

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Ausgold Limited

ABN / ARBN:

67 140 164 496

Financial year ended:

30 June 2018

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- These pages of our annual report:
- This URL on our website: [www.ausgoldlimited.com](http://www.ausgoldlimited.com)

The Corporate Governance Statement is accurate and up to date as at 28 September 2018 and has been approved by the board.

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

Date: 28 September 2018

Name of Director or Secretary authorising lodgement: Denis Rakich – Director/Company Secretary



<sup>1</sup> 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.

<sup>2</sup> "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.

<sup>3</sup> 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 ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
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: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a> ... 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): <input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<p>1.5 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 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:</p> <p>(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</p> <p>(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.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a></p> <p>... 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:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a></p>	<p><input type="checkbox"/> No formalized policy due to the size of the Company. Refer page 15 of Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 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>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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 ... <sup>4</sup>
1.7	<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>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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 ... <sup>4</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <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, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... 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:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>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.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at Directors' Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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 ... <sup>4</sup>
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: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a> ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a> ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> Due to the size of the Company <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
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: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</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 corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<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, 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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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 ... <sup>4</sup>
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.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
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.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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 ... <sup>4</sup>	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... 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:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework 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>... 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:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

	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 ... <sup>4</sup>
7.3	<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>[If the entity complies with paragraph (a):]  ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[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:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<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>	<p>... 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:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance">http://www.ausgoldlimited.com/site/About-Us/Corporate-Governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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 ... <sup>4</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <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 and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> Directors report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... 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:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<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.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> Remuneration report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<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>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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 ... <sup>4</sup>	
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## CORPORATE GOVERNANCE

The Board of Directors of Ausgold is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company's corporate governance practices and policies have been modelled on the recommendations contained in the ASX Corporate Governance Council's Principles and Recommendations (3<sup>rd</sup> Edition) ("ASX Guidelines"). Unless disclosed below, the best practice recommendations of the ASX Guidelines have been applied for the entire financial year ended 30 June 2018. Where there has been any variation from the recommendations, those practices continue to be the subject of the scrutiny of the full Board.

The Corporate Governance Statement has been approved by the Board and is current as at 28 September 2018.

Copies of the current Board and Committee Charters and Policies are available on the Company's website at [www.ausgoldlimited.com](http://www.ausgoldlimited.com).

## PRINCIPLES OF GOOD GOVERNANCE AND BEST PRACTICE RECOMMENDATIONS

### Principle 1: Lay solid foundation for management and oversight

#### Board responsibilities

The Board supervises the management of the business and affairs of the Company. The Board assumes responsibility for the stewardship of the Company, and the functions the Company has established that are reserved to the Board include:

- *Strategic Planning:* The Board of Directors regularly reviews and approves strategic plans and initiatives of the Company at Board of Directors meetings, and otherwise as required.
- *Risk Assessment:* The Board of Directors has primary responsibility to identify principal risks in the Company's business and ensure the implementation of appropriate systems to manage these risks.
- *Succession Planning:* The Board of Directors is responsible for succession planning, including the appointment, training and monitoring of executives.
- *Communications:* The Board of Directors oversees the Company's public communications with shareholders and others interested in the Company.
- *Internal Controls:* The Board of Directors and the Audit and Risk Committee of the Board of Directors oversee the Company's internal control and management information systems.

In addition to its general oversight responsibilities, significant transactions out of the ordinary course of the Company's business or which may be material to the Company are considered and approved by the Board. A full copy of the Company's Board Charter is available on the Company's website or upon request.

The Board has established 2 standing committees – the Audit and Risk Committee and the Nomination and Remuneration Committee. The Company Secretary reports directly to the Board through the Chairman and is accessible to all Directors.

Management is responsible for implementing Board strategy, day-to-day operational aspects, and ensuring that all risks and performance issues are brought to the Board's attention.

The terms of the appointment of a Non-Executive Director, Executive Directors and senior executives are agreed upon and are set out in writing. In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performances of all Directors and senior executives are reviewed by the Chairman in conjunction with fellow Directors. Due to the size of the organisation, the Company does not have a formal process for evaluation during the financial year.

The Company undertakes comprehensive reference checks prior to appointing a Director, or putting that person forward as a candidate to ensure that the person is competent, experienced, and would not be impaired in any way from undertaking the duties of Director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

## Diversity policy

The Company recognises that a diverse and talented workforce is a key competitive advantage. It promotes a non-discriminatory workplace climate in which recruitment, promotion and retention are based entirely on merit, without regard to age, gender, race or cultural background. During the financial year, the female employees comprised 30% of the total permanent workforce across all levels of the Group.

A copy of Ausgold's Diversity Policy is available on the Company's website or by request.

## Principle 2: Structure the board to add value

### Board composition

The Board is comprised of 5 Directors, 2 of which are Executive Directors of the Company. The best practice recommendations of the ASX Guidelines favour that the Chairman be an independent Director. However, due to the size of the Company's operations, the Board has taken a more active role in the conduct of the Company's business. The Board undertook these steps in an appropriate manner given the Company's circumstances during the course of the year.

The period of office held, skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report, their attendances at meetings and their term of office are detailed in the Directors' Report.

The names of the Directors of the Company in office at the date of this statement are:

Name	Position	Appointment date	Length of service at date of this statement	Independence status
Richard Lockwood	Non-Executive Chairman	12 November 2010	6 years	Not Independent
Matthew Greentree	Managing Director / CEO	19 April 2018	6 months	Not Independent
Denis Rakich	Executive Director & Company Secretary	31 January 2013	4 years	Not Independent
Neil Fearis	Non-Executive Director	15 April 2016	1 year	Independent
Geoffrey Jones	Non-Executive Director	29 July 2016	1 year	Independent

External Directorships of the Company's Directors are detailed in the Directors' Report. The Board have the right to seek independent professional advice in the furtherance of their duties as Directors, at the Company's expense.

The Directors are aware of the need for the composition of the Board to evolve with the development of the Company, and propose to revise the composition of the Board in due course, including the possibility of transitioning and / or appointing additional independent Non-Executive Directors.

New Directors undertake an induction program co-ordinated by the Company Secretary that briefs and informs the Director on all relevant aspects of the Company's operations and background. A Director Development program is also available to ensure that Directors can enhance their skills and remain abreast of important developments.

### Nomination Committee

The best practice recommendation of the ASX Guidelines recommends that the Board establish a Nomination Committee. The Company does not have a separate Nomination Committee and instead have established a Nomination and Remuneration Committee. The Board is of the view that the Company is not of sufficient size to require a separate committee and that the skills and experience of the committee members is appropriate.

The selection and appointment process for Directors and executives are carried out by the full Board. The Board considers the importance of the working team dynamics which allows all members of the Board to be involved in the decision making process.

The Nomination and Remuneration Committee has the following composition:

Name	Position	Independent	Committee position
Richard Lockwood	Non-Executive Chairman	No	Chairman
Denis Rakich	Executive Director & Company Secretary	No	Member
Neil Fearis	Non-Executive Director	Yes	Member
Geoffrey Jones	Non-Executive Director	Yes	Member

The Nomination and Remuneration Committee establishes guidelines for the future nomination and selection of potential new Directors. The full Board (subject to members voting rights in general meeting) is ultimately responsible for the selection of new members and has regard to a candidate's experience and competence in areas such as mining, exploration, geology, finance, administration and other areas of relevance that can assist the Company in meeting its corporate objectives and plans.

Under the Company's current Constitution:

- the maximum number of Directors on the Board is seven;
- a Director may not retain office for more than three years without submitting for re-election;
- at the Annual General Meeting ("AGM") each year effectively one third of the Directors in office retire by rotation and must seek re-election by shareholders; and
- any Director appointed by the Board must have their election confirmed by shareholders at the next AGM.

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

The Board has also established a Selection, Appointment and Re-Appointment of Directors Policy which details the procedures for the selection, appointment, re-appointment and evaluation of the Company's Directors. A copy of the policy is available on the Company's website or upon request.

### **Principle 3: Act ethically and responsibly**

#### **Code of conduct**

The Board supports the highest standards of corporate governance and requires its members and the management and staff of the Company to act with integrity and objectivity in relation to:

- Compliance with laws and regulations affecting the Company's operations;
- Australian Securities Exchange Listing Rules;
- Employment practices;
- Responsibilities to the community and the environment;
- Conflict of interests;
- Confidentiality;
- Corporate opportunities arising from personal gain or to compete with the Company;
- Protection of and proper use of the Company's assets; and
- Active promotion of ethical behaviour.

The Company has a formal Code of Conduct, which all Directors, employees and contractors are required to observe.

A copy of the Code of Conduct is available on the Company's website or upon request.

### **Principle 4: Safeguard integrity in corporate reporting**

#### **Audit Committee**

The best practice recommendation of the ASX Guidelines recommends that the Board establish an Audit Committee with at least 3 members, all of whom are Non-Executive Directors and is chaired by an independent Director who is not the Chairman of the Board. Due to the size of the Company's operations, the Company has constituted a joint Audit and Risk Committee which comprises of the full Board whose names, qualifications and attendances are included in the Directors' Report.

The Audit and Risk Committee has the following composition:

Name	Position	Independent	Committee position
Richard Lockwood	Non-Executive Chairman	No	Chairman
Denis Rakich	Executive Director & Company Secretary	No	Member
Neil Fearis	Non-Executive Director	Yes	Member
Geoffrey Jones	Non-Executive Director	Yes	Member

The Board has undertaken steps to ensure responsibilities laid out in the Audit and Risk Committee Charter are met notwithstanding the make-up of the Audit and Risk Committee members.

The responsibilities of the Audit and Risk Committee are laid out in its charter, and amongst other things, includes the responsibility to ensure that an effective internal control framework exists within the entity, and to review half-yearly and annual financial statements for submission to the Board for approval. The Committee receives regular reports from management and external auditors on accounting and internal control matters. This includes the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations.

The management provides a declaration to the Board with regards to financial records of the Company being 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 Company 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 Audit and Risk Committee will also recommend the appointment, and will review the fees, of external auditors. A copy of the Audit and Risk Committee is available on the Company's website or upon request.

#### **External auditors**

The auditors of the Company, BDO Audit (WA) Pty Ltd ("BDO"), have open access to the Board at all times. BDO have audited the Company and its subsidiary for a number of years and have a policy of rotating audit partners every five years. External audit recommendations, internal control matters and any other matters arising from the audit are discussed directly between the Board and the audit engagement partner.

BDO attends the Company's Annual General Meeting and it is consistent with their current business practice, and is in accordance with the Corporations Act 2001.

### **Principle 5: Make timely and balanced disclosure**

#### **Continuous disclosure**

The Board recognises the importance of keeping the market fully informed of the Company's activities and of communicating openly and clearly with all stakeholders. The Company established a formal Continuous Disclosure Policy designed to ensure compliance with the listing rules of the Australian Securities Exchange ("ASX").

Continuous disclosure is discussed by the Board and management on an on-going basis. The Board ensures that all activities are reviewed and assessed for disclosure requirements to stakeholders.

In accordance with the Continuous Disclosure Policy, Company information considered to be material is announced immediately to the ASX. All key communications are placed immediately on the Company website, and when necessary, provided directly to shareholders. A copy of this Policy is available on the Company's website or upon request.

### **Principle 6: Respect the rights of security holders**

#### **Shareholder communication**

The Board of Directors aims to ensure that shareholders are provided with important information in a timely manner through written and electronic communications. It is for this reason that the Company has established a Shareholder Communications Policy.

The Board of Directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Company. Information is communicated to the shareholders through:

- the Annual Report;
- the availability of the Company's quarterly report, half-yearly report and other announcements distributed to shareholders;
- adherence to continuous disclosure requirements;
- the annual general meeting and other meetings called to obtain shareholder approval for Board action as appropriate; and
- the provision of the Company's website containing all of the above mentioned reports and its constant update and maintenance.

Shareholders are encouraged to attend and participate in the meetings and are also encouraged to submit questions to the Board either in writing prior to the meeting or at the time when the shareholders are given the opportunity to ask questions of the Board for answer during the meeting.

A copy of the Shareholder Communications Policy is available on the Company's website or by request.

### **Securities trading policy**

The Company has adopted a formal Securities Trading Policy restricting Directors, senior executives and employees from acting on material information until it has been released to the market in accordance with the requirements of continuous disclosure.

Directors and executives are restricted in a number of ways to deal in the Company's securities. The policy stipulates that Directors and certain employees and persons connected with them do not abuse and do not place themselves under suspicion of abusing price-sensitive information that they have or are thought to have, especially in periods leading up to announcement of results.

In order to avoid any inference of unfair or inappropriate behaviour by the Company or any of its Directors, executives, managers or employees, all restricted persons are prohibited from dealing in the Company's securities in any blackout period. A blackout period is any point in time within the following dates:

- from the first day of January until the second day following the public release of the Company's half-year results;
- from the first day of July until the second day following the public release of the sooner to occur of the Company's preliminary or final full year results; and
- from the first day following the close of each quarter for which the Company is required to provide a periodic quarterly report to the ASX until the second day following the release of that report to the ASX.

The Board or the Chief Executive Officer ("CEO") as its delegate may determine that any of the blackout periods referred to above may be extended (but not shortened) or a new blackout period introduced from time-to-time. Outside of any of the blackout periods, a restricted person can only deal in Ausgold securities if he or she is not in possession of inside information. Restricted persons may not deal in the Company's securities on a short-term trading basis.

A restricted person must, by virtue of his or her position, request clearance in writing for any proposed dealing in the Company's securities as follows:

- a Director of Ausgold (including the CEO) must inform and receive approval from the Chairman prior to undertaking any transaction;
- the Chairman must obtain approval from the Chairman of the Audit and Risk Committee and the CEO prior to undertaking any transaction;
- executives, senior management and other employees must inform and receive approval from the CEO or the Company Secretary prior to undertaking any transaction; and
- the Company Secretary must inform and receive approval from the CEO.

The Company's Securities Trading Policy is available on the Company's website or upon request.

## **Principle 7: Recognise and manage risk**

### **Risk Committee**

The best practice recommendation of the ASX Guidelines recommends that the Board establish a Risk Committee with at least 3 members, a majority of whom are independent Directors and is chaired by an independent Director. Due to the size of the Company's operations, the Company has constituted a joint Audit and Risk Committee which comprises of the full Board whose names, qualifications and attendances are included in the Directors' Report.

## **Risk management**

The Board meets regularly to evaluate, control, review and implement the Company's operations and objectives. The Board understands the importance of risk management and it continues to be an ongoing focus for the Board.

Regular controls established by the Board include:

- timely monthly financial and operational reporting;
- implementation of exploration work programs and budgets by management; and
- procedures to allow Directors to monitor progress of key activities undertaken by management.

Due to the size of the Company's operations, the Board is responsible for reviewing and approving the Company's risk management strategy, including determining the Group's appetite for significant investment decisions. Management reports to the Board on the Company's key risks periodically.

The Board is also responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control. The Company's internal control framework and risk management process is governed by the Audit and Risk Committee.

The Board regularly discusses risks associated with the Company's business and exploration activities along with the Company's risk tolerance. The Board is responsible for determining whether the Company has a material exposure to economic, environmental and social sustainability risk and, if it does, how it manages or intends to manage those risks.

As the Company evolves and grows, a series of operational risks and mitigation strategies will be considered and adopted on a fit for purpose basis. As risk management is an on-going process, the Board recognises that the extent of the strategy and planning will continue to grow with the Company's activities.

The Risk Management Policy is available on the Company's website or upon request.

## **Principle 8: Remunerate fairly and responsibly**

### **Remuneration Committee**

The best practice recommendation of the ASX Guidelines recommends that the Board establish a Remuneration Committee and have at least 3 members, majority of who are independent Directors. The Company has established a joint Nomination and Remuneration Committee which is being managed by the full Board. The Board is of the view that the Company is not of sufficient size to require a separate committee and that the skills and experience of the committee members is appropriate.

The Committee's primary functions are to oversee and manage:

- the Company's remuneration, retention, termination and incentive policies and procedures for Directors and senior executives;
- the development of Board and Director evaluation processes;
- the review of desirable competencies, skills, knowledge and experience of Directors;
- recommend the appointment, re-election and removal of Directors to/from the Board.

The Company has established a Remuneration Policy which sets out the structure of the remuneration of senior executives, Executive Directors, Non-Executive Directors, termination, disclosure of remuneration etc. The Remuneration Policy is available on the Company's website or upon request.

All compensation arrangements for Directors and senior executives are determined by the Committee and approved by the Board, after taking into account the current competitive arrangements prevailing in the market.

The amount of remuneration for all Directors including the full remuneration packages, comprising all monetary and non-monetary components of the Executive Directors and executives, are detailed in the Directors' Report. Non-Executive Directors may receive annual fees within an aggregate Directors' fee pool limited to an amount which is approved by shareholders. The Non-Executive Directors maximum aggregate fee pool is currently \$120,000. The Nomination and Remuneration Committee reviews and recommends the remuneration levels and policies for Directors within this overall Directors' fee pool. The fees which are paid are also periodically reviewed.

Although no formal written policy has been established, the executives are responsible for:

- managing the day to day business of the Company;
- developing corporate strategy, performance objectives and budgets for review and approval by the Board;
- appointing staff, evaluating their performance and training requirements as well as development of Company policies; and

- ensuring all available information in connection with items to be discussed at a meeting of the Board is provided to each Director prior to the meeting.

The performance of senior executives is evaluated by the Nomination and Remuneration Committee, often taking into account recommendations from the Chief Executive Officer and / or Chairman. The Board can exercise its discretion in relation to approving incentives, bonuses and options and can recommend changes to the Committee's recommendations. All executives receive base salary and superannuation (if applicable) and in some cases, performance incentives and fringe benefits. These packages are reviewed on an annual basis. All remuneration paid to executives is valued at the cost to the Company and is measured in accordance with the applicable accounting standards.

Directors, executives and employees, are from time to time invited to participate in the shareholder approved shares options. Separate shareholder approval is sought before any Director can be issued options. Shares issued are valued as the difference between the market price of those shares and the amount paid by the Executive. Options are valued using the appropriate valuation methodology. Non-Executive Directors have long been encouraged by the Board to hold shares in the Company to align their interests more closely to those of the Company's shareholders.

The Board expects that the remuneration structure that is implemented will result in the Company being able to attract and retain the best executives to manage the consolidated entity. It will also provide the executives with the necessary incentives to work to grow long-term shareholder value. Please refer to the Remuneration Report which forms part of the Directors' Report for information on remuneration paid to the key personnel management during the financial year.

The Company does not hold schemes for retirement benefits other than statutory superannuation for Non-Executive Directors.