

## Appendix 4G

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

Name of entity

MAXIMUS RESOURCES LIMITED ("MXR")

ABN/ARBN

74 111 977 354

Financial year ended

30 June 2016

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

☐ these pages of our annual report: \_\_\_\_\_

☒ this URL on our website: <http://www.maximusresources.com/governance.html>

The Corporate Governance Statement is accurate and up to date as at [*insert effective date of statement*] and has been approved by the board.

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

Date here: 28 October 2016



Sign here: \_\_\_\_\_

~~Director~~/company secretary

Print name: Rajita Alwis

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

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

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

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

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<b><u>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</u></b>		
1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</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 checked="" type="checkbox"/> at this location: <a href="http://www.maximusresources.com/corporategovernance/board_charter.pdf">http://www.maximusresources.com/corporategovernance/board_charter.pdf</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</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 <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
	Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.		
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 <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>		
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,</p> <p>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; <u>OR</u></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):] ... 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 <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.maximusresources.com/governance.html">http://www.maximusresources.com/governance.html</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at this location: <a href="http://www.maximusresources.com/corporategovernance/code_of_conduct_policy.pdf">http://www.maximusresources.com/corporategovernance/code_of_conduct_policy.pdf</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATEREPORTING</b>			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board,	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  <i>Insert location here</i>  ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at this location:	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
<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; <b>OR</b></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><a href="http://www.maximusresources.com/corporategovernance/audit_risk_charter.pdf">http://www.maximusresources.com/corporategovernance/audit_risk_charter.pdf</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>Pages 11-12 2016 Annual Report</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 <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>
<b><u>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</u></b>			
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.maximusresources.com/corporategovernance/continuous_disclosure_policy.pdf">http://www.maximusresources.com/corporategovernance/continuous_disclosure_policy.pdf</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b><u>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</u></b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.maximusresources.com/governance.html">http://www.maximusresources.com/governance.html</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location: <i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable</p>
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location: <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
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,</p> <p>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; <b>OR</b></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 <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location: <a href="http://www.maximusresources.com/corporategovernance/audit_risk_charter.pdf">http://www.maximusresources.com/corporategovernance/audit_risk_charter.pdf</a></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location: <a href="http://www.maximusresources.com/corporategovernance/audit_risk_charter.pdf">http://www.maximusresources.com/corporategovernance/audit_risk_charter.pdf</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	(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.	<input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>  [If the entity complies with paragraph (b):] 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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; <u>OR</u> (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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</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"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		<input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:  <hr/> <i>Insert location here</i>	
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 <u>OR</u> <input type="checkbox"/> at this location:  <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

**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; <b>OR</b></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 <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</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 <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	... the terms governing our remuneration as manager of the entity: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

# **MAXIMUS RESOURCES LIMITED**

## **CORPORATE GOVERNANCE STATEMENT**

This statement reports on the main corporate governance practices of Maximus Resources Limited (Company) as at 24 August 2016 and it has been approved by the Board of the Company.

The Board of Directors of Maximus Resources Limited is committed to improving and achieving good standards of corporate governance and has established corporate government policies and procedures, where appropriate and practicable, consistent with the Corporate Governance Principles and Recommendations – 3rd Edition issued by the ASX Corporate Governance Council (“ASX Recommendations”).

The following statement sets out a summary of the Company’s corporate governance practices that were in place during the financial year and how those practices relate to the ASX Recommendations.

These recommendations are not intended to be prescriptions to be followed by all ASX listed companies, but rather guidelines designed to produce an effective quality and integrity outcome. The Corporate Governance Council has recognised that a “one size fits all” approach to Corporate Governance is not required. Instead, it states aspirations of good practice for optimising corporate performance and accountability in the interests of shareholders and the broader economy. A company may consider that a recommendation is inappropriate to its particular circumstances and has flexibility not to adopt it and explain why.

In ensuring a good standard of ethical behaviour and accountability, the Board has included in its corporate governance policies those matters contained in the ASX Recommendations where applicable. However, the Board also recognises that full adoption of the ASX Recommendations may not be practical nor provide the optimal result given the particular circumstances and structure of the Company. The Board is, nevertheless, committed to ensuring that appropriate Corporate Governance practices are in place for the proper direction and management of the Company. This statement outlines the main Corporate Governance practices of the Company disclosed under the ASX Recommendations, including those that comply with good practice and which unless otherwise disclosed, were in place during the financial year ended 30 June 2016.

References in this statement to “reporting period” are to the financial year ended 30 June 2016.

# **Principle 1 – Lay solid foundations for management and oversight**

## **Recommendation 1.1 – Recommendation followed**

*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 Company's Board Charter sets out (amongst other things): (a) the roles and responsibilities of the Board and of management; (b) the matters expressly reserved to the Board; and (c) the matters delegated to management.

A copy of the Board Charter can be viewed at:

[http://www.maximusresources.com/corporategovernance/board\\_charter.pdf](http://www.maximusresources.com/corporategovernance/board_charter.pdf)

The Audit, Risk & Corporate Governance Committee have also been referred responsibilities by the Board as set out in the Committee's Charter. The Charter for the Audit, Risk and Corporate Governance Committee can be viewed at:

[http://www.maximusresources.com/corporategovernance/audit\\_risk\\_charter.pdf](http://www.maximusresources.com/corporategovernance/audit_risk_charter.pdf)

## **Recommendation 1.2 – Recommendation followed**

*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.*

Prior to the appointment of a person, or putting forward to security holders a candidate for election, as a director, the Company undertakes checks which it believes are appropriate to verify a director's character, experience, education, criminal record and bankruptcy history including for new directors:

- background and reference checking;
- requesting information in relation to the person's current and previous positions, directorships, bankruptcy history and any potential conflicts of interests.

The Company ensures that all material information in its possession relevant to a shareholder's decision whether to elect or re-elect a director, including the information referred to in Recommendation 1.2, is provided to shareholders in the Company's Notice of Annual General Meeting.



## **Recommendation 1.3 – Recommendation followed**

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

Each director and senior executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities and (to the extent applicable) the matters referred to in the commentary to Recommendation 1.3.

## **Recommendation 1.4 – Recommendation followed**

*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 Company Secretary has a direct line of reporting to the Chairman and is responsible for:

- advising and supporting the Chairman and the Board and its committees to manage the day to day governance framework of the Company;
- assisting with Board effectiveness by monitoring whether applicable Board and committee policies, procedures and charters are followed and coordinating timely completion and despatch of Board agendas and papers; and
- assisting with all matters to do with the proper functioning of the Board including advising on governance matters and assisting with induction and professional development of directors.

The responsibilities of the Company Secretary are set out in the Board Charter located at:

[http://www.maximusresources.com/corporategovernance/board\\_charter.pdf](http://www.maximusresources.com/corporategovernance/board_charter.pdf)

## **Recommendation 1.5 – Recommendation not followed**

*A listed entity should:*

- (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;*
- (b) *disclose that policy or a summary of it; and*
- (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:*
  - *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*
  - *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.*

While the Company embraces the concept of diversity, there is no formal diversity policy as the Board believes that given the size of the Company and the stage of the entity’s life, the cost of establishing and managing a formal diversity policy cannot be justified.

The Company recognises that each employee brings their own unique capabilities, experiences and characteristics to their work and that the Company values such diversity at all levels of the Company in all that it does. The Company believes in treating people with respect and dignity. The Company strives to create a supportive and understanding environment in which all individuals realise their maximum potential within the Company, regardless of their differences. The Company is committed to employing the best people to do the best job.

For the annual period ending 30 June 2016, the Company provides the following information in relation to employees:

- Percentage of women employees in whole organisation: 57.14%
- Percentage of women in senior executive positions: 0.00%
- Percentage of women on the board: 25.00%

## **Recommendation 1.6 – Recommendation not followed**

*A listed entity should:*

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

The Board recognises that as a result of the Company’s size and its position as a publicly listed junior exploration company, the assessment of the Board’s overall performance and its own succession plan is conducted on an ad hoc basis. Whilst Recommendation 1.6 is not strictly followed the Directors consider that at the date of this report the evaluation process of company directors is appropriate and effective. A more formal process of Board assessment will be considered in the future as the Company develops.

The informal review undertaken by the Board takes into account various matters including those set out in the Board Charter located at:

[http://www.maximusresources.com/corporategovernance/board\\_charter.pdf](http://www.maximusresources.com/corporategovernance/board_charter.pdf)

## **Recommendation 1.7 – Recommendation followed**

*A listed entity should:*

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

The Chairman and non-executive Directors review the performance of the Managing Director. These evaluations take into account criteria such as the achievement and performance towards the Company's objectives and (where appropriate) performance benchmarks and the achievement of individual performance objectives. However, the Board also recognises the need for flexibility in defining performance objectives which must reflect the current status of the company (as a junior exploration company) and the development of its projects.

During the reporting period, an informal performance evaluation of the Managing Director was undertaken by the Company in accordance with these processes.

## **Principle 2 – Structure the board to add value**

### **Recommendation 2.1 – Recommendation not followed**

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

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing a nomination committee in line with ASX Recommendation 2.1 and establishing a formal charter cannot be justified by the perceived benefits of doing so. As such, the whole Board currently carries out this function. It is anticipated that a formal charter will be developed in the future, as the Company develops further.

## Recommendation 2.2 – Recommendation followed

*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.*

The Board regularly evaluates the mix of skills, experience and diversity at the Board level. The Board believes that a highly credentialed Board, with a diversity of background, skills and perspectives, will be effective in supporting and enabling delivery of good governance for the Company and value for the Company's shareholders. The mix of skills comprised in the current Board, and that the Board would look to maintain, and to build on, includes:

- resources industry expertise;
- metallurgy and metals marketing expertise;
- experience in dealing with joint ventures and high levels of government and regulators;
- high level of business acumen;
- technical expertise (including finance);
- ability to think strategically;
- governance experience and expertise.

The Board aspires to have a Board comprised of individuals' diverse experience and expertise and will be mindful of this when making appointments which will also be based on merit. The following table summarises the skills, attributes and experience of the non-executive directors serving on the Board.

### Board Experience, Skills and Attributes Matrix

Experience Skills and Attributes	Board	Audit, Risk and Corporate Governance Committee
Total non-executive directors	3	3
<b>Experience</b>		
Corporate Leadership – Successful experience in CEO and/or other corporate leadership roles	3	3
Resource Industry experience – relevant industry (resources, mining, exploration) experience	3	3
Other Board level experience – Membership of other listed entities (last 3 years)	2	2
<b>Knowledge and Skills</b>		
Strategy	3	3
Governance	3	3
Capital raising	3	3
Risk and Compliance	3	3
Mergers & Acquisitions	3	3
<b>Tertiary Qualifications</b>		
Economics, laws, commerce and/or business	2	2
Public Accounting	1	1
<b>Gender</b>		
Female	1	1
Male	2	2

## **Recommendation 2.3 – Recommendation followed**

*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.*

In the opinion of the board, to qualify as being “independent”, a director must be independent of management and free of any business or other relationship which could materially interfere or could reasonably be perceived to interfere materially with the Director’s independent exercise of their judgment.

The Board considers Messrs Kennedy and Vickery and Ms McClusky to be independent directors. Whilst Mr Kennedy is a substantial shareholder, his voting shares in the Company are only slightly over five per cent. The Board has determined that Mr Kennedy is an independent director by taking into account other factors in determining independence such as his independence of mind and his conduct as a non-executive director.

The names of the directors of the Company and terms in office at the date of this Statement together with their skills, experience, expertise and financial interests in the Company are set out in the Directors’ Report of the Annual Report.

## **Recommendation 2.4 – Recommendation followed**

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

The composition of the Board consists of four directors, three of whom, are independent directors.

## **Recommendation 2.5 – Recommendation followed**

*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 role of Chairman of the Board is separate from that of the Managing Director, who is responsible for the day to day management of the Company and is in compliance with the ASX Recommendation that these roles not be exercised by the same individual.

## **Recommendation 2.6 – Recommendation followed**

*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.*

All new directors are provided with an induction including comprehensive meetings with the Chairman, management, and provision of information on the Company including Company and Board policies and other material documents.

All directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education such as industry seminars and approved education courses.

## **Principle 3 – Act ethically and responsibly**

### **Recommendation 3.1 – Recommendation followed**

*A listed entity should:(a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.*

The Company has a Code of Conduct that set out the standards of behaviour expected of all its employees, directors, officers, contractors and consultants. The Code of Conduct is located at:

[http://www.maximusresources.com/corporategovernance/code\\_of\\_conduct\\_policy.pdf](http://www.maximusresources.com/corporategovernance/code_of_conduct_policy.pdf)

## **Principle 4 – Safeguard integrity in corporate reporting**

### **Recommendation 4.1 – Recommendation followed**

*The board of a listed entity should:(a) have an audit committee which:(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose:(iii) the charter of the committee;(iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

The Company has established an Audit Committee to oversee corporate governance over internal controls, ethical standards, financial reporting, and external accounting and compliance procedures. Also, the Board as a whole addresses the governance aspects of the full scope of Maximus' activities

to ensure that it adheres to appropriate ethical standards.

The main responsibilities of the Audit, Risk and Corporate Governance Committee include:

- reviewing, assessing and making recommendations to the Board on the annual and half year financial reports released to the market by the Company;
- overseeing establishment, maintenance and reviewing the effectiveness of the Company's internal control and ensuring efficacy and efficiency of operations, reliability of financial reporting and compliance with applicable Accounting Standards and ASX Listing Rules;
- liaising with and reviewing reports of the external auditor;
- reviewing performance and independence of the external auditor and where necessary making recommendations for the appointment and removal of the Company's auditor; and
- assess and oversee the Company's corporate governance framework.

The Audit, Risk & Corporate Governance Committee consists of three non-executive Board directors, Messrs Vickery & Kennedy and Ms McClusky. The Committee is chaired by Mr Vickery.

The Audit, Risk and Corporate Governance Committee's Charter is located at:

[http://www.maximusresources.com/corporategovernance/audit\\_risk\\_charter.pdf](http://www.maximusresources.com/corporategovernance/audit_risk_charter.pdf)

The Committee's members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and the attendance of the Committee's members at those meetings are detailed in the Annual Reports.

A copy of the Annual Reports is located at:

[www.maximusresources.com/investor/reports/2015/mxr\\_ar2016](http://www.maximusresources.com/investor/reports/2015/mxr_ar2016)

## **Recommendation 4.2 – Recommendation followed**

*The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

The Board has received declaration in the form set out in Recommendation 4.2 from its CEO and Chief Finance Officer in relation to the half-year financial statements and annual financial statements.

## **Recommendation 4.3 – Recommendation followed**

*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 Company's external auditor attends each AGM of the Company and is always available to answer questions from security holders relevant to the audit.

## **Principle 5 – Make timely and balanced disclosure**

### **Recommendation 5.1 – Recommendation followed**

*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.*

The Company has adopted a continuous disclosure policy and operates under the continuous disclosure requirements of the ASX Listing Rules and ensures that all information which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market in order that all investors have equal and timely access to material information concerning the Company. The information is made publicly available on the Company's website, following release to the ASX.

The Continuous Disclosure Policy can be viewed at:

[http://www.maximusresources.com/corporategovernance/continuous\\_disclosure\\_policy.pdf](http://www.maximusresources.com/corporategovernance/continuous_disclosure_policy.pdf)

## **Principle 6 – Respect the rights of security holders**

### **Recommendation 6.1 – Recommendation followed**

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

Information about the Company and its operations is located at:

<http://www.maximusresources.com/governance.html>

Information about the Company's corporate governance (including links to the Company's corporate governance policies and charters) is located at on this page.

### **Recommendation 6.2 – Recommendation not followed**

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

Due to the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, the Board does not believe a formal policy for shareholder communication is required.

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. In accordance with the ASX Recommendations, information is communicated to shareholders as follows:

- the annual financial report which includes relevant information about the operations of the Company during the year,
- changes in the state of affairs of the entity and details of future developments, in addition to the



other disclosures required by the *Corporations Act 2001*;

- the half yearly financial report lodged with ASX and Australian Securities and Investments Commission (ASIC) and sent to all shareholders who request it;
- notifications relating to any proposed major changes in the Company which may impact on share ownership rights that are submitted to a vote of shareholders;
- notices of all meetings of shareholders;
- publicly released documents including full text of notices of meetings and explanatory material made available on the Company's website; and
- disclosure of the Company's Corporate Governance practices and communications strategy on the entity's website.

The Company's Continuous Disclosure Policy also outlines policies and requirements for communications with analysts and investors to ensure that the communications are effective and comply with the Company's continuous disclosure obligations under the Corporations Act and the ASX Listing Rules.

The Continuous Disclosure Policy can be viewed at:

[http://www.maximusresources.com/corporategovernance/continuous\\_disclosure\\_policy.pdf](http://www.maximusresources.com/corporategovernance/continuous_disclosure_policy.pdf)

## **Recommendation 6.3 – Recommendation not followed**

*A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions. The external auditor of the Company is also invited to the Annual General Meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report. Pursuant to section 249K of the *Corporations Act 2001* the external auditor is provided with a copy of the notice of meeting and related communications received by shareholders.

Due to the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, the Board does not believe a formal policy for shareholder communication is required.

## **Recommendation 6.4 – Recommendation followed**

*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 Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically as provided by the Company's share registry.

## **Principle 7 – Recognise and manage risk**

### **Recommendation 7.1 – Recommendation followed**

*The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Company has established an Audit, Risk & Corporate Governance Committee to oversee risk, whether financial, operations or otherwise. The Committee comprises 3 non-executive directors, and is chaired by an independent director, Mr Ewan Vickery, who is not the chair of the Board. The Managing Director, Mr Kevin Malaxos, is invited to the Audit, Risk & Corporate Governance Committee meetings.

The Audit, Risk & Corporate Governance Committee's Charter is located at:

[http://www.maximusresources.com/corporategovernance/audit\\_risk\\_charter.pdf](http://www.maximusresources.com/corporategovernance/audit_risk_charter.pdf)

### **Recommendation 7.2 – Recommendation not followed**

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

Due to the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, and the inherent risks associated with the industry it operates in, the Board does not believe formal policies for oversight and management of risk is required nor a mechanism for formal review be established

## **Recommendation 7.3 – Recommendation not followed**

*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.*

Given the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, there is no formal internal audit department.

The Company has in place an Occupational Health and Safety Policy, Indigenous Peoples Policy and Drugs and Alcohol Policy which is developed and updated to help manage these risks. Copies of these policies regarding the management of specific risks are located at:

[http://www.maximusresources.com/corporategovernance/ohs\\_policy.pdf](http://www.maximusresources.com/corporategovernance/ohs_policy.pdf)

[http://www.maximusresources.com/corporategovernance/indigenous\\_policy.pdf](http://www.maximusresources.com/corporategovernance/indigenous_policy.pdf)

[http://www.maximusresources.com/corporategovernance/drugs\\_alcohol\\_policy.pdf](http://www.maximusresources.com/corporategovernance/drugs_alcohol_policy.pdf)

The Audit, Risk & Corporate Governance Committee meets regularly to receive and consider reports on, and monitor and discuss, known and emerging risk and compliance issues, including non-financial operational and other business risks.

In support of the functions of the Audit, Risk & Corporate Governance Committee, the Company's managers are directly responsible for risk management in their respective areas of accountability.

Operational, financial, legal, compliance, strategic and reputational risks continue to be managed primarily by the Director's and where appropriate, these risks are managed with the support of relevant external professional advisers.

## **Recommendation 7.4 – Recommendation followed**

*A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The Company undertakes minerals exploration and as such, faces risks inherent to its business, including economic, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term.

One of the Company's core values is safety; it prioritises safety and health to people, the environment and community. The Company views sustainable and responsible business practices as an important long term driver of performance and shareholder value and is committed to transparency, fair dealing, responsible treatment of employees and partners and positive interaction with the community.

The Company has in place an Environmental Policy. A copy of this policy is located at:

[http://www.maximusresources.com/corporategovernance/environmental\\_policy.pdf](http://www.maximusresources.com/corporategovernance/environmental_policy.pdf)

## **Principle 8 – Remunerate fairly and responsibly**

### **Recommendation 8.1 – Recommendation not followed**

*The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have risk 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 remuneration is appropriate and not excessive.*

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing a formal remuneration committee in line with ASX Recommendation 8.1 cannot be justified by the perceived benefits of doing so.

The Board takes responsibility for monitoring the composition of the Board and reviewing the compensation of the Company's executive directors and senior management with the overall objective of motivating and appropriately rewarding performance.

### **Recommendation 8.2 – Recommendation followed**

*A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

The Company's remuneration practices are set out as follows.

The Company's Constitution specifies that the total amount of remuneration of non-executive directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of non-executive directors has been set at \$300,000 per annum. Directors may apportion any amount up to this maximum amount amongst the non-executive directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as directors.

Non-executive director remuneration is by way of fees and statutory superannuation contributions. Non-executive directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

The remuneration of the Managing Director is determined by the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of employees is determined by the Managing Director subject to the approval of the Board.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Board

is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The Company does not presently emphasize payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of the Company given the nature of the Company's business as a recently listed mineral exploration entity and the current status of its activities. However, the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Incentive Rights Plan approved by shareholders that enables the Board to offer eligible employees rights to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, rights to acquire ordinary fully paid shares at no cost may be offered to the Company's eligible employees as determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as a long term incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company. The non-executive directors are not eligible to participate in the Plan.

The employment conditions of the Managing Director are formalised in a contract of employment. The Managing Director's contract may be terminated at any time by mutual agreement or without notice in serious instances of misconduct.

Further details of director's remuneration, superannuation and retirement payments are set out in the Remuneration Report section of the Directors' Report.

## **Recommendation 8.3 – Recommendation followed**

*A listed entity which has an equity-based remuneration scheme should:(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.*

The Company has an equity-based remuneration scheme.

The Company's Securities Trading Policy provides that participants in the scheme must not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested equity interest. The Securities Trading Policy is located at:

[http://www.maximusresources.com/corporategovernance/dealing\\_in\\_securities\\_policy.pdf](http://www.maximusresources.com/corporategovernance/dealing_in_securities_policy.pdf)