

## **CORPORATE GOVERNANCE STATEMENT**

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FeOre Limited (**Company**) is required to provide a statement disclosing the extent to which it will follow, as at the date of the reinstatement of its securities to official quotation, the Corporate Governance Principles and Recommendations (3rd Edition) set by the ASX Corporate Governance Council.

Achieving a high standard of corporate governance is a priority for the Company's Board of Directors.

### **PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

#### **Board and Management functions - Recommendation 1.1**

The roles and responsibilities of the Board and management are set out in the Board Charter, available on the Company's website.

The Board Charter also provides for the Company's statement of delegated authority to set out the Company's policy relevant to the delegation of authority to management to conduct the day to day management of the Company.

As the Company has a small board comprising one executive director, three non-executive directors and a small management team, roles and functions must necessarily be flexible to deliver the Company's objectives.

#### **Electing or re-electing a director - Recommendation 1.2**

The process of appointment and re-election is set out in the Board Charter.

The Company will undertake appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director.

The Board will provide shareholders with all material information in the possession of the company to enable shareholders to make an informed decision on the appointment and re-election of directors.

#### **Director and senior executive agreements - Recommendation 1.3**

The Company has a written agreement with each director and senior executive setting out the terms of their appointment.

#### **Company secretary - Recommendation 1.4**

The Company secretary is appointed and removed by the Board and reports to, and is directly accountable to, the Board, through the Chair, on all matters to do with the proper functioning of the Board.

#### **Diversity Policy - Recommendation 1.5**

The Company has a diversity policy and is committed to developing a business model that values and achieves diversity on its workforce and on its Board. The company values diversity and has a goal to report the diversity within the company annually and initially target a range of 25 to 35% female employees within 4 years. Management will monitor and report to the Board in the Company's progress under its diversity policy.

#### **Performance Evaluation – Recommendations 1.6 and 1.7**

The Board is responsible for the evaluation and review of the performance of the Board and its committees (if any) and Senior Executives.

The Chair is primarily responsible for the evaluation and review of the performance of individual non-executive directors. The Chair should disclose the process for evaluating the performance of those directors.

The Board (other than the Chair) is responsible for the evaluation and review of the performance of the Chair and review of the effectiveness and programme of Board meetings.

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The process of the performance evaluation of the Board, its committees (if any), directors and senior executives, generally involves an internal review. From time to time as the Company's needs and circumstances require, the Board may commission an external review of the Board, and its composition.

### **PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE**

#### **Nomination Committee and Board skills matrix - Recommendations 2.1 and 2.2**

The Company believes it is not of a size to justify a Nomination Committee. If vacancies arise on the Board, all directors are involved in search and recruitment. The Board seeks to achieve a balance of entrepreneurial, capital markets, technical, operational, commercial and financial skills from the resources industry and broader business backgrounds. The Board will establish a skills matrix setting out the mix of skills and diversity that the Board currently has or is seeking to acquire.

#### **Independence of directors - Recommendations 2.3, 2.4 and 2.5**

The Board comprises one executive director (Dr. Louis Yang) and three non-executive directors (Mr. Harry King, Mr. Steven Hodgson and Mr. He Chuan). Dr. Louis Yang and Mr. Harry King are substantial shareholders of the Company and are not considered to be independent directors in terms of the ASX Corporate Governance Council's discussion of independent status. Despite this relationship, the Board believes that Dr. Louis Yang and Mr. Harry King are able, and will make quality and independent judgements in the best interests of the Company on all relevant issues before the Board. Mr. Steven Hodgson and Mr. He Chuan are considered to be independent directors in terms of the ASX Corporate Governance Council's discussion of independent status. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of a majority of independent directors.

The Chair is a non-executive director and the roles of Chair and Chief Executive Officer are exercised by different individuals. Although the Chair is not an independent director, the Board believes that this is both appropriate and acceptable at this stage of the Company's development.

Directors are entitled to seek independent professional advice at the Company's expense in the furtherance of their duties.

Under the Company's Constitution, no director except the Managing Director may hold office for a period in excess of three years or beyond the third annual general meeting following the director's election without being submitted for re-election. At every annual general meeting one third of the Directors or the number nearest to but not exceeding one third must retire from office and are eligible for re-election.

#### **Director induction and development - Recommendation 2.6**

Induction, training and continuing education arrangements are the subject of the terms and conditions of the appointment of members to the Board. The requirement for the Board to implement an appropriate induction and education process for new Board appointees and Senior Executives is set out in the Board Charter on the Company's website. The process is designed to enable Board appointees and Senior Executives to gain a better understanding of: the Company's financial, strategic, operational and risk management position; the rights, duties and responsibilities of the directors; the roles and responsibilities of Senior Executives; and the role of Board committees (if any).

### **PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY**

#### **Code of conduct – Recommendation 3.1**

The Board has adopted a formal Code of Conduct (Obligations to Stakeholders) and a formal Code of Conduct for directors and key officers to promote lawful, ethical and responsible decision-making by directors, management and employees. The Codes promote compliance with laws and regulation and avoidance of conflicts of interest, embraces the values of honesty, integrity, enterprise, excellence, accountability, justice,

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independence and equality of stakeholder opportunity. The Codes of Conduct are available on the Company's website.

### **Policy for trading in Company's securities**

The Board has adopted in accordance with ASX Listing Rules 12.9, 12.10, 12.11 and 12.12 a policy on trading in the Company's securities by directors, senior executives and employees which raises awareness of the law in relation to insider trading, specifies blackouts and provides notification protocols. The trading policy is located on the Company's website.

## **PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

### **Audit Committee - Recommendation 4.1**

The Company does not currently have an Audit Committee. The Board considers that the formation of an Audit Committee is not warranted at this time given the size of the Board.

The Board will at some time consider forming an Audit Committee if the size of the Board increases and efficiencies may be derived from a formal committee structure.

### **Financial Statements - Recommendation 4.2**

The Board as a whole acts as the Audit Committee and performs the functions thereof including the making sure that the financial records of the Company have been properly maintained and that the Company's financial statements comply with accounting standards and present a true and fair view of the Company's financial condition and operational results. This statement is required annually.

### **Auditor attendance at AGM – Recommendation 4.3**

The opportunity for shareholders to question a listed entity's external auditor at the AGM is an important safeguard for the integrity of the corporate reporting process. For companies incorporated in Australia, such opportunity is provided by sections 250PA, 250RA and 250T of the Corporations Act. As the Company is established outside Australia, it is not subject to the provisions of the Corporations Act and there are no equivalent provisions under the law of its home jurisdiction. The Company will however make a representative of the auditor available at its AGM to enable shareholders to ask questions relevant to the audit.

## **PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**

### **Continuous Disclosure Policy – Recommendation 5.1**

The Board places a strong emphasis on full and appropriate disclosure and has adopted a Continuous Disclosure Policy to ensure timely and accurate disclosure of price-sensitive information to shareholders through the lodgment of announcements with ASX. Clear procedures govern the preparation, review and approval of all announcements including technical material. The Company's Continuous Disclosure Policy is available on its website.

## **PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS**

### **Communications Policy – Recommendation 6.1**

The Company is committed to open and accessible communication with its shareholders, employees, customers and other stakeholders.

In accordance with ASX recommendations, the Company publishes all relevant announcements on its website after ASX has acknowledged that the announcements have been released. The Continuous

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Disclosure Policy can be found on the Company's website. Subject to ASX disclosure rules, the Company communicates regularly with shareholders, brokers and analysts and publishes the information provided on its website.

### **Investor relations – Recommendations 6.2, 6.3 and 6.4**

The Board is responsible for the communication strategy to promote effective communications with investors and to encourage effective participation at general meetings. The Company adheres to best practice in its preparation of Notices of Meetings and through its share registry offers to members the option of receiving shareholder communications electronically.

## **PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**

### **Risk Management – Recommendations 7.1, 7.2, 7.3 and 7.4**

The Board has been committed to ensuring that the risks associated with the Company's business activities are properly identified, monitored and managed and to embedding in its management and reporting systems a number of risk management controls. Operational management regularly reviews the risks and controls and updates the Board in light of changing circumstances and emergent risk factors and weightings.

The Board considers that the Company is not of a size sufficient to warrant the establishment of an internal audit function or a risk management committee. The Company does however employ appropriate processes for continually improving the effectiveness of risk management and internal control processes.

The Chief Executive Officer is required to provide a declaration in writing to the Board as to whether the declaration in accordance with section 295A of the Corporations Act is founded on a sound system of internal control and that the system is operating effectively in all material respects in relation to financial risks.

Aside from the risks outlined in section 6 of the Company's prospectus dated 11 February 2015, the Company does not have material exposure to other economic, environmental or social sustainability risks.

## **PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY**

### **Remuneration Committee – Recommendations 8.1, 8.2 and 8.3**

The Directors consider the current size of the Board does not warrant the establishment of a separate Remuneration Committee. However, the Board will at some time consider forming a Remuneration Committee if the size of the Board increases and efficiencies may be derived from a formal committee structure. Nonetheless the Board is committed to ensuring that the principles of fair and responsible remuneration govern its operations.

There are no schemes for retirement benefits, other than superannuation, for non-executive directors.