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LATIN RESOURCES LIMITED
ACN 131 405 144
(Company)

CORPORATE GOVERNANCE STATEMENT

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019

This Corporate Governance Statement is current as at 19 December 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 ending 31 December 2019, followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations – 4th Edition (**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.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

The Company's Corporate Governance Plan is available on the Company's website at **www.latinresources.com.au**

RECOMMENDATIONS (4TH EDITION)	COMPLY	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 (a) A listed entity should have and disclose a board 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.	YES	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. 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, the establishment, operation and management of Board Committees (if any), 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.

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		A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website.
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward 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	(a) The Company has guidelines for the appointment and selection of the Board and senior executives in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director. In the event of an unsatisfactory check, a Director is required to submit their resignation. (b) Under the Nomination Committee Charter, 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.
Recommendation 1.3 A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	YES	The Company's Nomination Committee Charter requires the Nomination Committee (or, in its absence, the Board) to ensure that each Director and senior executive is personally a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. The Company has had written agreements with each of its Directors and senior executives for the past financial year.
Recommendation 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 Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
Recommendation 1.5 A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in	PARTIALLY	(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish, achieve and measure diversity objectives, including in respect of gender diversity. The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website.

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the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: (A) the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or **(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. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.		(b) The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to continually monitor both the objectives [if any have been set and the Company's progress in achieving them. (c) The Board did not set measurable gender diversity objectives for the past financial year, because: (i) the Board did not anticipate there would be a need to appoint any new Directors or senior executives due to the limited nature of the Company's existing and proposed activities and the Board's view that the existing Directors and senior executives have sufficient skill and experience to carry out the Company's plans; and (ii) 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. **Women / Men / Total / % Female** Board of Directors: - / 3 / 3 / - Other KMP: - / 1 / 1 / - Other Employees: 1 / 0 / 1 / 100% **Total Organisation: 1 / 4 / 5 / 20%** In addition, an executive office holding below the Board level, this being the position of Company Secretary, is held by a female contractor to the Company.

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Recommendation 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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	YES	(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees (if any) and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's Corporate Governance Plan, which is available on the Company's website. (b) The Company's Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Board has developed an informal process for performance evaluation whereby the performance of all directors is reviewed regularly by the Chair and Managing Director. The Board as a whole may then hold a facilitated discussion during which each Board member has the opportunity to raise any matter, suggestion for improvement or criticism with the Board as a whole. The Chair and/or the Managing Director of the Board may also meet individually with each Board member to discuss their performance. Non-executive directors may also meet to discuss the performance of the Chair or the Managing Director. Directors whose performance is consistently unsatisfactory may be asked to retire. The Company has completed performance evaluations in respect of the Board, its committees (if any) and individual Directors for the past financial year in accordance with the above process. Going forward, it is the Company's intention that all directors will continue to receive individual performance evaluations at least annually. The Company has completed performance evaluations in respect of the Board, its committees (if any) and individual Directors for the past financial year in accordance with the above process.

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Recommendation 1.7 A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	YES	(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Company's Remuneration Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director. The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website. (b) The Company has developed an informal process of performance evaluation whereby an assessment of progress is carried out throughout the year. The Board as a whole may then hold a facilitated discussion during which each Board member has the opportunity to raise any matter, suggestion for improvement or criticism with the Board as a whole. The Chair of the Board may also meet individually with Executive Directors, in this case the Managing Director to discuss their performance. Executive Directors whose performance is consistently unsatisfactory may be asked to retire. The Company has completed an informal performance evaluation in respect of the senior executives (being the Managing Director) for the past financial year in accordance with the applicable processes.
Principle 2: Structure the Board to be effective and add value		
Recommendation 2.1 The Board of a listed entity should: (a) have a nomination committee 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	PARTIALLY	(a) The Company's Nomination Committee Charter 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

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(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 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.		(b) The Company did not have a Nomination Committee for the past financial year as the Board did not consider the Company would benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure 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: (i) devoting time at least annually to discuss Board succession issues; and (ii) all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules. The Board oversees the appointment and induction process for directors and the selection, appointment and succession planning process of the Company's Managing Director. When a vacancy exists or there is a need for a particular skill, the Board, determines the selection criteria that will be applied. The Board will then identify suitable candidates, with assistance from an external consultant if required, and will interview and assess the selected candidates. Directors are initially appointed by the Board and must stand for re-election at the Company's next Annual General Meeting of shareholders. Directors must then retire from office and nominate for re-election at least once every three years with the exception of the Managing Director.
Recommendation 2.2 A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership.	NO	Under the Nomination Committee Charter (in the Company's Corporate Governance Plan), the Nomination Committee (or, in its absence, the Board) is required to prepare a Board skills matrix setting out the mix of skills that the Board currently has (or is looking to achieve) and to review this at least annually against the Company's Board skills matrix to ensure the appropriate mix of skills to discharge its obligations effectively and to add value and to ensure the Board has the ability to deal with new and emerging business and governance issues.

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		Given the current size and stage of development of the Company the Board has not yet established a formal board skills matrix. Gaps in the collective skills of the Board are regularly reviewed by the Board as a whole, with the Board proposing candidates for directorships having regard to the desired skills and experience required by the Company as well as the proposed candidates' diversity of background. The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience are available in the Company's Annual Report.

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Recommendation 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 or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (4th Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position 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	(a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Company has disclosed those Directors it considered to be independent in its Annual Report. The current Board composition includes 2 Non-Executive Directors (both of whom are considered to be independent), Mr Brent Jones and Mr David Vilensky. The Board has considered the guidance to Principle 2 and in particular the relationships affecting independent status. In its assessment of independence, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when evaluating independence are whether a Director: • is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company; • is employed, or has previously been employed in an executive capacity by the Company or another Company member, and there has not been a period of at least three years between ceasing such employment and serving on the Board; • has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another Company member, or an employee materially associated with the service provided; • is a material supplier or customer of the Company or other Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or • has a material contractual relationship with the Company or another Company member other than as a Director. (b) There are no independent Directors who fall into this category; (c) The Company's Annual Report discloses the length of service of each Director, as at the end of each financial year.
Recommendation 2.4 A majority of the Board of a listed entity should be independent Directors.	YES	The Company's Board Charter requires that, where practical, the majority of the Board should be independent. The Board currently comprises a total of 3 directors, of whom 2 are considered to be independent. As such, independent directors currently comprise the majority of the Board.

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Recommendation 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.	YES	The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director. The Chair of the Company during the past financial year, Mr David Vilensky is an independent Director and is not the CEO/Managing Director.
Recommendation 2.6 A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.	YES	In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development including receiving briefings on material developments in laws, regulations and accounting standards relevant to the Company.
Principle 3: Instil a culture of acting lawfully, ethically and responsibly		
Recommendation 3.1 A listed entity should articulate and disclose its values.	YES	(a) The Company and its subsidiary companies (if any) are committed to conducting all of its business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards. (b) The Company's values are set out in its Code of Conduct (which forms part of the Corporate Governance Plan) and are available on the Company's website. All employees are given appropriate training on the Company's values and senior executives will continually reference such values.
Recommendation 3.2 A listed entity should: (a) have and disclose a code of conduct for its Directors, senior executives and employees; and (b) ensure that the Board or a committee of the Board is informed of any material breaches of that code.	YES	(a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. (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. Any material breaches of the Code of Conduct are reported to the Board or a committee of the Board.

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Recommendation 3.3 A listed entity should: (a) have and disclose a whistleblower policy; and (a) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.	YES	The Company's Whistleblower Protection Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Whistleblower Protection Policy are to be reported to the Board.
Recommendation 3.4 A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the Board or committee of the Board is informed of any material breaches of that policy.	YES	The Company's Anti-Bribery and Anti-Corruption Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Board.
Principle 4*: Safeguard the integrity of corporate reports*		
Recommendation 4.1 The Board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and (ii) is chaired by an independent Director, who is not the Chair of the Board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (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 (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	PARTIALLY	(a) The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee with at least three members, all of whom must be non-executive Directors, and majority of the Committee must be independent Directors. The Committee must be chaired by an independent Director who is not the Chair. The Company did not have an Audit and Risk Committee for the past financial year as the Directors do not view that the size of the Company warrants a separate Audit Committee. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor, as well as the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:

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removal of the external auditor and the rotation of the audit engagement partner.		(i) the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and (ii) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting. The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Company is of sufficient size to justify the appointment of additional directors for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive.
Recommendation 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 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 Company's Audit and Risk Committee Charter requires the Managing Director and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms. The Company has obtained a sign off on these terms for each of its financial statements in the past financial year.
Recommendation 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	YES	The Company ensures that the corporate reports it releases are reviewed by Management and provided to the Board to ensure the financial and technical content is accurate, balanced and understandable. Where appropriate, information contained in corporate reports is referenced to supporting documents and sources. Further, in accordance with Section 295A of the Corporations Act 2001 and Recommendation 4.2 of the ASX Corporate Governance Principles and Recommendations, the Managing Director and CFO make declarations to the Board that the Company's financial records have been properly maintained in accordance with the Act and that the financial statements comply with accounting standards and give a true and fair view of the financial position and performance of the Company

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		and that the above statement is founded on a sound system of risk management and internal control and that the systems which are operating effectively in all material respects in relation to financial reporting risks.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	YES	(a) The Company's Corporate Governance Plan details the Company's Continuous Disclosure policy. (b) The Corporate Governance Plan, which incorporates the Continuous Disclosure policy, is available on the Company's website.
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	YES	Under the Company's Continuous Disclosure Policy (which forms part of the Corporate Governance Plan), all members of the Board receive material market announcements promptly after they have been made.
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	YES	All substantive investor or analyst presentations were released on the ASX Markets Announcement Platform ahead of such presentations.
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 is available in the Corporate Governance Plan which can be found on the Company's website.
Recommendation 6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan.
Recommendation 6.3	YES	The Company's Security Holder Communication Policy addresses security holder attendance at Security Holder Meetings.

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A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.		Shareholders are encouraged to participate at all general meetings and AGMs of the Company and provides Shareholders with the opportunity to participate in shareholder meetings by allowing voting in person, by proxy or online.
Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	NO	All resolutions at securityholder meetings were decided by a show of hands because it was not practical to conduct a poll based on the number of shareholders attending and the proxies received i.e. the Company determined that conducting a poll would not change the outcome of the resolution given the proxies were overwhelmingly in favour of the resolutions. Going forward, it is the intention for all substantive resolutions at securityholder meetings to be decided by a poll rather than a show of hands if the proxies received "for" and "against" a resolution are close.
Recommendation 6.5 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 Company encourages the use of electronic communication and offers Security Holders the option to receive and send electronic communication to the Company and its share registry where possible. The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries should be referred to the Company Secretary at first instance.
Principle 7: Recognise and manage risk		

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Recommendation 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 process it employs for overseeing the entity's risk management framework.	PARTIALLY	(a) The Company did not have an Audit and Risk Committee for the past financial year as the Directors do not view that the size of the Company warrants a separate Risk Committee. All matters that might properly be dealt with by the Risk Committee are dealt with by the full Board. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if deemed appropriate in the future) with at least three members, all of whom must be non-executive Directors, and majority of the Committee must be independent Directors. The Committee must be chaired by an independent Director who is not the Chair. (b) The Company did not have an Audit and Risk Committee for the past financial year. The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Company is of sufficient size to justify the appointment of additional directors for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive. The Board is responsible for overseeing the establishment and implementation of effective risk management and internal control systems to manage the Company's material business risks and for reviewing and monitoring the Company's application of those systems. Major risk categories reported include operational risk, environmental risk, sustainability, statutory reporting and compliance, financial risks (including financial reporting, treasury, information technology and taxation), and market related risks.

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Recommendation 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 that the entity is operating with due regard to the risk appetite set by the Board; and (b) disclose in relation to each reporting period, whether such a review has taken place.	YES	(a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board. The Board is responsible for reviewing the Company's risk management framework and overseeing the establishment and implementation of effective risk management and internal control systems to manage the Company's material business risks and for reviewing and monitoring the Company's application of those systems. The Board devotes time at quarterly Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures. (b) Risk framework reviews may occur more or less frequently than annually as necessitated by changes in the Company and its operating environment. Given the operations of the Company have not materially changed over the past 12 month period, a risk framework review has not taken place during the transitional financial year ended 31 December 2019.
Recommendation 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 governance, risk management and internal control processes.	YES	(a) The Audit and Risk Committee Charter provides for the Audit and Risk Committee (and in its absence, the Board) to monitor and periodically review the need for an internal audit function, as well as assessing the performance and objectivity of any internal audit procedures that may be in place. (b) The Company did not have an internal audit function for the past financial year. As set out in Recommendation 7.1, the Board is responsible for overseeing the establishment and implementation of effective risk management and internal control systems to manage the Company's material business risks and for reviewing and monitoring the Company's application of those systems.
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	YES	The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management to determine whether the Company has any potential or apparent exposure to environmental or social risks and, if it does, put in place management systems, practices and procedures to manage those risks.

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		The Company's Corporate Governance Plan requires the Company to disclose whether it has any potential or apparent exposure to environmental or social risks and, if it does, put in place management systems, practices and procedures to manage those risk. Where the Company does not have material exposure to environmental or social risks, report the basis for that determination to the Board, and where appropriate benchmark the Company's environmental or social risk profile against its peers. The Company discloses this information in its Annual Report.
Principle 8: Remunerate fairly and responsibly		
Recommendation 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, 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 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.	PARTIALLY	(a) The Company did not have a Remuneration Committee for the past financial year. The Company's Corporate Governance Plan contains a Remuneration Committee Charter that 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 be independent Directors, and which must be chaired by an independent Director. (b) The Company did not have a Remuneration Committee for the past financial year as the Board did not consider the Company would benefit from its establishment, and does not currently have one. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive: (i) the Board devotes time at an annual Board meeting to assess the level and composition of remuneration for Directors and senior executives; and (ii) periodically benchmarks the Company's remuneration against its peers.

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RECOMMENDATIONS (4TH EDITION)	COMPLY	EXPLANATION
Recommendation 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	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 Annual Report.
Recommendation 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	(a) The Company had an equity-based remuneration scheme during the past financial year. The Company has adopted a Non-executive Director Deferred Rights Plan and a Director and Employee Share Plan (Plans). A summary of the Plans is disclosed in the Notice of Meeting lodged with ASX on 1 May 2017. The objective of the Plans is to attract, motivate and retain key Directors, employees and contractors and it is considered by the Company that the adoption of the Plans and the future issue of Deferred Rights and Shares under the Plans provides selected participants with the opportunity to participate in the future growth of the Company. In addition, the Company has adopted a Loan Funded Share Plan whereby shares may be acquired by certain key personnel and directors using financial assistance given by the Company. The objective of the Loan Funded Share Plan is to support the achievement of the Company's business strategy by linking key personnel rewards to improvements in the financial performance of the Company and aligning the interests of those individuals with those of shareholders. Participants benefit only to the extent that the share price exceeds the market value at which the Loan Funded Shares were acquired. A summary of the Loan Funded Share Plan is disclosed in the Notice of Meeting lodged with ASX on 27 April 2018.

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RECOMMENDATIONS (4TH EDITION)	COMPLY	EXPLANATION
		The Company did 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 equity schemes outlined above. The Company's Remuneration Committee Charter states that, the Remuneration Committee, (or in the absence of one, the Board) is required to review, manage and disclose the policy (if any) 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. The Remuneration Committee Charter also states that the Remuneration Committee (and in its absence, the Board) must review and approve any equity-based plans. (b) A copy of the Remuneration Committee Charter is contained in the Corporate Governacne Policies provided on the Company's website.
Recommendation 9.1 A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.		Not applicable
Recommendation 9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.		Not applicable
Recommendation 9.3 A listed entity established outside Australia, and an externally managed 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.		Not applicable