



CORPORATE GOVERNANCE

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable; the Company has adopted the Eight Essential Corporate Governance Principles and Best Practice Recommendations ("Recommendations") as published by ASX Corporate Governance Council.

The Company's Corporate Governance policy and its Share Trade Policy will be available on the Company's website. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

Principle 1 – Lay solid foundations for management and oversight

The Board and management have agreed on their respective roles and responsibilities and the functions reserved to the Board and management. The Board has established and adopted a Board Charter for this purpose.

Principle 2 – Structure the Board to add value

The Board ultimately takes responsibility for corporate governance, and will be accountable to the Shareholders for the performance of the Company. The functions and responsibilities of the Board are set out in the Company's Constitution and the Corporations Act. Due to the size of the Company, the Company has not established a separate Nomination Committee, with the functions of this committee carried out by the Board as a whole. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing these separate committees.

The Board has a majority of independent directors. The existing structure is considered appropriate given the small scale of the Company's enterprise and the associated economic restrictions this places on the Company. The existing structure is aimed at maximising the financial position of the Company by keeping its operating costs to a minimum.

Principle 3 – Promote ethical and responsible decision making

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. The Board has established a Code of Conduct to guide the Directors, managers, employees and officers of the Company with respect to matters relevant to the Company's legal and

ethical obligations. The Board has established a Workplace Diversity Policy which will affirm the Company's commitment to promoting a corporate culture that is supportive of diversity and outlines strategies that the Board can undertake to encourage and promote a diverse working environment.

Principle 4 – Safeguard integrity in financial reporting

The Directors require the Chief Executive Officer and external company auditors to state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

A separate audit committee has not currently been formed. However, the Company has adopted an Audit Committee Charter. The role of the audit committee is carried out by the full Board in accordance with the Audit Committee Charter. The Board considers that given its size, no efficiencies or other benefits would be gained by establishing a separate audit committee.

Principle 5 – Make timely and balanced disclosure

The Directors are committed to keeping the market fully informed of material developments to ensure compliance with the Listing Rules and the Corporations Act. The Directors have established a written policy and procedure to ensure compliance with the disclosure requirements of the Listing Rules.

Principle 6 – Respect the rights of Shareholders

The Directors have established a communications strategy to promote effective communication with Shareholders and encourage effective participation at general meetings. As well as ensuring timely and appropriate access to information for all investors via announcements to the ASX, the Company will ensure that all relevant documents are released on the Company's website.

Principle 7 – Recognise and manage risk

The Directors have established a Risk Management Policy regarding the oversight and management of material business risks.

Principle 8 – Remunerate fairly and responsibly

A separate remuneration committee has not been formed. The role of the remuneration committee is carried out by the full Board. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate committee.

The Board has provided disclosure in relation to Directors' remuneration in Section 9 of this Prospectus. Further disclosure will be given to investors annually in accordance with the Listing Rules and the Corporations Act.

Share Trade Policy

The Company has adopted a Trading Policy which sets out the following information:

- closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
- trading in the Company's securities which is not subject to the Company's Trading Policy; and
- the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Trading Policy will be available on its website.