

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

VENTUREX RESOURCES LIMITED

ABN / ARBN:

28 122 180 205

Financial year ended:

30 JUNE 2015

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

☐

These pages of our annual report:

☒

This URL on our website:

www.venturexresources.com/corporateoverview

The Corporate Governance Statement is accurate and up to date as at 30 September 2015 and has been approved by the Board.

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

Date: 29 September 2015

Name of Director or Secretary authorising
lodgement:

TREVOR HART

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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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 ... ⁴
1.5	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: (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 (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.	... the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and a copy of our diversity policy or a summary of it: ☒ at www.venturexresources.com/corporateoverview ... 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: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	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 evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.7	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 evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ 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 NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☒ at www.venturexresources.com/corporateoverview ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at www.venturexresources.com/investorrelations [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: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... our board skills matrix: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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 NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and the length of service of each director: ☐ in our Corporate Governance Statement OR ☒ at www.venturexresources.com/investorrelations/annualreport	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☐ in our Corporate Governance Statement OR ☒ at www.venturexresources.com/corporateoverview	☐ 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 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
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, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☒ at www.venturexresources.com/corporateoverview ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at www.venturexresources.com/investorrelations [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ 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
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: ☒ at www.venturexresources.com/corporateoverview	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ 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	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</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: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement
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 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ 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
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ 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 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☒ at www.venturexresources.com/corporateoverview ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☒ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Statement

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The Company's practices are consistent with the Australian Stock Exchange (ASX) Corporate Governance Council Principles (Third Edition).

PRINCIPLE 1: LAYING SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 Role of the Board and Management

The Board's role is to represent the shareholders. It is accountable to them for creating and delivering value through the effective governance of the business. This role requires a high-performing Board, with all Directors contributing to the Board's collective decision-making processes.

The Board exists to lead and oversee the management and direction of the Company. The Board operates in accordance with the broad principles set out in its Charter, a copy of which is on the Company's website. The Charter details the board's composition and functions.

The Board is responsible for:

OVERSEEING	GOVERNANCE	RISK AND REPORTING
Strategy – defining and setting the business objectives and monitoring performance and achievement of those objectives; Chairman selection – appointing the Chairman of the Board; Leadership selection – as appropriate appointing or removing the Managing Director, evaluating the performance of the Managing Director, and approving other key executive appointments; Succession planning – planning for Board, MD and executive succession; Remuneration framework – approving the Company's remuneration framework, approving MD and executive remuneration, and setting Non-Executive Director remuneration within shareholder approved limits.	Corporate governance – reviewing and monitoring the Company's corporate governance policies and practices; Board performance and composition – evaluating the performance of the Board and determining its size and composition; and Social responsibility – considering the social, ethical and environmental impact of activities and operations and monitoring compliance with the Company's social responsibility policies.	Financial performance – monitoring and approving financial performance and budgets; Financial reporting – considering and approving half-yearly and annual financial statements, and monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting; Risk management – oversight of the appropriateness of risk management framework and setting the risk appetite within which the Board expects management to operate; and External auditor – selecting and recommending to shareholders the appointment of the external auditor.

Corporate Governance Statement

Management are responsible for implementing the strategic objectives and operating within the risk appetite set by the Board and for all other aspects of the day to day running of the Company. Management are also responsible for providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities.

Recommendation 1.2 Director Checks

The Company performs full checks on all potential Directors. These include checks on a person's character, experience, education, criminal record and bankruptcy history. All Directors have provided consent for the Company to perform such checks.

Your Directors' biographical details, including their relevant qualifications and experience and the skills they are bringing to the Board are detailed on the Company website and within the Annual Report. Details of any other material directorships currently held are also provided within the Annual Report.

Annually the Board conducts an assessment of its performance, as part of this assessment each Director is requested to provide the Chairman with details of their other commitments and specifically acknowledges to the Chairman that they will have sufficient time to fulfil their duties as a director of the Company.

Recommendation 1.3 Written Agreement with each Director and Senior Executive

All Non-Executive Directors are engaged by the Company under letters of appointment and senior executives are engaged under service contracts. These address the roles and responsibilities of individuals.

Detail of the letters of appointment and service contracts for senior executives are provided in the Remuneration Report within the Annual Report.

Recommendation 1.4 Company Secretary

The Company Secretary, Mr Trevor Hart, is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

Recommendation 1.5 Diversity

The Company has established a Diversity Policy, a copy of which is disclosed on the Company's website, and includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress towards achieving them.

The Board has set measurable objectives for achieving gender diversity in accordance with its Diversity Policy, and will initially target a direct workforce comprising at least 50% females, and will target a Board composition which includes at least one female. During the Reporting Period, the Company maintained a direct workforce of at least 35% females. The Board does not include any female directors. However, the Board will continue to have regard to the Company's Diversity Policy in identifying appropriate candidates for appointment to the Board.

The proportion of women employees in the whole organisation, women in senior executive positions and women on the Board as at 30 June 2015 are set out in the following table:

	2015
Whole Organisation	3 out of 8 (38%)
Senior Executives	0 out of 2 (0%)
Board of Directors	0 out of 3 (0%)

Corporate Governance Statement

The Board looks forward to reporting positive results in relation to gender, and other areas of diversity throughout the Company.

Recommendation 1.6 Board Performance Assessment

The Board has undertaken a process of self-assessment of its collective performance, and the performance of its committees during the 2015 financial year.

Recommendation 1.7 Performance Evaluation of Senior Executives

The importance of a clear relationship between management performance and remuneration is reflected in our approach to evaluating management performance.

The following process for senior management performance evaluation was undertaken, to the satisfaction of the Board, during the reporting period:

- the performance evaluation of the Managing Director was not undertaken during the year due to the resignation of the Managing Director in February 2015; and
- the performance evaluation of other Senior Executives was undertaken by the Board, with the Nomination and Remuneration Committee's oversight of their objectives and performance assessments.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1 Nomination Committee

The Company has in place a Nomination & Remuneration Committee and the composition is determined so as to provide the Company with a broad base of industry, business, technical, administrative, financial and corporate skills and experience considered necessary to achieve the business objectives of the Company.

For the period 1 July 2014 to 30 June 2015, the members of the Nomination and Remuneration Committee were Anthony Kiernan (Chair), John Nitschke and Ray Parry. For the period 27 February 2015 to 30 June 2015, the Nomination and Remuneration Committee was not structured in accordance with Recommendation 2.1 as it comprised only two independent members due to Mr Nitschke undertaking the role of Acting Managing Director.

The Nomination and Remuneration Committee held one meeting during the Reporting Period. Details of Director attendance at Nomination and Remuneration Committee meetings during the Reporting Period are set out in a table in the Director's Report of the 2015 Annual Report.

The Company's Nomination and Remuneration Committee Charter is available on the Company's website.

Recommendation 2.2 Board Skills Matrix

The Company has in place a process which incorporates the Board reviewing its Board Skills Matrix annually.

Recommendation 2.3 Directors Independence

The Board considers the independence of Directors having regard to Corporate Governance Principles & Recommendations and the Company's materiality thresholds. The Board has agreed on the following guidelines, as set out in the Company's Board Charter for assessing the materiality of matters:

Corporate Governance Statement

- ◀ Balance sheet items are material if they have a value of more than 5% of pro-forma net asset.
- ◀ Profit and loss items are material if they will have an impact on the current year operating result of 5% or more.
- ◀ Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 5% or more on balance sheet or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 5%.
- ◀ Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost which triggers any of the quantitative tests, contain or trigger change of control provisions, are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

The Independent Directors of the Company are independent as they are non-executive Directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

The recommendations of best practice are that a majority of the Directors and in particular the chairperson should be independent.

Of the current Board members Mr Anthony Kiernan (Chairman) and Mr Anthony Reilly meet these criteria. The Acting Managing Director is Mr John Nitschke who is not Chair of the Board.

Recommendation 2.4 Majority of Directors Independence

A majority of the Board of the Company should be independent directors. For the period 1 July 2014 through to 27 February 2015 the Company complied with the Majority of Directors being independent. With the resignation of the Managing Director, Mr John Nitschke was appointed by the Board as Acting Managing Director thereby removing the majority of independence. As of 1 July 2015, due to changes in the Board structure, the Company is compliant with Recommendation 2.4.

As noted above, the Board believes its current composition represents the mix of skills and diversity. The Board does not have any current plans to increase the size of the Board at the moment, but will take into account independence as a factor in considering any new appointments to the Board in accordance with its Policy and Procedure for the Selection and (Re)Appointment of Directors.

Directors independence and length of service of each Director is reported within the Annual Report and detailed within the Corporate Governance section of the Company website.

The Board meet regularly without Senior Management present to maximise the likelihood that the decision of the Board will reflect the best interests of the Company and its security holders generally and not be biased towards the interest of Management.

Recommendation 2.5 Chairman & Chief Executive Officer

The Company has at all times maintained a separation between the Chairman (Mr Anthony Kiernan) and Chief Executive Officer (Managing Director) roles. The day-to-day management of the Company is currently overseen by the Acting Managing Director, Mr John Nitschke.

Corporate Governance Statement

Principle 2.6 Company Induction and Professional Development of Directors

The Company has an established programme for the induction of new Directors. This induction covers all aspects of the Companies operations.

Existing Directors are encouraged to participate in appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as a director effectively. Regular reviews are undertaken by the Nomination & Remuneration Committee whether the Directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and on Board Committees effectively.

Independent Advice

To assist Directors with independent judgment, it is the Board's policy that if a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a Director then, provided the Director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1 Code of Conduct

The Company has adopted a Code of Conduct for its Directors, senior executives and employees, a copy of which is available on the Company's website.

Directors, officers, employees and consultants to the Company are required to observe high standards of behaviour and business ethics in conducting business on behalf of the Company and they are required to maintain a reputation of integrity on the part of both the Company and themselves. The Company does not contract with or otherwise engage any person or party where it considers integrity may be compromised.

All directors, executives and staff of the Company and of all controlled entities are required to abide by the legal requirements and high standards of ethical conduct as recognised in each relevant jurisdiction in which the Group operates.

To ensure high standards of personal integrity are withheld, the Company has a Whistleblower Policy to assist in the identification of the reporting of unlawful or unethical behaviour. A copy of the Whistleblower Policy is available on the Company's website.

PRINCIPLE 4: SAFEGUARDING INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1 Audit Committee

The Board has established an Audit Committee with a Charter that sets out its roles, responsibilities, composition, structure and membership requirements.

The members of the Audit Committee for the financial year were Mr Ray Parry (Chair), Mr John Nitschke and Mr Anthony Kiernan. For the period 1 July 2014 to 27 February 2015, the Audit Committee was compliant with Recommendation 4.1. However, since Mr John Nitschke's appointment as Acting Managing Director, the Audit Committee is now not structured in compliance with Recommendation 4.2. As from 1 July 2015 Mr Parry has resigned from the Company, and the Audit Committee is therefore still not compliant.

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The Audit Committee held five meetings during the Reporting Period. Details of director attendance at Audit Committee meetings during the Reporting Period are set out in a table in the Directors' Report within the 2015 Annual Report.

Details of each of the director's qualifications are set out in the Directors' Report within the 2015 Annual Report. Each of the members of the Audit Committee consider themselves to be financially literate, and have an understanding of the industry in which the Company operates.

The Company's Audit Committee Charter is disclosed on the Company's website.

Recommendation 4.2 Declarations from the CEO and CFO

The Chief Executive Officer (currently the Acting Managing Director) and the Chief Financial Officer are required to make a declaration in accordance with section 295A of the Corporations Act that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards, and to provide assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks. For the year ended 30 June 2015 the declarations will be made by the Acting Managing Director and the Chief Financial Officer.

Recommendation 4.3 External Auditors

The external auditor is required to attend the AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

The Company has established a Procedure for the Selection, Appointment and Rotation of its External Auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

BDO is the appointed external auditor of the Company and the audit engagement partner is changed at least every five years. An analysis of fees paid to the external auditors, including a break-down of any fees for any non-audit services, is provided in the financial statements within the Annual Report. The external auditors provide an annual declaration of their independence to the Company.

The Company's Procedure for Selection, Appointment and Rotation of External Auditor is disclosed on the Company's website.

PRINCIPLE 5: MAKING TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 Disclosure Policy

The Company has a Continuous Disclosure Policy and Shareholder Communications Policy, copies of which are on the Company's website.

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The Company has written policies and procedures on information disclosure that focus's on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings. All directors, executives and staff are required to abide by all legal requirements, the Listing Rules of the Australian Securities Exchange ('ASX') and high standards of ethical conduct. This includes compliance with the continuous disclosure requirements of the Listing Rules.

The Acting Managing Director and Company Secretary have been nominated as the persons responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

PRINCIPLE 6: RESPECTING THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1 Information on Website

The Company provides information about itself and its governance to investors via its website and has a "Corporate Governance" landing page where all relevant corporate governance information can be accessed.

All Committee Charters and relevant Corporate Governance Policies are listed on this Corporate Governance landing page on the website.

The Company website also includes copies of its annual reports and financial statements; copies of its ASX announcements; copies of Notices of Meetings, as well as an overview of the Company's business activities in appropriate areas of the website.

Recommendation 6.2 Investor Relations Program

The Company has an established investor relations programme to facilitate effective communication between the Company and investors. Underpinning this programme is Shareholder Communications Policy, a copy of which is on the Company's website.

The Board's fundamental responsibility to shareholders is to work towards meeting the Company's objectives so as to add value for them. The Board's policy is to seek to inform shareholders of all major developments affecting the Company by allowing investors and other financial market participants to gain a greater understanding of the entity's business, governance, financial performance and prospects.

Recommendation 6.3 Participation at Meetings of Shareholders

The Annual General Meeting enables shareholders to receive the reports and participate in the meeting by attendance or by written communication. The Board seeks to notify all shareholders so they can be fully informed annually for the voting on the appointment of directors and so as to enable them to have discussion at the Annual General Meeting with the directors and/or the auditor of the Company who is invited to attend the Annual General Meeting. Shareholders that have made an election receive a copy of the Company's Annual Report by mail; otherwise, the Annual Report is available on the Company's website. Direct voting facilities to allow security holders to vote ahead of the meeting without having to attend or appoint a proxy have been implemented by the Company.

Corporate Governance Statement

Recommendation 6.4 Electronic Communication

The Company has the capability to communicate with shareholders electronically through its website, email communications and via the share registry. Electronic contact details are provided on the Company's website.

PRINCIPLE 7: RECOGNISING AND MANAGE RISK

Recommendation 7.1 Risk Committee

The Company does not have a separate Risk Committee due to the small size of the Board. The Audit Committee manage and regularly report to the Board on Risk.

The Board has adopted a formal Risk Management Policy and associated procedures so as to formalise the process of managing material business risks of the Company. A copy of the Policy is available on the Company's website.

Recommendation 7.2 Annual Risk Review

The Risk Management Policy requires Management to design and implement risk management processes and systems to identify and manage the Company's material business risks and report to the Board on whether those risks are being managed effectively.

The Board is regularly briefed and involved in discussions in relation to many of the material business risks facing the Company. Risk Management is a standing item at all Board Meetings.

The risk management framework is reviewed at least annually by the Board.

The Acting Managing Director and the Chief Financial Officer are required to make a declaration in accordance with section 295A of the Corporations Act that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards, and to provide assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks. For the year ended 30 June 2015 the declarations will be made by the Acting Managing Director and the Chief Financial Officer.

Recommendation 7.3 Internal Audit

The Company does not currently have an internal audit function. The Audit Committee Calendar requires the Committee to monitor the need for an internal audit function having regard to the size, geographic location and complexity of the Company's operations.

The Company's Management periodically undertake an internal review of financial systems and processes and where systems are considered to not be optimal these systems are developed. The Board believe the appropriate approach is to continue implementation of system improvements and monitor the effectiveness of these.

Recommendation 7.4 Economic, Environmental and Sustainability Risks

The Board is regularly briefed and involved in discussions in relation to material exposure to economic, environmental and social sustainability risks facing the Company. Risk Management is a standing item at all Board Meetings.

Corporate Governance Statement

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 Remuneration Committee

The Board has established a Nomination and Remuneration Committee, with a Charter that sets out its roles, responsibilities, composition, structure and membership requirements. A copy of the Charter is on the Company's website.

The members of the Nomination and Remuneration Committee for the financial year were Mr Anthony Kiernan (Chair), Mr John Nitschke and Mr Ray Parry. As from 1 July 2015 Mr Parry has resigned from the Company, and the Nomination and Remuneration meeting is therefore not compliant.

For the period 1 July 2014 to 27 February 2015, the Nomination and Remuneration Committee was compliant with Recommendation 8.1. However, since Mr John Nitschke's appointment as Acting Managing Director, the Nomination and Remuneration Committee is now not structured in compliance with Recommendation 8.1.

The Annual Report details the number of time the Committee met throughout the period and the individual attendances of the members at those meetings.

The Committee has established a Remuneration Policy for the Company. A copy of the Remuneration Policy is available on the Company's website. The Company's Remuneration Policy clearly distinguishes the structure of executive and non-executive remuneration, and contains a prohibition on directors and employees entering into hedging arrangements to mitigate the risk of changes in value of unvested performance rights or options by the use of financial instruments. Any such arrangements entered into in relation to vested entitlements are required to be reported to the Board and must only occur within the trading periods allowed under the Securities Trading Policy.

Recommendation 8.2 Disclosure of Remuneration Policies and Practices

The Remuneration Report outlines the director and executive remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and the *Corporations Regulations*. It also provides the remuneration disclosure required by AASB124 Related Party Disclosures.

There are no schemes for retirement benefits, other than superannuation, for non-executive directors.

Recommendation 8.3 Policy on Equity Based Remuneration Scheme

The Company does not currently have an equity based remuneration scheme in place.