: none"> Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound, and 	Non-Compliant. The Board has appointed an independent risk consulting firm to assist with a thorough review of the Company's risk management process. Once this has concluded the

	<ul style="list-style-type: none"> Disclose in relation to each reporting period whether such a review has taken place 	Board will carried out a review of the Company's risk management framework.
7.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> If it has an internal audit function, how the function is structured and what role it performs, or 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>Compliant.</p> <p>The Company does not have an internal audit function.</p> <p>The Board through the risk committee oversees risk management and intends on moving to establish an appropriate strategy and framework.</p> <p>The processes adopted to date have been appropriate for the Company's size.</p>
7.4	A listed entity should disclose whether it has any material exposure and social sustainability risks, and if it does, how it manages or intends to manage those risks	<p>Compliant.</p> <p>Disclosed in the Corporate Governance Statement.</p>
8	<p>Remunerate fairly and responsibly</p> <p>Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear</p>	
8.1	<p>The Board of a listed entity should:</p> <ul style="list-style-type: none"> Have a remuneration committee which has at least 3 members (majority independent), be chaired by an independent director, disclose the committee charter, disclose the committee members, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance 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>Non-Compliant.</p> <p>The Company has a separate Remuneration and Nomination Committee, comprised of the Non-executive Directors. However the Chairperson and the majority of members are not independent.</p> <p>The Committee has adopted a Remuneration and Nomination Committee Charter. The Committee reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.</p>
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	<p>Compliant.</p> <p>The Company's remuneration report, which is published in the Annual Report, provides information regarding remuneration policy and also sets out the specific remuneration of directors and other senior executives.</p>
8.3	<p>A listed entity which has an equity based remuneration scheme should:</p> <ul style="list-style-type: none"> Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk and participation in the scheme, and Disclose that policy or a summary of it 	<p>Compliant.</p> <p>The Company does not have an Equity based remuneration scheme, however it has issued performance rights to both the Managing Director and Executive Director.</p> <p>The Company specifically prohibits directors and executives of the Company from entering into arrangements for the purpose of limiting the economic risk of any securities which are held. Refer to the Company Securities Trading Policy available on the website.</p>