

Corporate Governance Statement (Additional Information)

NOMINATION COMMITTEE

The full Board carries out the duties that would normally fall to the Nomination Committee. The Nomination Committee is responsible for determining the state of Director nominees for election to the Board, and to identify and recommend candidates to fill casual vacancies.

DIRECTOR EDUCATION

The Company has no formal process to educate new Directors about the nature of the business, current issues or corporate strategy. Accordingly, Directors are sourced who have relevant industry knowledge to enable them to validly contribute immediately. Directors also have the opportunity to meet with all employees to gain a better understanding of the operations.

DIRECTOR DEALINGS IN COMPANY SHARES

Directors and senior management may acquire shares in the Company, but are prohibited from dealing in Company shares or exercising options whilst in possession of price sensitive information

Directors must obtain the approval of the Chairman of the Board and notify the Company Secretary before they buy or sell shares in the Company, and it is subject to Board veto. Directors must provide the information required by the Company to ensure Compliance with Listing Rule 3.19A.

INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO COMPANY INFORMATION

Each Director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice at the Company's expense. A copy of advice received by the Director is made available to all other members of the Board.

INTERNAL CONTROL FRAMEWORK

The Board is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. The Board has instigated the following internal control framework:

- Financial reporting – the Board receive monthly reports about the financial condition of the Company. Year to date actual results are reported against budgets approved by the Directors and revised forecasts for the year prepared as considered necessary.
- CEO and CFO (equivalent) assurance – the CEO and CFO provide formal statements to the Board that in all material respects the Company's financial statements present a true and fair view of the Company's financial condition and operating results.
- Continuous Disclosure - A comprehensive policy and process is in place to identify matters that may have a material effect on the price of the

Company's securities and to notify them to the ASX and post them on the Company website. The CEO and CFO/ Company Secretary are responsible for interpreting the Company's policy and where necessary informing the Board. The Company Secretary is responsible for all communications with the ASX.

- Quality and integrity of personnel – Formal appraisals are conducted at least annually for all employees
- Investment appraisal – Guidelines for capital expenditure include annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where assets are being acquired or divested.

BUSINESS RISK MANAGEMENT

Management is closely linked to the executive Directors given the size and nature of the organisation and constantly monitors the business risk of the Company. Formal reports to the Board are compiled on the status of any perceived business risk.

The Company's risk management reviews cover environment, occupational health and safety, property (assets), financial reporting and internal controls.

Training and development and appropriate remuneration and incentives with regular performance reviews create an environment of co-operation and constructive dialogue within the employees and senior management. This is the responsibility of the Nomination Committee. The Nomination Committee will ensure vacancies are filled by competent and knowledgeable employees when retirements or resignations occur.

Comprehensive practices are established such that:

- i. capital expenditure and commitments above a certain size require prior Board approval;
- ii. financial exposures are controlled;
- iii. occupational health and safety standards and management systems are monitored and reviewed regularly to achieve high standards of performance and compliance with regulations;
- iv. business transactions are properly authorised and executed.

ETHICAL STANDARDS

The Company has advised each Director, manager and employee they must comply with the highest of ethical standards.

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. Every employee is encouraged to refer any issues arising from their employment to the Managing Director or Company Secretary.

THE ROLE OF SHAREHOLDERS AND COMMUNICATIONS POLICY

The Board informs shareholders of all major developments affecting the Company's state of affairs as follows:

- the Annual Report is only distributed to shareholders who have specifically requested to receive the document. It includes relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments. The full Annual Report is also available on the Company website.
- the Half - yearly report contains summarised financial information and a review of the operations of the Company during that period. The audited Half – year financial report is lodged with ASIC and the ASX and sent to any shareholder who requests it as well as being published on the Company website.
- proposed major changes in the Company, which may impact on share ownership rights are submitted to shareholder vote.
- the Company presents exhibits at industry conferences which provides opportunity for the shareholders to gather information about the Company, it is also an opportunity to meet members of the Board and senior management.
- all documents that are released publicly are made available on the Company website and e-mailed to shareholders and investors who have provided their relevant details to the Company.
- the Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company’s strategy and goals. Important issues are presented to the shareholders as single resolutions.
- the shareholders are requested to vote on the appointment and aggregate remuneration of the Directors the granting option and shares to Directors and changes to the Constitution. Copies of the Constitution are available to any shareholder who requests it.