

Rules 4.7.3 and 4.10.3¹

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

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

Name of entity

PolarX Limited

ABN / ARBN

161 615 783

Financial year ended:

30 June 2019

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: <https://www.polarx.com.au/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 23 September 2019 and has been approved by the board.

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

Date: 23 September 2019

Name of Secretary authorising
lodgement: Ian Cunningham

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 ... 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 https://www.polarx.com.au/corporate-governance/	
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	
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	
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	

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

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	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 <i>[insert location]</i> ... 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
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 ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement	
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 ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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): ... and a copy of the charter of the committee: ... and the information referred to in paragraphs (4) and (5): [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	☒ an explanation why that is so in our Corporate Governance Statement
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	
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 ... and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement ... and the length of service of each director: ☒ in our Corporate Governance Statement	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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	☒ an explanation why that is so in our Corporate Governance Statement
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	☒ an explanation why that is so in our Corporate Governance Statement
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	
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	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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 ... and a copy of the charter of the committee: ☒ at this location https://www.polarx.com.au/corporate-governance/ ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement	☒ 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	
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	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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	
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 https://www.polarx.com.au/corporate-governance/	
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	
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	
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	

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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 <u>OR</u> ☐ 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 <u>OR</u> ☐ 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	☒ 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 <u>OR</u> ☐ 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 <u>OR</u> ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (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	☒ 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	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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 <u>OR</u> ☐ at [insert location] ... and a copy of the charter of the committee: ☐ at [insert location] ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] [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	☒ an explanation why that is so in our Corporate Governance Statement
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	
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	

PolarX Limited

Corporate Governance Statement

(current as at 23 September 2019)

The Board of Directors are responsible for the overall strategy, governance and performance of PolarX Limited (the Company). The Board has adopted a corporate governance framework which it considers to be suitable given the size, nature of operations and strategy of the Company.

To the extent that they are applicable, and given its circumstances, the Company adopts the eight essential Corporate Governance Principles and Best Practice Recommendations (Recommendations) published by the Corporate Governance Council of the ASX. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a Recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

As the Company's activities develop in size, nature and scope, the implementation of additional corporate governance structures will be afforded further consideration.

Corporate Governance Council Recommendation		Comply (Yes / No)	Explanation
	PRINCIPLE 1: Lay solid foundation 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 for the board and those delegated to management.	Yes	The Board has adopted a formal Board Charter which sets out the respective roles and responsibilities of the Board and management and those matters expressly reserved to the Board and those delegated to management. The Board is responsible for the general supervision of the management of the Company's business and affairs with the objective of enhancing shareholder value. The Board fulfills its mandate at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The directors are kept informed of the Company's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise. The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. The Board delegates to management responsibility for implementation of these objectives and for the day-to-day operations of the Company, including, managing the Company's operations and cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board Charter is available on PolarX's website at www.polarx.com.au

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.	Yes	Prior to the putting forward of a candidate for election as a director by shareholders, as a minimum requirement, PolarX makes inquiries as to the person's character, experience and education. Criteria considered when appointing a new director include: • quality of the individual; • background of experience and achievements to date; • compatibility with other board members; • compatibility with the Company's business activities; and • ability to contribute. All material information relevant to whether or not to elect or re-elect a director is provided to the Company's shareholders as part of the Explanatory Statement for each annual general meeting of the Company.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Non-Executive Directors are required to sign a letter of appointment. Executive Directors are required to enter into service agreements or consulting agreements and other senior executives are required to enter into employment or consulting agreements setting out the terms of their appointment. Directors are initially appointed by the full Board and are subject to election by shareholders at the next annual general meeting. Under the Company's Constitution the tenure of a director (other than the Managing Director) is subject to reappointment by shareholders not later than the third anniversary following his or her appointment or last election. There is no maximum age for directors. The Managing Director may be appointed for any period and on any terms the directors thinks fit and, subject to the terms of any agreement entered into, the directors may revoke any appointment.
1.4	The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the board.	Yes	The appointment of the Company Secretary is approved by resolution of the Board. The Company Secretary is accountable to the Board, through the Chairman, and is responsible for supporting the proper functioning of the Board which includes, but is not limited to, providing advice on governance and procedural issues, and the preparation of Board papers and minutes, attendance at Board meetings and maintaining policies and procedures.

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: (i) 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 (ii) 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.	No	<u>Explanation for Departure</u> The Company has not yet established a formal policy on diversity and has not established or reported measurable objectives for achieving gender diversity. The Company makes its appointment decisions based on merit, by assessing whether a person's skills and experience are appropriate for particular roles. It does not discriminate based on gender, age, ethnicity or cultural background. Given the Company's size and stage of development, it does not believe that a formal diversity policy will provide any measurable benefit to the Company that is not already provided by its existing practices in this area. However, as the Company's operations develop, it will consider the adoption of a formal diversity policy and the setting of measurable objectives for achieving gender diversity. The Company provides the following information regarding gender diversity as at 30 June 2019: <table><tr><th>Category</th><th>Proportion of females</th></tr><tr><td>Whole organisation</td><td>20%</td></tr><tr><td>Senior Executives</td><td>Nil</td></tr><tr><td>Board</td><td>Nil</td></tr></table>	Category	Proportion of females	Whole organisation	20%	Senior Executives	Nil	Board	Nil
Category	Proportion of females										
Whole organisation	20%										
Senior Executives	Nil										
Board	Nil										
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.	Yes	The Board assesses, from time to time, the effectiveness of the Board as a whole, the Audit Committee, and the contribution of individual directors, including considering the appropriate size of the Board. Given the size of the Company and the management team, this process is managed informally by Directors. The last periodic review was undertaken by the Board in March 2018.								
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.	Yes	During the reporting period performance reviews of senior executives were carried out on an informal basis. As the activities of the Company develop, it will consider the establishment of more formal evaluation procedures, including quantitative measures of performance.								

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.	No	<u>Explanation for Departure</u> The Board has not appointed a nominating committee because the Board fulfills these functions. The Board has considered this matter and decided that the non-compliance does not affect the operation of the Company. This recommendation will be satisfied at the appropriate time in the Company's future.																				
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.	Yes	PolarX recognise that a skills matrix is a useful tool to identify any gaps in the collective skills of the Board. Refer to the "Board Skills Matrix" in the Appendix to this document.																				
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.	Yes	As at 30 June 2019, the Board consisted of: <table border="1"> <thead> <tr> <th>Name</th><th>Role</th><th>Date of Appointment</th><th>Independent</th></tr> </thead> <tbody> <tr> <td>Mark Bojanjac</td><td>Executive Chairman</td><td>15 January 2015</td><td>No</td></tr> <tr> <td>Frazer Tabcart</td><td>Managing Director</td><td>25 July 2017</td><td>No</td></tr> <tr> <td>Jason Berton</td><td>Executive Director</td><td>25 July 2017</td><td>No</td></tr> <tr> <td>Robert Boaz</td><td>Non-Executive Director</td><td>23 January 2013</td><td>Yes</td></tr> </tbody> </table> A profile of each director containing their skills, experience, expertise and term of office is disclosed in the Company's Annual Report.	Name	Role	Date of Appointment	Independent	Mark Bojanjac	Executive Chairman	15 January 2015	No	Frazer Tabcart	Managing Director	25 July 2017	No	Jason Berton	Executive Director	25 July 2017	No	Robert Boaz	Non-Executive Director	23 January 2013	Yes
Name	Role	Date of Appointment	Independent																				
Mark Bojanjac	Executive Chairman	15 January 2015	No																				
Frazer Tabcart	Managing Director	25 July 2017	No																				
Jason Berton	Executive Director	25 July 2017	No																				
Robert Boaz	Non-Executive Director	23 January 2013	Yes																				

2.4	A majority of the board of a listed entity should be independent directors.	No	For the period covered by this Corporate Governance Statement, the Company did not have a majority of independent directors, with one of the four Board members being independent. The Board has considered this matter and decided that the non-compliance does not affect the operation of the Company. This recommendation will be satisfied at the appropriate time in the Company's future. The Board, at least annually, assesses the independence of its non-executive directors. This assessment may occur more than once each year if there is a change in circumstances that may impact upon the independence of a non-executive director. Individual directors must not participate in assessing their own independence, and must provide to the Board all information relevant to the assessment. In assessing independence, the Board considers all circumstances relevant to determining whether the non-executive director is free from any interest and any business or other relationship which could, or could reasonably be perceived to; materially interfere with that director's ability to exercise unfettered and independent judgment on Company issues. Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.
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.	No	As shown in the table above, following the Board restructure in December 2016 the Company no longer has an independent Chairman. The Board has considered this matter and decided that the non-compliance does not affect the operation of the Company. This recommendation will be satisfied at the appropriate time in the Company's future. As noted in Section 2.3 above, a new CEO was appointed on 25 July 2017 and hence the chair and CEO positions are not held by the same person.
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.	Yes	The Board as a whole, review the skills and experience of directors and prospective directors and ascertains any shortcomings and development opportunities. Each new Director goes through an induction process, which includes meetings with key executives, presentation and an overview of key policies and processes.
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.	Yes	The Board has adopted a code of conduct that sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from its directors and employees. The Code of Conduct is available on the Company's website at www.polarx.com.au.

	PRINCIPLE 4: Safeguard Integrity in financial 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 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.	No	The Audit Committee operates under the Audit Committee Charter, which is available on the Company's website at www.polarx.com.au. The Committee consists of the following directors: <table><tr><th>Name</th><th>Role</th><th>Independent</th></tr><tr><td>Robert Boaz (Chairman of the Committee)</td><td>Non-Executive Director</td><td>Yes</td></tr><tr><td>Mark Bojanjac</td><td>Executive Chairman</td><td>No</td></tr></table> A profile of each member of the Committee, including their skills, experience and expertise is disclosed in the Company's Annual Report. In accordance with the Audit Committee Charter the committee is required to review (as applicable) the interim unaudited and audited annual financial disclosure of the Company. Whilst there are only 2 Committee members and not all of them are non-executive directors, the Board has considered this matter, including the fact that the Chairman of the Committee is an independent non-executive, and decided that the non-compliance does not affect the operation of the Committee. This recommendation will be satisfied at the appropriate time in the Company's future.	Name	Role	Independent	Robert Boaz (Chairman of the Committee)	Non-Executive Director	Yes	Mark Bojanjac	Executive Chairman	No
Name	Role	Independent										
Robert Boaz (Chairman of the Committee)	Non-Executive Director	Yes										
Mark Bojanjac	Executive Chairman	No										
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, should 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.	Yes	The Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) provide a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such 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 risk.									
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.	Yes	The Company's external auditor is invited to, and attends, the Annual General Meeting. The auditor's presence will be made known to Shareholders during the meeting, and Shareholders are provided with an opportunity to address questions to the Auditor.									

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.	Yes	The Company has a Continuous Disclosure Policy that sets out the processes in place to ensure that any price sensitive information is identified, reviewed by management and disclosed to ASX disclosure platforms in a timely manner. The Company's Continuous Disclosure Policy is disclosed on the Company's website. The Continuous Disclosure Policy is designed to ensure timely and balanced disclosure of information in line with ASX Listing Rules and to ensure that all Directors', senior executives and employees of the Company understand their responsibilities under the policy.
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.	Yes	The Board aims to ensure that the Company's shareholders are informed of all major developments affecting the Company's state of affairs. The Company keeps investors informed through its website (www.polarx.com.au), which contains information on the Company, the Board and the corporate governance policies and procedures of the Company. Through its website, investors can access copies of the Company's annual financial report, interim financial reports, announcements and presentations.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has a Shareholder Communication Policy which is available on the Company's website (www.polarx.com.au). This policy encourages shareholder participation and engagement with the Company.
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.	Yes	The Board encourages full participation of shareholders at the shareholders' meetings. Shareholders are provided with access to notices of meeting and the Chairman's address prior to the meetings. Shareholders are also given the opportunity to ask questions of Directors and management, either during or after shareholders' meetings.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security register electronically	Yes	The Company welcomes electronic communication from its Shareholders via its publicised email address (info@polarx.com.au). In addition, details of ASX announcements and Company reports are distributed to interested parties via email as well as being uploaded to the website. The Company's share registry also engages with Shareholders electronically and makes available a range of relevant forms on its website. Shareholders can register with the Share Registry to access their personal information and shareholdings via the internet.

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: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director; and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	No	<u>Explanation for Departure</u> The Company does not currently have a risk management committee. The Board has considered this matter and decided that the non-compliance does not affect the operation of the Company. This recommendation will be satisfied at the appropriate time in the Company's future. In the absence of a risk management committee, the Board and Audit Committee assume responsibility for overseeing and approving risk management strategy and policies, internal compliance and non-financial internal control and the Board are fully aware of the various risks that affect the Company and its particular business. The Company has a framework in place to safeguard the Company's assets and interests and ensure that business risks are identified and properly managed. This includes procedures and limits to manage financial risk. To assist in discharging this responsibility the Board has in place a control framework which includes the following: • annual budget and operating plan, approved by the Board; • regular reporting to the Board on a number of key areas including financial, safety, environment, insurance and legal matters; and • the segregation of duties (where possible). The Board recognise the responsibility for the risk management and control framework and responsibility for relevant internal controls and risk management practices are delegated to the appropriate level of management within the Company. Management, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.
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.	No	<u>Explanation for Departure</u> The Company's risk management framework is subject to continual review as part of the ongoing reporting and approval processes detailed above. The Company will consider implementing a more formal annual review process as its business operations develop.

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.	No	<u>Explanation for Departure</u> The Company does not currently have a formal internal audit function due to the size of the Company and the need to conserve cash. As detailed above, the Board and the Audit Committee oversee the effectiveness of risk management and internal control processes. Under the Company's Risk Management Policy, responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required by the Board to report back on the efficiency and effectiveness of risk management.
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.	Yes	The Group's principal activity is mineral exploration in Alaska, USA. As such, the Company's risk exposure includes the following risks. A more comprehensive summary of key risk factors is contained in the Offer Document lodged with the ASX on 18 June 2019. <u>Exploration and Development:</u> There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. In addition, substantial expenditures are required to establish mineral reserves and mineral resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralised deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing gold and other mineral properties is affected by many factors, including the cost of operations, variations in the grade of minerals mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The long-term success of the Company depends on its ability to explore, develop and commercially produce minerals from its mineral properties and to locate and acquire additional properties worthy of exploration and development for minerals. Operations are subject to all of the hazards and risks normally encountered in the exploration and development of minerals. Although precautions to minimise risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. <u>Permits and licences:</u> The activities of the Company will be subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters, including issues affecting local native populations. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of the Company's mineral properties may be subject to conditions which, if not

			satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in its mineral properties may decline. <u>Volatility of Metal Prices:</u> The market price of any precious or base metal is volatile and is affected by numerous factors that will be beyond the Company's control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, interest rates, the rate of inflation, global or regional political events and international events as well as a range of other market forces. Sustained downward movements in metal market prices could render less economic, or uneconomic, some or all of the precious or base metal extraction and/or exploration activities to be undertaken by the Company. <u>Environmental:</u> All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with environmental legislation can require significant expenditures and a breach may result in the imposition of fines and penalties. <u>General</u> <i>Economic:</i> general economic conditions, movement in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's development and production activities, as well as on its ability to fund those activities. <i>Additional requirements for capital:</i> the Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing. Any additional equity financing may dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is, however, no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
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PRINCIPLE 8: Remunerate fairly and responsibly			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director; (iii) and disclose: (iv) the charter of the committee; (v) the members of the committee; and (vi) 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.	No	<u>Explanation for Departure</u> The Board has not established a remuneration committee because the Board currently fulfills these functions. It is the Board's objective to retain high quality directors' and senior executives. In the absence of a remuneration committee, the Board assesses the appropriateness of the nature and amount of emoluments of such directors and senior executives on a periodic basis. The Board has considered this matter and decided that the non-compliance does not affect the operation of the Company. This recommendation will be satisfied at the appropriate time in the Company's future.
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.	Yes	Non-executive directors are paid a fixed annual fee for their services to the Company as Non-Executive Directors. Subject to applicable workloads additional fees may be payable, including for participation on sub-committees such as the Audit Committee or the provision of additional consulting services. Non-executive directors are also eligible to participate in the Company's Share Option Plan. Executive Directors and other senior executives typically receive remuneration comprising base salary or consulting fees and other fixed benefits based on the terms of their respective employment/consulting agreements with the Company. Executive Directors and senior executives are also eligible to participate in the Company's Share Option Plan.
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.	Yes	Key management personnel are required to comply with the Company's Securities Trading Policy. This policy is available on the Company's website at www.polarx.com.au.

Appendix – 1

PolarX Limited

Board Skills Matrix

Board of Directors				
	Mark Bojanjac	Robert Boaz	Frazer Tabeart	Jason Berton
Appointment Date	15 January 2015	23 January 2013	25 July 2017	25 July 2017
Skills & Experience				
Listed board experience	✓	✓	✓	✓
International experience	✓	✓	✓	✓
Financial – including accounting and/or corporate finance	✓	✓	✓	
Capital markets	✓	✓	✓	✓
Exploration sector experience	✓	✓	✓	✓
Geological experience			✓	✓
Project development experience	✓	✓	✓	✓
North American experience		✓	✓	✓