



# CORPORATE GOVERNANCE STATEMENT

## CORPORATE GOVERNANCE STATEMENT

The Board of Directors of the Company (Board) will be responsible for the overall corporate governance of the Company including its strategic development. The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, management goals and the operations of the Company. The format of this Section is guided by The Corporate Governance Principles and Recommendations (3rd Edition) as published by the ASX Corporate Governance Council (Recommendations). The Company's corporate governance principles and policies are therefore structured as follows:

- **Principle 1** Lay solid foundations for management and oversight;
- **Principle 2** Structure the Board to add value;
- **Principle 3** Promote ethical and responsible decision making;
- **Principle 4** Safeguard integrity in financial reporting;
- **Principle 5** Make timely and balanced disclosure;
- **Principle 6** Respect the rights of Shareholders;
- **Principle 7** Recognise and manage risk; and
- **Principle 8** Remunerate fairly and responsibly.

Under the ASX Listing Rules, the Company is required to provide a Corporate Governance Statement on its website or in its annual report disclosing the extent to which it has followed the Recommendations in the relevant reporting period. Details of the policies will be available from the date of listing at [www.mayurresources.com](http://www.mayurresources.com).

In light of the Company's size and nature, the Board considers that the current composition of the Board is a cost effective and practical method of directing and managing the Company. The Company considers the industry experience and specific expertise of the Board to be essential to develop its assets and grow the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and Recommendations will be reviewed.

Except as set out in this section, the Board does not anticipate that the Company will depart from the Recommendations, however, it may do so in the future if it considers that such a departure is reasonable.

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**Principle 1: Lay solid foundations for management and oversight**

<p><b>Recommendation 1.1</b></p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>the respective roles and responsibilities of its board and management; and</li> <li>those matters expressly reserved to the board and those delegated to management.</li> </ul>	<p><b>Yes</b></p>	<p>The Board will be accountable to the Shareholders for the performance of the Company and will have overall responsibility for its operations. The key responsibilities of the Board will include:</p> <ul style="list-style-type: none"> <li>approving the strategic direction and related objectives of the Company and monitoring management performance in the achievement of these objectives;</li> <li>adopting budgets and monitoring the financial performance of the Company, including overseeing the integrity of the Company’s accounting and corporate reporting systems;</li> <li>overseeing the establishment and maintenance of adequate internal controls and effective monitoring systems;</li> <li>appointing or replacing, where necessary, the Managing Director and other senior executives of the Company;</li> <li>overseeing the implementation and management of effective safety and environmental performance systems;</li> <li>ensuring all major business risks are identified and effectively managed; and</li> <li>ensuring that the Company meets its legal and statutory obligations.</li> </ul> <p>For the purposes of the proper performance of their duties, the Directors are entitled to seek independent professional advice at the Company’s expense, unless the Board determines otherwise. The Board schedules meetings on a regular basis and other meetings as required.</p> <p>Day-to-day management of the Company’s affairs, and the implementation of the corporate strategy and policy initiatives, will be formally managed by the Managing Director of the Company. The Managing Director is also responsible for providing the Board with accurate, timely and clear information to enable the board to perform its responsibilities.</p> <p>The Board will regularly review the division of functions between the Board and management to ensure that it continues to meet the needs of the Company as its activities grow in size.</p>
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</li> <li>provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</li> </ul>	<p><b>Yes</b></p>	<p>The Board will ensure that appropriate checks are undertaken before it elects or re-elects a person as a director of the Company. Appropriate checks include, but are not limited to, character, experience, education, criminal history and bankruptcy history of the person seeking to be elected as a Director. The Board may engage the services of external consultants to perform appropriate checks.</p> <p>All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to Shareholders in a notice of meeting in which the resolution to re-elect or re-elect the Director will be voted on.</p>

<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p><b>Yes</b></p>	<p>The Company has issued Directors and senior executives of the Company with written agreements detailing:</p> <ul style="list-style-type: none"> <li>• the role and responsibility of the Director;</li> <li>• expectations of the Company;</li> <li>• term of appointment</li> <li>• remuneration or salary (if applicable); and</li> <li>• the requirement of Directors to comply with Company policies and Recommendations.</li> </ul>
<p><b>Recommendation 1.4</b></p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p><b>Yes</b></p>	<p>The Company has appointed a Company Secretary in accordance with Singapore laws (which person is required to be resident in Singapore) and has also appointed an alternate person to assist with the Company in relation to the day to day affairs of the Company and who is directly accountable to the board, through the Chairman, on all matters regarding the proper functioning of the Board.</p>
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• disclose that policy or a summary of it; and</li> <li>• 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: <ul style="list-style-type: none"> <li>• 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</li> <li>• 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.<sup>1</sup></li> </ul> </li> </ul>	<p><b>No</b></p>	<p>The Board supports workplace diversity. Given the small size of the Company and its staff, the Board does not consider it appropriate to establish a diversity policy at this time. Further, as the Company is newly incorporated, the strategic direction of the Company is to focus on Directors experience and expertise. As the nature and scope of the activities of the Company increase, the Board will review this position and adopt a diversity policy at an appropriate time.</p>

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<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>• disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ul>	<p><b>No</b></p>	<p>The Board considers that the small size of the Board and the current scale of the Company’s activities makes the establishment of a formal performance evaluation procedure unnecessary. In the normal course of business, the Board reviews the performance of management, Directors and the Board as a whole. Further, the performance and achievement of goals are evaluated regularly on an informal basis.</p>
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• have and disclose a process for periodically evaluating the performance of its senior executives; and</li> <li>• disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ul>	<p><b>No</b></p>	<p>The Board believes that the small size of the executive team and the current scale of the Company’s activities makes the establishment of a formal performance review procedure unnecessary. In the normal course of business, the Board reviews the performance of management, Directors and the Board as a whole. Further, the performance and achievement of goals are evaluated regularly on an informal basis.</p>
<p><b>Principle 2: Structure the Board to add value</b></p>		
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>• have a nomination committee which:</li> <li>• has at least three members, a majority of whom are independent directors; and</li> <li>• is chaired by an independent director, and disclose:</li> <li>• the charter of the committee;</li> <li>• the members of the committee; and</li> <li>• 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</li> <li>• 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.</li> </ul>	<p><b>No</b></p>	<p>The Board has not formally established a nomination committee as the Directors consider that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors. The Board considers that the direct power to nominate Directors is the most efficient allocation of resources.</p> <p>The Board composition is also reviewed periodically, either when a vacancy arises or if it is considered that the Board would benefit from the services of a new Director, to ensure that the Board can effectively undertake the strategic plan of the Company.</p> <p>The majority of the Board is independent.</p>

<p><b>Recommendation 2.2</b></p> <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><b>No</b></p>	<p>Details of current Directors, their skills, experience and qualifications are set out in the Directors' report in the financial report for the year ended 30 June 2017 (<b>Annual Report</b>). These details, plus a record of attendance at Board meetings, will be included in the Directors report within the Company's annual report. No specific skills matrix is currently prepared as the Company is not of the size or scale to warrant such level of detail.</p>
<p><b>Recommendation 2.3</b></p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>• the names of the directors considered by the board to be independent directors;</li> <li>• 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</li> <li>• the length of service of each director</li> </ul>	<p><b>Yes</b></p>	<p>The Annual Report sets out the details of independent directors and the interests of directors. The Board as stated in the Annual Report has been newly formed for the purpose of the listing of the Company on the ASX.</p>
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p><b>Yes</b></p>	<p>At the date of this statement, a majority of the Board consists of independent Directors.</p>
<p><b>Recommendation 2.5</b></p> <p>The chair of the board of a listed entity should be an independent director and, in particular, they should not be the same person as the CEO of the Company.</p>	<p><b>Yes</b></p>	<p>The chair of the Board is an independent Director.</p>
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	<p><b>No</b></p>	<p>New Directors will be provided with an informal induction program following their appointment to assist them in becoming familiar with the Company, its policies, including the Board Charter and business objectives. The Board will review this position and adopt formal programs at an appropriate time in the future if deemed necessary.</p>

**Principle 3: Act ethically and responsibly**

**Recommendation 3.1**

A listed entity should:

- have a code of conduct for its directors, senior executives and employees; and
- disclose that code or a summary of it.

**Yes**

A Board charter has been adopted by the Board and is available on the Company's website.

**Principle 4: Safeguard integrity in corporate reporting**

**Recommendation 4.1**

The board of a listed entity should:

- have an audit committee which:
- has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
- is chaired by an independent director, who is not the chair of the board,
- and disclose:
- the charter of the committee;
- the relevant qualifications and experience of the members of the committee; and
- 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
- if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

**Partial**

The Board may establish appropriate committees to assist in the oversight of the Company. The composition of the committees shall be as follows:

- the committees will consist of all members of the Board so long as there are three Directors;
- each committee will have a charter approved by the Board; and
- each committee will maintain minutes of each meeting of the committee, which will be circulated to all Directors.

The Board has established an audit, risk and compliance committee. At the present time, no other committees will be established because of the size of the Company and the involvement of the Board in the operations of the Company. The Board takes ultimate responsibility for the operations of the Company including, remuneration of Directors and executives and nominations to the Board.

The audit, risk and compliance committee is comprised of three independent Directors being Mr Terranova, Mr Neale and Mr McTaggart. Mr Terranova is the Chair of the audit, risk and compliance committee. The Board will annually confirm the membership of the committee.

The committee's primary responsibilities are to:

- oversee the existence and maintenance of internal controls and accounting systems;
- oversee the management of risk within the Company;
- oversee the financial reporting process;
- review the annual and half-yearly financial reports and recommend them for approval by the Board of Directors;
- nominate external auditors;
- review the performance of the external auditors and existing audit arrangements; and
- ensure compliance with laws, regulations and other statutory or professional requirements, and the Company's governance policies.

The Board reviews and monitors the parameters under which such risks will be managed. Management accounts will be prepared and reviewed at subsequent Board meetings. Budgets are prepared and compared against actual results.

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<p><b>Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been 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><b>Yes</b></p>	<p>The Board as a whole will undertake the selection and proper application of accounting policies, the integrity of financial reporting, the identification and management of risk and review of the operation of the internal control systems. The Board has extensive business experience, including application of accounting principles to similar companies.</p> <p>The Management (including the Company's CFO appointed under a part time contract) will then provide the required declarations.</p>
<p><b>Recommendation 4.3</b></p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p><b>Yes</b></p>	<p>The auditor of the Company is invited to attend the AGM of Shareholders. The Chairman will permit Shareholders to ask questions about the conduct of the audit and the preparation and content of the audit report.</p>

**Principle 5: Make timely and balanced disclosure**

<p><b>Recommendation 5.1</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>• disclose that policy or a summary of it</li> </ul>	<p><b>Yes</b></p>	<p>The Company has adopted a written policy for complying with its continuous disclosure obligations under the ASX Listing Rules. The policy includes:</p> <ul style="list-style-type: none"> <li>• the roles and responsibilities of Directors, officers and employees in complying with the Company’s disclosure obligations;</li> <li>• confidential information;</li> <li>• external communications, including media contact and coverage; and</li> <li>• measures for responding to and avoiding the emergence of a false market in the Company’s shares.</li> </ul> <p>The Company also has a formal policy for dealing in the Company’s securities by Directors, employees and contractors. This sets out their obligations regarding disclosure of dealing in the Company’s securities. The Constitution permits Directors to acquire securities in the Company, however Company policy prohibits Directors and senior management from dealing with the Company’s securities at any time whilst in possession of price sensitive information, including:</p> <ul style="list-style-type: none"> <li>• any major Company announcements;</li> <li>• the release of the Company’s annual and half yearly financial results to the ASX; and</li> <li>• the annual general meeting.</li> </ul> <p>Directors must advise the Chairman of the Board before buying or selling securities in the Company. All such transactions are reported to the Board. In accordance with the provisions of the Corporations Act and the Listing Rules, the Company advises ASX of any transaction conducted by Directors in the securities of the Company.</p>
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**Principle 6: Respect the rights of security holders**

<p><b>Recommendation 6.1</b> A listed entity should provide information about itself and its governance to investors via its website.</p>	<p><b>Yes</b></p>	<p>Information about the Company and its corporate governance is available to all shareholders at the Company's website.</p>
<p><b>Recommendation 6.2</b> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p><b>Yes</b></p>	<p>An investor relations program that facilitates communication between Shareholders and the Company will be available on the Company's website.</p>
<p><b>Recommendation 6.3</b> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p><b>Yes</b></p>	<p>Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting.</p>
<p><b>Recommendation 6.4</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p><b>Yes</b></p>	<p>The Board strives to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and its Directors and to make well informed investment decisions. Information is communicated to Shareholders through:</p> <ul style="list-style-type: none"> <li>• annual and half-yearly financial reports and quarterly reports;</li> <li>• annual and other general meetings convened for Shareholder review and approval of Board proposals;</li> <li>• continuous disclosure of material changes to ASX for open access to the public; and</li> <li>• the Company website where all ASX announcements, notices and financial reports are published as soon as possible after release to ASX.</li> </ul> <p>Shareholders have the option of electing to receive all shareholder communications by email and can update their communication preferences with the Company's Share Registry at any time. Security holders can also register with the Company at <a href="mailto:info@mayurresources.com">info@mayurresources.com</a> to receive email notifications whenever an announcement is made by the Company to the ASX.</p>

**Principle 7: Recognise and manage risk**

<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>• have a committee or committees to oversee risk, each of which:</li> <li>• has at least three members, a majority of whom are independent directors; and</li> <li>• is chaired by an independent director,</li> <li>• and disclose:</li> <li>• the charter of the committee;</li> <li>• the members of the committee; and</li> <li>• 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</li> <li>• if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</li> </ul>	<p><b>Partial</b></p>	<p>See Recommendation 3.1 in this table.</p>
<p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <ul style="list-style-type: none"> <li>• review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</li> <li>• disclose in relation to each reporting period, whether such a review has taken place.</li> </ul>	<p><b>No</b></p>	<p>The Board has identified significant areas of business and legal risk to the Company, as outlined in Section 12 of the prospectus dated 27 July 2017 (<b>Prospectus</b>). The identification, monitoring and, where appropriate, the reduction of significant risk to the Company will, in the first instance, be the responsibility of the Managing Director who will report to the Board on such matters. The Board regularly reviews and monitors the parameters under which such risks will be managed.</p> <p>The Company considers it unnecessary, due to the size of the Company' current operations, to implement a formal program that identifies risk to the Company. This position will be reviewed as the Company grows in size and operations become more complex.</p>

<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>• if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>• 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.</li> </ul>	<p><b>No</b></p>	<p>The Company does not have an internal audit function due to the size and nature of the Company. The Board regularly discusses risks associated with the current and proposed operations of the Company. As the Company matures, this position will be reassessed.</p>
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p><b>Yes</b></p>	<p>The Board has identified the significant areas of potential business and legal risk of the Company, including economic risk in Section 12 of the Prospectus. The identification, monitoring and, where appropriate, the reduction of significant risk to the Company will be the responsibility of the Board.</p>
<p><b>Principle 8: Remunerate fairly and responsibly</b></p>		
<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>• have a remuneration committee which:</li> <li>• has at least three members, a majority of whom are independent directors; and</li> <li>• is chaired by an independent director, and disclose:</li> <li>• the charter of the committee;</li> <li>• the members of the committee; and</li> <li>• 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</li> <li>• 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.</li> </ul>	<p><b>No</b></p>	<p>The Board has not formally established a remuneration committee as the Directors consider that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of a remuneration committee.</p> <p>The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company and considers it appropriate to discuss such matters at a Board meeting, within the parameters set out in the Constitution. The Company will review this position annually.</p>

<p><b>Recommendation 8.2</b></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p><b>Yes</b></p>	<p>The Company will provide details in its annual report of the process it employs in relation to setting the level and composition of remuneration for Directors and senior management. The maximum aggregate annual amount of remuneration which may be paid to non-executive Directors is \$250,000 and cannot be increased without the approval of Shareholders.</p>
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• disclose that policy or a summary of it</li> </ul>	<p><b>No</b></p>	<p>In the absence of a remuneration committee, the Board will decide on a case by case basis if participants are permitted to enter into transactions which limit the economic risk of participating in the scheme. A formal policy has not been established by the Company due to its small size. This position will be reviewed annually.</p>

