

ALTO METALS LIMITED
ACN 159 819 173
(Company)

CORPORATE GOVERNANCE STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

This Corporate Governance Statement is current as at 30 September 2019 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement discloses the extent to which the Company has, during the financial year ended 30 June 2019, followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that have not been followed for any part of the reporting period have been identified and reasons provided for not following them along with what (if any) alternative governance practices were adopted in lieu of the recommendation during that period.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

The Company's Corporate Governance Plan is available on the Company's website at <http://altometals.com.au/>.

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>		
<p>Recommendation 1.1</p> <p>A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.</p>	YES	<p>The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter is available in the Company's Corporate Governance Plan, on the Company's website.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.</p>	YES	<p>(a) The Company has guidelines for the appointment and selection of the Board in its Remuneration and Nomination Committee Charter in its Corporate Governance Plan. The Company's Remuneration and Nomination Committee Charter requires that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the persons character, experience, education, criminal record and bankruptcy history. These checks will be undertaken in future prior to appointing a new director or recommending a new candidate for election as a director.</p> <p>(b) Under the Remuneration and Nomination Committee Charter in its Corporate Governance Plan, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director. This information will be included in the Company's 2019 Notice of Annual General Meeting.</p>
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.</p>	YES	<p>The Company's Remuneration and Nomination Committee Charter in its Corporate Governance Plan requires the Company to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> <p>The Company has had written agreements with each of its Directors and senior executives for the past financial year.</p>
<p>Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>	YES	<p>The Board Charter in the Company's Corporate Governance Plan outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary reports to the Board through the Chairman and is responsible for (i) facilitation of the flow of information between the Board and its Committees and between senior executives and non-executive Directors, (ii) facilitation of the induction and professional development of Directors, (iii) facilitation and monitoring of the implementation of Board policies and procedures and (iv) provision of advice to the Board on corporate</p>

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		governance matters, the application of the Constitution, the ASX Listing Rules and other applicable laws. All Directors have access to the Company Secretary.												
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act.</p>	PARTIALLY	<p>(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives if any have been set and the Company's progress in achieving them.</p> <p>(b) The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website.</p> <p>(c) The Board did not set measurable gender diversity objectives for the past financial year because the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles would, given the small size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit. It is noted that 20% of the Company's full-time employees and consultants are currently female.</p> <p>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) for the past financial year is disclosed below –</p> <table border="1" data-bbox="1249 1161 1758 1337"> <thead> <tr> <th></th> <th>Female</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Senior Executive*</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Whole organisation</td> <td>20%</td> <td>80%</td> </tr> </tbody> </table> <p>* The Senior Executives for the purposes of the table above are the individuals at the highest level of organisational</p>		Female	Male	Board	0%	100%	Senior Executive*	0%	100%	Whole organisation	20%	80%
	Female	Male												
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		management below the Board. The Senior Executives include the Company Secretary but does not include the Managing Director who is included in the 'Board' calculation above.
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	YES	<p>(a) The Company's Board Charter notes that the Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors and senior executives on an annual basis. The process for this is set out in the Company's Performance Evaluation Policy in the Corporate Governance Plan, which is available on the Company's website.</p> <p>(b) The Company's Performance Evaluation Policy in the Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. A formal performance evaluation in respect of the Board, its committees and individual Directors was undertaken during the financial year ended 30 June 2019. In addition, it is noted that the Chairman has open and honest communications with each of the Directors both throughout the financial year and currently whereby matters relating to individual director performance, if any, are raised promptly and dealt with accordingly.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	YES	<p>(a) The Company's Board Charter notes that the Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of senior executives on an annual basis. The Company's Remuneration Committee (or, in its absence, the Board) is responsible for approving changes to remuneration or contract terms of the Managing Director.</p> <p>The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(b) The Board has not completed a performance evaluation in respect of the CEO for the past financial year.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
Principle 2: Structure the Board to add value		
<p>Recommendation 2.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (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 <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	PARTIALLY	<p>(a) The Company has a Remuneration and Nomination Committee. The Company's Corporate Governance Plan provides for the creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director (where practical). The Remuneration and Nomination Committee Charter is available in the Corporate Governance Plan on the Company's website.</p> <p>The members during the year of the Remuneration and Nomination Committee are M Bowles (Non-executive Director and Chair of the Committee), J Wang (Non-executive Director), T Wheeler (Chair).</p> <p>The Committee does not have any of independent Directors.</p> <p>The Board considers the composition of the Committee is appropriate in the context of the size of the Board and the Company and the scope and scale of the Company's operations. The Board will consider the composition of the Committee in future to meet the recommended guidelines in the Company's Corporate Governance Policy if the the size and composition of the Board and size of the Company and the scope and scale of the Company's operations change.</p> <p>The number of times the Committee met and the individual attendances of the members is disclosed in the Company's Annual Financial Report.</p> <p>(b) The Board had a separate Remuneration and Nomination Committee during the financial year.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p>	YES	<p>Under the Corporate Governance Plan, the Board is required to prepare a Board skills matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) and to review this at least annually against the Company's Board to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.</p> <p>The Company has recently established a Board skill matrix.</p> <p>The Corporate Governance Plan requires the disclosure of each Board member's qualifications and expertise. Details of each Director's and senior executive's relevant skills and experience is available in the Company's 30 June 2019 Annual Report.</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director</p>	YES	<p>(a) The Corporate Governance Plan requires the disclosure of the names of Directors considered by the Board to be independent. The Company considers that none of its directors are currently independent as all were either executives or major shareholders. The Board views the shareholdings of directors as important as it more correctly aligns the Board with shareholder interests. The Board believes the current structure is appropriate given the Company's current size and activities. The existing directors provide the necessary diversity of qualifications, skills and experience and bring quality and independent judgement to all relevant issues.</p> <p>(b) There are no independent Directors who fall into this category.</p> <p>(c) The Company's Annual Report discloses the length of service of each Director.</p>
<p>Recommendation 2.4</p> <p>A majority of the Board of a listed entity should be independent Directors.</p>	NO	<p>The Company's Board Charter requires that, where practical, the majority of the Board should be independent. The Board did not have any independent directors during the period.</p>

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		<p>The Board considers the composition of the Board is appropriate in the context of the size of the Board and the Company and the scope and scale of the Company's operations. Further, the Board considers that the current Board possess the necessary skills and experience suitable for building and managing the Company.</p> <p>The Board will consider its composition in future if the the size and composition of the Board and size of the Company and the scope and scale of the Company's operations change.</p>
<p>Recommendation 2.5</p> <p>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.</p>	PARTIALLY	<p>The Corporate Governance Plan provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO.</p> <p>The current Chair of the Board, Terry Wheeler is not independent given he is the Company's major shareholder. He is not the CEO/Managing Director of the Company.</p> <p>The Board considers that Terry Wheeler (Non-executive Chair) possesses skills and experience suitable for chairing the Board given the current size of the Company and the scope and scale of the Company's operations.</p>
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.</p>	YES	<p>In accordance with the Company's Corporate Governance Plan the Remuneration and Nomination Committee is responsible for approval and review of the induction program for new Directors to ensure that they gain an understanding of the Company and that they can effectively discharge their responsibilities. The Company Secretary assists in the facilitation of inductions and professional development.</p> <p>The Company Secretary regularly provides information to the Directors which may assist in their ongoing professional development.</p>
Principle 3: Act ethically and responsibly		
<p>Recommendation 3.1</p> <p>A listed entity should:</p>	YES	<p>(a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>(a) have a code of conduct for its Directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>		<p>(b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.</p>
<p>Principle 4: Safeguard integrity in financial reporting</p>		
<p>Recommendation 4.1</p> <p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, who is not the Chair of the Board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>PARTIALLY</p>	<p>(a) The Company has an Audit and Risk Committee. The Company's Corporate Governance Plan provides for the creation of an Audit and Risk Committee with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director who is not the Chair of the Board (if practical).</p> <p>The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter which is available on the Company's website.</p> <p>The members of the Audit and Risk Committee are M Bowles (Non-executive Director and Chair of the Committee), T Wheeler (Non-executive Director and Chair of the Board), J Wang (Non-executive Director).</p> <p>The Committee is not Chaired by an independent Director.</p> <p>The Committee members are all non-executive Directors, and the Committee does not have any independent Directors.</p> <p>The Board considers the composition of the Committee is appropriate in the context of the size of the Board and the Company and the scope and scale of the Company's operations. The Board will consider the composition of the Committee in future to meeting the recommended guidelines in the Company's Corporate Governance Policy if the the size and composition of the Board and size of the Company and the scope and scale of the Company's operations changes.</p> <p>The number of times the Committee met and the individual attendances of the members is disclosed in the Company's Annual Financial Report.</p>

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		<p>The relevant qualifications and experience of the members of the Audit and Risk Committee is disclosed in the 30 June 2019 Annual Report.</p> <p>(b) The Company had a separate Audit and Risk Committee during the financial year.</p>
<p>Recommendation 4.2</p> <p>The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>YES</p>	<p>The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.</p> <p>The Company has obtained a sign off on these terms for the 30 June 2019 Annual Report and will continue to obtain the sign offs in future for each statutory financial report as recommended.</p>
<p>Recommendation 4.3</p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>YES</p>	<p>The Company's Shareholder Communications Strategy included in the Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p> <p>The Company's external auditor will be invited to attend the Company's 2019 AGM and attended the Company's 2019 AGM as is required under the Corporations Act.</p>
<p>Principle 5: Make timely and balanced disclosure</p>		
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p>	<p>YES</p>	<p>(a) The Company's Corporate Governance Plan details the Company's Continuous Disclosure policy.</p>

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(b) disclose that policy or a summary of it.		(b) The Corporate Governance Plan, which incorporates the Continuous Disclosure policy, is available on the Company's website.
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance including the Corporate Governance Plan, Board Skills Matrix and the 2019 Corporate Governance Statement is available in the Corporate Governance page on the Company's website.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Company's Corporate Governance Plan has a Shareholder Communications Strategy and states that the Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. The Board is committed to open and accessible communication with holders of the Company's securities. Disclosure of information and other communication is made as appropriate by mail or email. Security holders are given the option to receive communication from, and send communications to, the Board and its security registry electronically. The Company's security holder communications strategy aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website.
Recommendation 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	Shareholders are encouraged to participate at all general meetings and AGMs of the Company. The Notices of Shareholder Meetings include a statement that all Shareholders are encouraged to attend and participate in the meetings.
Recommendation 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.	YES	The security holder communication strategy provides security holders with the option to receive communication from, and send communications to, the Board and its security registry electronically.

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		<p>All information provided to the ASX is immediately posted on the Company's website.</p> <p>Shareholder queries are referred to the Company Secretary in the first instance.</p>
Principle 7: Recognise and manage risk		
<p>Recommendation 7.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, <p>and disclose:</p> <ul style="list-style-type: none"> (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 <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	PARTIALLY	<p>(a) The Company has an Audit and Risk Committee. The Company's Corporate Governance Plan provides for the creation of an Audit and Risk Committee with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director who is not the Chair of the Board (if practical).</p> <p>The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter which is available on the Company's website.</p> <p>The members of the Audit and Risk Committee are M Bowles (Non-executive Director and Chair of the Committee), T Wheeler (Non-executive Director and Chair of the Board), J Wang (Non-executive Director).</p> <p>The Committee is not Chaired by an independent Director.</p> <p>The Committee members are all non-executive Directors and the Committee does not have any independent Directors.</p> <p>The Board considers the composition of the Committee is appropriate in the context of the size of the Board and the Company and the scope and scale of the Company's operations. The Board will consider the composition of the Committee in future to meet the recommended guidelines in the Company's Corporate Governance Policy if the the size and composition of the Board and size of the Company and the scope and scale of the Company's operations change.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
		<p>The number of times the Committee met and the individual attendances of the members is disclosed in the Company's 30 June 2019 Annual Report.</p> <p>The relevant qualifications and experience of the members of the Audit and Risk Committee is disclosed in the 30 June 2019 Annual Report.</p> <p>(b) The Company had a separate Audit and Risk Committee during the financial year.</p>
<p>Recommendation 7.2</p> <p>The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	<p>YES</p>	<p>(a) The Audit and Risk Committee Charter requires that the Audit and Risk Management should, at least annually, satisfy itself that the Company's risk management framework continues to be sound.</p> <p>(b) The Company's Board and Audit and Risk Committee is focused on the management of risk. The Company's Board reviews the Company's risks and the risk management framework at each Board meeting. No review was undertaken in 2019.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>YES</p>	<p>(a) The Board believes the Company is not of a size to justify having an internal audit function for efficiency purposes but will monitor the need for an internal audit function as the size of the Company and its operations grow having regard to the size, location and complexity of the Company's operations.</p> <p>(b) The Company did not have an internal audit function for the past financial year. The Board as a whole is ultimately responsible for establishing and reviewing the Company's policies on risk profile, oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control. In addition, the Company's Audit and Risk Committee reviews the Company's risk management framework including in relation to internal controls, economic, environmental and social sustainability risk at least annually and monitors the quality of the accounting function.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	YES	<p>The Company's Corporate Governance Plan states the risk management policies and procedures shall include a procedure to determine whether the Company has a material exposure to economic, environmental and social sustainability risks and if it does, a policy to manage those risks. The Audit and Risk Committee Charter requires the Audit and Risk Committee to assist management to determine whether the Company has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. The Company discloses this information in its Annual Report and on its ASX website as part of its continuous disclosure obligations.</p>
Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, <p>and disclose:</p> <ul style="list-style-type: none"> (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 <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors</p>	PARTIALLY	<p>(a) The Company has a Remuneration and Nomination Committee. The Company's Corporate Governance Plan provides for the creation of a Remuneration Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director (where practical). The Remuneration and Nomination Committee Charter is available in the Corporate Governance Plan on the Company's website.</p> <p>The members of the Remuneration and Nomination Committee are M Bowles (Non-executive Director and Chair of the Committee), T Wheeler (Non-executive Director and Chair of the Board), J Wang (Non-executive Director).</p> <p>The Committee is not Chaired by an independent Director.</p> <p>The Committee members are all non-executive Directors and the Committee does not have any independent Directors.</p> <p>The Board considers the composition of the Committee is appropriate in the context of the size of the Board and the Company and the scope and scale of the Company's operations. The Board will consider the composition of the Committee in future to meet the</p>

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<p>and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		<p>recommended guidelines in the Company's Corporate Governance Policy if the the size and composition of the Board and size of the Company and the scope and scale of the Company's operations change. It is noted that D. Ryan is not involved in any discussions or decisions regarding his performance or in review of his remuneration.</p> <p>The number of times the Committee met and the individual attendances of the members is disclosed in the Company's Annual Financial Report.</p> <p>(b) The Board had a separate Remuneration and Nomination Committee during the financial year.</p>
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p>YES</p>	<p>The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed in the remuneration report contained in the Company's 30 June 2019 Annual Financial Report as well as being disclosed on the Company's website.</p>
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>YES</p>	<p>(a) The Company had an equity based remuneration scheme during the past financial year. Under the Company's Corporate Governance Plan in accordance with the Remuneration Committee Charter, the Remuneration and Nomination Committee reviews, manages and discloses the policy under which participants to a Plan may be permitted (at the discretion of the Company) to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Plan. The Directors are required to disclose to the Board any such transactions they wish to enter into which limit the economic risk of participating in the Plan.</p> <p>(b) A summary of the policy is provided in the Company's Corporate Governance Plan which is on the Company's website.</p>

