



## Policy 002 -Corporate Governance Statement

This Corporate Governance Statement sets out the extent to which the Company's practices comply with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Recommendations (**Recommendations**). The Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which it has complied with the Recommendations.

ASX Corporate Governance Council Recommendation	MRG policy
<b>Principle 1: Lay solid foundations for management and oversight</b>	
<b>Recommendation 1.1:</b> Companies should establish functions reserved to the board and those delegated to senior executives and disclose those functions.	The Company's Corporate Governance framework includes a Board Charter, which details the specific responsibilities of the Board and identifies those areas of authority delegated to senior executives.
<b>Recommendation 1.2:</b> Companies should: <ul style="list-style-type: none"> <li>- undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and</li> <li>- 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.</li> </ul>	The Company's Board Charter provides that appropriate checks should be undertaken before the appointment of a director. If checks reveal any information that is relevant, then the Company will disclose that information to Shareholders.
<b>Recommendation 1.3:</b> Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.	The Company's Board Charter sets provides that all directors and senior executives, at the time of their appointment, should execute a written agreement that sets out the key terms of their appointment.
<b>Recommendation 1.4:</b> Company Secretaries should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	The Company's Board Charter sets out the role of the Company Secretary and ensures that the Company Secretary is accountable to the Board, through the Chairman.
<b>Recommendation 1.5:</b> Companies should: <ul style="list-style-type: none"> <li>- 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</li> </ul>	The Company's Diversity Policy requires the Board to set out measurable objectives for achieving gender diversity. The Diversity Policy requires the Board to annually assess its diversity objectives and report on the Company's progress in achieving those

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<p>both the objectives and the progress in achieving them;</p> <ul style="list-style-type: none"> <li>- disclose the diversity policy or a summary of the policy;</li> <li>- disclose, 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 diversity policy, and its progress towards achieving them, and either:               <ul style="list-style-type: none"> <li>- the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the company has defined "senior executive" for these purposes); or</li> <li>- if the Company is a "relevant employer" under the Workplace Gender Equality Act, the Company's most recent "Gender Equality Indicators" as defined in and published under that Act.</li> </ul> </li> </ul>	<p>objectives. At the end of each reporting period, the Diversity Policy requires the Company to report on its progress and set out the respective proportion of men and women across the whole of the Company (including their representation in key management positions)</p>
<p><b>Recommendation 1.6:</b> Companies should:</p> <ul style="list-style-type: none"> <li>- have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors;</li> <li>- disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ul>	<p>The Company Secretary plays an integral role in monitoring the conduct and activities of Board, ensuring the Board has an appropriate mix of skills and experience and reviewing individual director's performance. The Chief Executive Officer is responsible for reviewing the performance of the Company Secretary.</p>
<p><b>Recommendation 1.7:</b> Companies should:</p> <ul style="list-style-type: none"> <li>- have and disclose a process for periodically evaluating the performance of its senior executives; and</li> <li>- disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process</li> </ul>	<p>The Chief Executive Officer is responsible for reviewing the individual performance of senior executives.</p>
<p><b>Principle 2: Structure the board to add value</b></p>	
<p><b>Recommendation 2.1:</b> Companies should:</p>	<p>The Company does not currently have a nomination committee. The Board does not</p>

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<ul style="list-style-type: none"> <li>- have a nominations committee which:               <ul style="list-style-type: none"> <li>- has at least three members, a majority of whom are independent directors; and</li> <li>- is chaired by an independent director.</li> </ul> </li> </ul> <p>The Company should disclose:</p> <ul style="list-style-type: none"> <li>- The charter of the nomination committee;</li> <li>- The members of the nomination committee; and</li> <li>- as at the end of each reporting period, the number of times the nomination committee met through the period and the individual attendances of the members at those meetings; or</li> </ul> <p>if the Company does not have a nomination committee disclose, that fact, and the process it employs to address Board successions issues and to ensure that the Board has appropriate balance of skills knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively</p>	<p>consider it necessary given the size of the Company's current operations. Board appointments will be decided by the Board as a whole, taking into consideration the needs of the Company at the relevant time. Where the Company considers there is a need to review the skills and competencies of the existing Directors and to supplement that experience, the Company would consider engaging appropriately qualified third parties to assist with the review. The Company's Board Charter requires the Board to develop succession plans for the future management of the Company.</p>
<p><b>Recommendation 2.2:</b> Companies 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>The Company's Board Charter sets out the directors' obligations to prepare and disclose a Board skills matrix.</p>
<p><b>Recommendation 2.3:</b> Companies should disclose:</p> <ul style="list-style-type: none"> <li>- the names of directors considered by the Board to be independent directors;</li> <li>- If a director has an interest, position, association or relationship of a type set out in Box 2.3 of the Third Edition of the Recommendations, 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</li> </ul>	<p>The Company's Board Charter sets out the directors' obligations in relation to conflicts of interests and the disclosure requirements of the Board.</p>

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<ul style="list-style-type: none"> <li>- the length of service of each director.</li> </ul>	
<p><b>Recommendation 2.4:</b> The majority of the Board of a Company should be independent directors.</p>	<p>Three of the Company's four directors, being Chris Gregory, Andrew Van Der Zwan and Shane Turner, are independent directors.</p>
<p><b>Recommendation 2.5:</b> The Chairman of the Board should be an independent director and, in particular, should not be the same person as the CEO of the Company.</p>	<p>Andrew Van Der Zwan, an independent director, is the Chairman of the Board and Keith Weston is the CEO of the Company.</p>
<p><b>Recommendation 2.6:</b> Companies 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.</p>	<p>The Company's Board Charter requires the Board to implement an induction procedure to assist newly appointed directors to gain an understanding of the Company's policies and procedures. In addition, the Board Charter requires the Board to develop continuing education opportunities in order to provide the directors with the ability to enhance their skills.</p>
<p><b>Principle 3: Promote ethical and responsible decision making</b></p>	
<p><b>Recommendation 3.1:</b> Companies should:</p> <ul style="list-style-type: none"> <li>- have a code of conduct for its directors, senior executives and employees; and</li> <li>- disclose that code or a summary of it.</li> </ul>	<p>The Board has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account the Company's legal obligations and the reasonable expectations of shareholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</p> <p>The Code of Conduct will be available on the Company's website.</p>
<p><b>Principle 4: Safeguard integrity in financial reporting</b></p>	
<p><b>Recommendation 4.1:</b> The Board should establish an audit committee. If the Company does not have an audit committee, disclose that fact, and the process it employs to independently verify and safeguard the integrity of its corporate reporting, including the process for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The Company does not currently have an audit committee. The Board does not consider it necessary given the size of the Company's current operations. The functions of this committee will be carried out by the whole Board. The Company Secretary has significant experience in financial and accounting matters and will be primarily responsible for monitoring and preparing the financial reports. External resources will be commissioned where necessary.</p>

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<p><b>Recommendation 4.2:</b> The Board should, before it approves the company's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the company 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 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.</p>	<p>The Company's process and practices comply with the Recommendation. In particular, the CEO of the Company provides a declaration in relation to the Company's financial statements that, in his opinion, the financial records of the Company have been maintained and that the financial statements comply with 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.</p>
<p><b>Recommendation 4.3:</b> Companies that have AGMs should ensure that their external auditors attend their AGMs and are available to answer questions from security holders relevant to the audit</p>	<p>As a matter of practice, the Company invites the external auditors of the Company to attend the AGM of the Company. The security holders are provided with an opportunity to ask questions of the external auditors at the AGM.</p>
<p><b>Principle 5: Make timely and balanced disclosure</b></p>	
<p><b>Recommendation 5.1:</b> Companies should:</p> <ul style="list-style-type: none"> <li>- have a written policy for compliance with its continuous disclosure obligations under the ASX Listing Rules; and</li> <li>- disclose that policy or a summary of it.</li> </ul>	<p>The Company has established a Continuous Disclosure Policy which applies to all directors and senior management. A copy of the Continuous Disclosure Policy has been made available on the Company's website.</p>
<p><b>Principle 6: Respect the rights of shareholders</b></p>	
<p><b>Recommendation 6.1:</b> Companies should provide information about itself and its governance to investors via its website.</p>	<p>The Company's Continuous Disclosure Policy requires the Company to include all of its corporate governance policies on its websites.</p>
<p><b>Recommendation 6.2</b> Companies should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>The Company's Board Charter sets out the manner in which the Board should endeavor to communicate with its shareholders and the manner in which shareholders can make enquiries to the Company.</p>
<p><b>Recommendation 6.3:</b> Companies should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders</p>	<p>The Company's Board Charter sets out the Company's goal to encourage participation at general meetings.</p>

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<p><b>Recommendation 6.4:</b> Companies should give security holders the option to receive communications from, and send communications to, the Company and its security registry electronically.</p>	<p>The Company's Board Charter addresses the means to effectively communicate with shareholders.</p>
<p><b>Principle 7: Recognise and manage risk</b></p>	
<p><b>Recommendation 7.1:</b> Companies should have a committee to oversee risk. If a Company does not have a risk committee, it must disclose that fact, and the processes it employs for overseeing the Company's risk management framework.</p>	<p>Given the size of the Company's current operations, the Board has formed the view that a separate risk committee is not necessary. The Board itself monitors all areas of operational and financial risk and considers strategies for appropriate risk management arrangements on an ongoing basis. If considered necessary, external input will be sought to assess and counteract identified risks.</p>
<p><b>Recommendation 7.2:</b> Companies should:</p> <ul style="list-style-type: none"> <li>- review their risk management framework at least annual to satisfy that the continue to be sound; and</li> <li>- disclose in relation to each reporting period, whether such a review has taken place.</li> </ul>	<p>The Board will require that Keith Weston, as Managing Director and Chief Executive Officer undertakes a review of the Company's risk management framework annually to ensure that the framework continues to be sound, and disclose, in relation to each reporting period, whether such a review has taken place.</p>
<p><b>Recommendation 7.3:</b> Companies should:</p> <ul style="list-style-type: none"> <li>- if they have an internal audit function, how the function is structured and what role it performs; or</li> <li>- if they do not have an internal audit function, that fact and the process they employ for evaluating and continually improving effectiveness of their risk management and internal control process.</li> </ul>	<p>Given the size of the Company's current operations, the Board has formed the view that the appointment of an internal auditor is not necessary. The Board will oversee the risk management and internal control process. If considered necessary, external input will be sought to assess and review the effectiveness of the Company's risk management and internal control process.</p>
<p><b>Recommendation 7.4:</b> Companies should disclose whether they have any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risk.</p>	<p>The Board will be responsible for disclosing whether the Company has any material exposure to economic, environmental and social responsibility risks and, if it does, how it intends to manage those risks.</p>
<p><b>Principle 8: Remunerate fairly and responsibly</b></p>	



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<p><b>Recommendation 8.1:</b> The Board should establish a remuneration committee.</p> <p>If the Company does not have a remuneration committee, disclose that fact and the process it employs for setting the level and composition of remuneration for directors and senior executives and ensure that such remuneration is appropriate and not excessive.</p>	<p>The Company does not currently have a remuneration committee. The Board does not consider it necessary given the size of the Company's current operations. The Board is responsible for making recommendations regarding director and management remuneration packages. The Company's Board Charter sets out the principles that should be considered by the Board in making recommendations in relation to management remuneration packages.</p>
<p><b>Recommendation 8.2:</b> Companies 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>The Board is aware of the need to ensure remuneration remains competitive and consistent with competitor companies and that remuneration reflects the performance of the Company over time.</p> <p>The directors performing an executive role are remunerated based on the scope of their responsibilities and the performance of the Company.</p> <p>Non-executive directors are paid fees as determined by shareholders.</p> <p>The Company will provide the requisite disclosure regarding executive remuneration policies in its annual report.</p>
<p><b>Recommendation 8.3:</b> Companies which have equity based remuneration schemes should:</p> <ul style="list-style-type: none"> <li>- 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</li> <li>- disclose the policy or a summary of it.</li> </ul>	<p>The Share Trading Policy of the Company prohibits employees of the Company from entering into any transaction which would have the effect of hedging or otherwise transferring to any person the risk of any fluctuation in the value of any unvested entitlement in the Company.</p>