

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Force Commodities Limited

ABN I ARBN:

12 145 184 667

Financial year ended:

31 December 2019

Our corporate governance statement² for the above period above can be found attached as an appendix to this document and at:³

- These pages of our annual report:
- This URL on our website: <https://forcecommodities.com.au/corporategovernance>

The Corporate Governance Statement is accurate and up to date as at 14 September 2020 and has been approved by the Board of Directors of Force Commodities Limited.

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

Date: 14 September 2020

Name of Director authorising lodgement:



Jess Oram
Non-Executive Director

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period. Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

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

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable. Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed _ | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed _ ⁴ |
|---|---|--|--|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... 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 https://forcecommodities.com.au/corporategovernance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at https://forcecommodities.com.au/corporategovernance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

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

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed _ | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed _ |
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| 1.5 | <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | <p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at https://forcecommodities.com.au/corporategovernance</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at https://forcecommodities.com.au/corporategovernance</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed _ | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed _ |
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| 2.3 | A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. | ... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.4 | A majority of the board of a listed entity should be independent directors. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 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 OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. | ... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. | ... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at https://forcecommodities.com.au/corporategovernance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed _ | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed _ ⁴ | |
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| PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING | | | |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</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 checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 4.2 | <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

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| 4.3 | A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | <p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable |
| PRINCIPLE 5 - MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. | <p>... our continuous disclosure compliance policy or a summary of it:</p> <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at https://forcecommodities.com.au/corporategovernance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| PRINCIPLE 6 - RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | <p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at https://forcecommodities.com.au/corporategovernance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | <p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | <p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable |
| 6.4 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | <p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed _ | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed _ ⁴ | |
|--|--|--|--|
| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at www.globemm.com</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 7.2 | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed _ | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed _ |
|---|---|---|---|
| 7.3 | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | <p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 7.4 | <p>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.</p> | <p>... 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed _ | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed _ | |
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| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | | |
| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(.) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.2 | <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed _ | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed _ | |
|--|--|--|---|
| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES | | | |
| - | <p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p> | <p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>NOT APPLICABLE</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| - | <p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | <p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>NOT APPLICABLE</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

2019 CORPORATE GOVERNANCE STATEMENT

Force Commodities Limited (**Force** or **Company**) and the entities it controls believe corporate governance is a critical pillar on which business success, and in turn shareholder value is built.

The Board of Directors (**Board**) of Force has adopted a suite of corporate governance charters and policies, commensurate with the Company's needs, which articulate the practices and procedures followed by Force.

These charters and policies are available in the Corporate Governance section of the Company's website www.forcecommodities.com.au.

This Corporate Governance Statement (**Statement**) reports Force's compliance with the ASX Corporate Governance Council's "*Corporate Governance Principles and Recommendations -3rd Edition*" (**ASX Principles and Recommendations**) in relation to the financial year ended 31 December 2019.

In addition to the **ASX Principles and Recommendations**, the Board has taken into account a number of important factors in determining its corporate governance practices and procedures, including the:

- size and scale of the Company;
- relatively simple operations of the Company, which currently only undertakes mineral exploration and development activities;
- cost verses benefits of additional corporate governance requirements or processes;
- size of the Board;
- Board's experience in the resources sector;
- organisational reporting structure and number of reporting functions, operational divisions and employees;
- relatively simple financial affairs with limited complexity and quantum; and
- direct shareholder feedback.

Principle 1: Lay solid foundations for management and oversight

| RECOMMENDATION | FORCE'S CORPORATE GOVERNANCE APPROACH | COMPLIES |
|--|---|----------|
| 1.1 Role of Board and management | The Board has established a clear distinction between the functions and responsibilities reserved for the Board and those delegated to management, which are set out in the Company's Board Charter. A copy of the Board Charter is available in the Corporate Governance section of the Company's website. | Yes |
| 1.2 Information regarding election and re-election of director candidates. | The Company conducts background and reference checks including those described in Guidance Note 1, paragraph 3.18 issued by the ASX before appointing any additional person, or putting forward to Shareholders a candidate for election, as a Director. | Yes |
| 1.3 Written contracts of appointment | All Directors and the Company Secretary have written agreements setting out the terms of their appointment. | Yes |
| 1.4 Company Secretary | The Company Secretary reports directly to the Board through the Chairman on Board matters and all Directors have access to the Company Secretary. In accordance with the Company's Constitution, the appointment or removal of the Company Secretary is a matter for the Board as a whole. Details of the Company Secretary's experience and qualifications are set out in the Directors' Report of the Company's Annual Report. | Yes |

Principle 1: Lay solid foundations for management and oversight (continued)

| RECOMMENDATION | FORCE'S CORPORATE GOVERNANCE APPROACH | COMPLIES |
|------------------------|--|----------|
| 1.5 Diversity | <p>The Company is committed to providing an environment in which all employees and consultants are treated with fairness and respect, and have equal access to opportunities available at work. The Company believes diversity enables it to attract people with the best skills and attributes, and contributes to the achievement of the Company's corporate objectives.</p> <p>Due to its size, the Company has not set any measurable objectives with respect to diversity.</p> <p>At the reporting date, the Company has 5 male and 1 female full time equivalent employees/contractors.</p> <p>The Company has established a Diversity Policy. A copy of the Diversity Policy is available in the Corporate Governance section of the Company's website.</p> | Yes |
| 1.6 Board Reviews | <p>The Board has not conducted a formal performance evaluation.</p> <p>The Chairman is responsible for evaluating the Board and Committees. The current Chairman has only recently been appointed and is the process of gaining a thorough understanding of the Company's operations and the roles and contribution of Board members and senior management. As such, the Board believes that a formal performance evaluation is not required at this point in time and that no efficiencies or other benefits would be gained from a formal performance evaluation process.</p> <p>Informal discussion between the Chairman and individual Directors has been undertaken periodically to focus performance. As the Company grows and develops, it will continue to consider the efficiencies and merits of a more formal performance evaluation of the Board, its committees and individual Directors.</p> | No |
| 1.7 Management Reviews | <p>Due to its size and the fact that all current management have been engaged for less than 12 months, the Board has not conducted a formal performance evaluation of management.</p> <p>As the Company grows it is expected that a management team will be put in place together with a formal performance evaluation plan.</p> | No |

Principle 2. Structure the Board to add value

| | | |
|---------------------------|---|----|
| 2.1 Nominations Committee | <p>The Board has decided not to form a separate Nomination Committee.</p> <p>The Board believes that no efficiencies or other benefits would be gained by establishing a separate Nomination Committee.</p> <p>The Board periodically reviews whether it has the appropriate balance of skills, knowledge, and experience suitable for a Company in the junior resources sector.</p> <p>As the Company grows and develops, it will review the merits of establishing a formal Nomination Committee.</p> | No |
|---------------------------|---|----|

| Principle 2. Structure the Board to add | FORCE'S CORPORATE GOVERNANCE APPROACH | COMPLIES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|-----------------|-------------------|--------------------|-------------------|------------------------|------------------------|------------------------|-----------|----------------------------|------------------------|-----|-----------|----------------------------|------------------------|----|-----------|---------------|------------------------|--------------|-----------|------------------------------------|------------------------|-----|-----------|---------------|---|---|---|---|---|------------------------------------|---|---|---|---|---|-----|
| 2.2 Board skills matrix | <p>The Board seeks a mix of skills suitable for a junior resources company. A summary of the key board skills matrix is set out below. Further details regarding the skills and experience of each Director are included in the Directors' Report of the Company's Annual Report.</p> <table border="1"> <thead> <tr> <th>Director Skills</th> <th>Capital Markets</th> <th>Resources</th> <th>Mining Geology</th> <th>Finance Accounting</th> <th>Listed Company</th> </tr> </thead> <tbody> <tr> <td>Jess Oram¹</td> <td>X</td> <td>√</td> <td>√</td> <td>X</td> <td>√</td> </tr> <tr> <td>David Sanders²</td> <td>√</td> <td>√</td> <td>X</td> <td>√</td> <td>√</td> </tr> <tr> <td>Jason Brewer</td> <td>√</td> <td>√</td> <td>√</td> <td>X</td> <td>√</td> </tr> <tr> <td>Gedeon Pelesa</td> <td>√</td> <td>√</td> <td>√</td> <td>X</td> <td>√</td> </tr> <tr> <td>Simon Grant - Rennick³</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> </tr> </tbody> </table> <p><small>1 Commenced February 2019 2 Resigned February 2019 3 Commenced August 2019</small></p> | Director Skills | Capital Markets | Resources | Mining Geology | Finance Accounting | Listed Company | Jess Oram ¹ | X | √ | √ | X | √ | David Sanders ² | √ | √ | X | √ | √ | Jason Brewer | √ | √ | √ | X | √ | Gedeon Pelesa | √ | √ | √ | X | √ | Simon Grant - Rennick ³ | √ | √ | √ | √ | √ | Yes |
| Director Skills | Capital Markets | Resources | Mining Geology | Finance Accounting | Listed Company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jess Oram ¹ | X | √ | √ | X | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| David Sanders ² | √ | √ | X | √ | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jason Brewer | √ | √ | √ | X | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gedeon Pelesa | √ | √ | √ | X | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Simon Grant - Rennick ³ | √ | √ | √ | √ | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.3 Disclose independence and length of service | <p>The Board has assessed the independence status of its Directors and has determined the following as at 31 December 2019:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Position</th> <th>Independent</th> <th>Length of Service</th> </tr> </thead> <tbody> <tr> <td>Jess Oram¹</td> <td>Non Executive Chairman</td> <td>Yes</td> <td>0.9 years</td> </tr> <tr> <td>David Sanders²</td> <td>Non Executive Chairman</td> <td>Yes</td> <td>1.7 years</td> </tr> <tr> <td>Jason Brewer</td> <td>Non Executive Director</td> <td>No</td> <td>2.6 years</td> </tr> <tr> <td>Gedeon Pelesa</td> <td>Non Executive Director</td> <td>Yes</td> <td>2.2 years</td> </tr> <tr> <td>Simon Grant - Rennick³</td> <td>Non Executive Director</td> <td>Yes</td> <td>0.7 years</td> </tr> </tbody> </table> <p><small>1 Commenced February 2019 2 Resigned February 2019 3 Commenced August 2019</small></p> | Name | Position | Independent | Length of Service | Jess Oram ¹ | Non Executive Chairman | Yes | 0.9 years | David Sanders ² | Non Executive Chairman | Yes | 1.7 years | Jason Brewer | Non Executive Director | No | 2.6 years | Gedeon Pelesa | Non Executive Director | Yes | 2.2 years | Simon Grant - Rennick ³ | Non Executive Director | Yes | 0.7 years | Yes | | | | | | | | | | | | |
| Name | Position | Independent | Length of Service | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jess Oram ¹ | Non Executive Chairman | Yes | 0.9 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| David Sanders ² | Non Executive Chairman | Yes | 1.7 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jason Brewer | Non Executive Director | No | 2.6 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gedeon Pelesa | Non Executive Director | Yes | 2.2 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Simon Grant - Rennick ³ | Non Executive Director | Yes | 0.7 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.4 Majority of Directors independent | <p>As reported above Mr Oram, Mr Pelesa and Mr Grant-Rennick are independent Directors; therefore 3 of the 4 or 75% of Directors are independent.</p> <p>As such, the independent Directors on the Board are in the majority, when it comes to decision-making.</p> <p>Directors having a conflict of interest in relation to a particular item of business they must absent themselves from the Board meeting before commencement of discussion on the topic.</p> | Yes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.5 Chair Independent | <p>The current Chairman, Mr Oram, and the former Chairman, Mr Sanders, is/are both independent Non Executive Directors.</p> <p>Further details regarding the Directors are set out in the Directors' Report of the Company's Annual Report.</p> | Yes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Principle 3. Act ethically and responsibly

| RECOMMENDATION | FORCE'S CORPORATE GOVERNANCE APPROACH | COMPLIES |
|-----------------------|--|-----------------|
| 3.1 Code of Conduct | <p>The Board has established a Code of Conduct for its Directors, executives, employees and consultants.</p> <p>A copy of the Code of Conduct is available in the Corporate Governance section of the Company's website.</p> | Yes |

Principle 4. Safeguard integrity in corporate reporting

| RECOMMENDATION | FORCE'S CORPORATE GOVERNANCE APPROACH | COMPLIES |
|---|---|----------|
| 4.1 Audit Committee | <p>The Board has decided not to form a separate Audit Committee. The Board believes that no efficiencies or other benefits would be gained by establishing a separate Audit Committee. The Board has adopted an Audit Committee Charter, however the Board as a whole performs the function of the Audit Committee.</p> <p>Due to the size and scale of its operations, the Board as a whole considers that it is more efficient and effective for the corporate reporting process to not have an Audit Committee at this stage. The Board will monitor this position as the Company's circumstances change.</p> <p>The Board as whole determines when to seek the appointment or removal of the external auditor, and subject to any statutory requirements, the Board will also seek rotation of the audit partner on an as required basis.</p> <p>A copy of the Audit Committee Charter which is available in the Corporate Governance section of the Company's website.</p> | No |
| 4.2 CEO and CFO certification of financial statements | <p>In respect to full year and half year financials reports, the Board has obtained a written declaration from the CEO (or equivalent) and CFO (or equivalent) that:</p> <ul style="list-style-type: none"> (i) in their opinion, the financial records of the Company have been properly maintained and 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 (ii) that opinion is formed on the basis of a sound system of risk management and internal control and that system is operating effectively in all material respects in relation to financial reporting and material business risks. | Yes |
| 4.3 External Auditor at AGM | <p>At least one senior representative of the auditor will attend the Annual General Meeting ;'AGM and be available to answer shareholder questions regarding the audit.</p> | Yes |

Principle 5. Make timely and balanced disclosure

| RECOMMENDATION | FORCE'S CORPORATE GOVERNANCE APPROACH | COMPLIES |
|--|--|----------|
| 5.1 Disclosure and Communications Policy | <p>The Company has adopted a Continuous Disclosure Policy which sets out the processes and practices that ensure its compliance with the continuous disclosure requirements under applicable Listing Rules and applicable corporation law (including the Corporations Act).</p> <p>A copy of the Continuous Disclosure Policy is available in the Corporate Governance section of the Company's website.</p> | Yes |

Principle 6. Respect the rights of security holders

| RECOMMENDATION | FORCE'S CORPORATE GOVERNANCE APPROACH | COMPLIES |
|--|---|----------|
| 6.1 Information about governance and itself on Website | <p>The Company keeps the investors informed of its corporate governance, financial performance and prospects via its website.</p> <p>Investors can access copies of all announcements to the ASX, notices of meetings, annual reports, financial statements, corporate governance charters and policies, investor presentations and general information regarding the Company on the Company's website.</p> | Yes |
| 6.2 Design and implement Investors relations program | <p>The Company conducts periodic investor briefings, roadshows, site visits and attends regional and industry specific conferences in order to facilitate effective two way communication with investors and other financial market participants. Access to Directors and KMP is provided at these events with separate one-on-one or group meetings offered whenever possible.</p> <p>The presentation material provided at these events is posted on the Company's website, which also provides the opportunity for interested parties to join the mailing list to receive regular updates from the Company.</p> <p>The Company has adopted a Shareholder Communication Policy because the Board is of the view that an effective policy for communication with shareholders enhances its strong culture of disclosure to keep the shareholders and the relevant markets informed of all major developments affecting the Company.</p> <p>A copy of the Shareholder Communication Policy is available on the Company's website.</p> | Yes |
| 6.3 Facilitate participation at meetings of security holders | <p>The Board encourages participation of Shareholders at its meetings and Shareholders are provided with all notices of meeting prior to meetings, which are set at times and places to promote maximum attendance by Shareholders.</p> <p>Shareholders are always given the opportunity to ask questions of Directors and management, either during or after meetings.</p> <p>In addition, the company's auditor is also made available for questions at the Company's AGM of Shareholders.</p> | Yes |
| 6.4 Facilitate electronic communications | <p>The Company welcomes electronic communications from its Shareholders via the Contacts page on the Company's website.</p> <p>The Company's share registry also engages with Shareholders electronically and makes available a range of relevant forms on its website and provides Shareholders with options to receive communications from, and send communications to, the Company and its security registry electronically.</p> <p>Shareholders can register with the share registry to access their personal information and shareholdings via the internet.</p> | Yes |

Principle 7. Recognise and manage risk

| RECOMMENDATION | FORCE'S CORPORATE GOVERNANCE APPROACH | COMPLIES |
|--------------------------|--|----------|
| 7.1 Risk Committee | <p>The Board has decided not to form a separate Risk Committee. The Board believes that no efficiencies or other benefits would be gained by establishing a separate Risk Committee. The Board has adopted a Risk Committee Charter, however the Board as a whole performs the function of the Risk Committee.</p> <p>Due to the size and scale of its operations, the Board as a whole considers that no efficiencies or other benefits would be gained by establishing a Risk Committee at this stage. The Board will monitor this position as the Company's circumstances change.</p> <p>The Board as a whole is responsible for identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage those risks.</p> <p>A copy of the Risk Committee Charter is available in the Corporate Governance section of the Company's website.</p> | No |
| 7.2 Annual Risk Review | <p>On at least an annual basis, the Board reviews its material risks and how its material business risks are being managed.</p> <p>For the 2019 year, management provided to the Board the Company's Risk Register summarising the significance of each risk as well as actions taken by management to mitigate the risks.</p> | Yes |
| 7.3 Internal Audit | <p>The Board has not established an internal audit function at this time. The Board as a whole oversees the effectiveness of risk management and internal control processes.</p> | No |
| 7.4 Sustainability risks | <p>The Company identifies and manages material exposures to economic, environmental and social sustainability risks in a manner consistent with its Environmental and Social Charter which is available in the Corporate Governance section of the Company's website.</p> <p>The material risk faced by the Company that could have an effect on the Company's future prospects, include: (a) availability of further funding: (b) exploration and development risk: (c) fluctuations in commodity prices: (d) title risks: (e) Government regulations risks; and (f) global financial conditions.</p> | Yes |

Principle 8. Remunerate fairly and responsibly

| RECOMMENDATION | FORCE'S CORPORATE GOVERNANCE APPROACH | COMPLIES |
|--|--|----------|
| 8.1 Remuneration Committee | <p>The Board has decided not to form a separate Remuneration Committee. The Board believes that no efficiencies or other benefits would be gained by establishing a separate Remuneration Committee.</p> <p>The Board has adopted a Remuneration Committee Charter, however the Board as a whole performs the function of the Remuneration Committee.</p> <p>The Board periodically undertakes a review to ensure that the level and composition of remuneration for Directors and senior executives is appropriate and not excessive.</p> | No |
| 8.2 Disclosure of Executive and Non-Executive Director remuneration Policy | <p>The Company seeks to attract and retain high performance Directors and Executive with appropriate skills, qualifications and experience to add value to the Company and fulfil the roles and responsibilities required. It reviews requirements of additional capabilities at least annually.</p> <p>Executive remuneration is to reflect performance and, accordingly, remuneration is structured with a fixed component and performance-based remuneration component. Non-Executive Directors are paid fixed fees for their services in accordance with the Company's Constitution. Fees paid are composite fee (covering all Board and Committee responsibilities) and any contributions by the Company to a fund for the purposes of superannuation benefits for a Director. No other retirement benefits schemes are in place in respect to Non-Executive Directors.</p> <p>Further details regarding the remuneration of the Executive and Non-Executive Directors are set in the Remuneration Report within the Annual Report.</p> | Yes |
| 8.3 Policy on hedging equity incentive schemes | <p>The Company's Share Trading Policy prohibits executive staff from undertaking hedging or other strategies that could limit the economic risk associated with Company Securities issued under any equity based remuneration scheme.</p> <p>The Share Trading Policy can be viewed on the Company's website.</p> | Yes |