

WEBSITE DISCLOSURE

Company's Website Disclosure on Corporate Governance

Introduction

Nido Petroleum Limited ("**Company**") has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent they are applicable to the Company, the Board has adopted the Ten Essential Corporate Governance Principles and each of the Best Practice Recommendations¹ as published by ASX Corporate Governance Council ("**ASX Principles and Recommendations**"). These are set out at the end of this disclosure.

In pursuit of best practice in corporate governance, the Company is pleased to make the following information on its corporate governance practices available to its shareholders in this website. The Company has followed the recommendations of the ASX in making information available in full or summary.

Charters

- Board
- Audit Committee
- Nomination Committee
- Remuneration Committee

Policies and Procedures

- Code of Conduct
- Selection and Appointment of New Directors
- Performance Evaluation of the Board, Board Committees, Individual Directors and Key Executives
- Trading in Company Securities (summary)
- Compliance Procedures for ASX Listing Rule Disclosure Requirements (summary)
- Selection, Appointment and Rotation of External Auditor
- Shareholder Communication Strategy
- Risk Management Policy (summary)

¹ A copy of the Ten Essential Corporate Governance Principles and the Best Practice Recommendations are set out on this website.

BOARD CHARTER

NIDO PETROLEUM LIMITED ("COMPANY")

1. Role of the Board

The Board's key objectives are to:

- (a) increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders; and
- (b) ensure the Company is properly managed.

2. Responsibility of the Board

The Board is collectively responsible for promoting the success of the Company by:

- (a) supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed, which includes but is not limited to (a) to (j);
- (b) ensuring the Company is properly managed, for example by:
 - (i) appointing and, where appropriate, removing the managing director of the Company;
 - (ii) ratifying the appointment and, where appropriate, the removal of the chief financial officer and the company secretary;
 - (iii) input into and final approval of management's development of corporate strategy and performance objectives;
 - (iv) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance; and
 - (v) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
- (c) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- (d) approving the annual budget;

- (e) monitoring the financial performance of the Company;
- (f) approving and monitoring financial and other reporting;
- (g) providing overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;
- (h) appointing the external auditor (where applicable, based on recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company;
- (i) liaising with the Company's external auditors and Audit Committee (where there is a separate Audit Committee); and
- (j) monitoring and ensuring compliance with all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities (approximately once every six weeks but no less than one every two months).

The Board may not delegate its overall responsibility for the matters listed above to management. However, it may delegate related day-to-day activities provided those matters do not exceed the Materiality Threshold as defined below.

3. Materiality Threshold

The Board has agreed on the following guidelines for assessing the materiality of matters:

Materiality – Quantitative

Balance sheet items

Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.

Profit and loss items

Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.

Materiality – Qualitative

Items are also material if:

- (a) they impact on the reputation of the Company;
- (b) they involve a breach of legislation;
- (c) they are outside the ordinary course of business;
- (d) they could affect the Company's rights to its assets;
- (e) if accumulated they would trigger the quantitative tests;
- (f) they involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items; or
- (g) they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

Material Contracts

Contracts will be considered material if:

- (a) they are outside the ordinary course of business;
- (b) they contain exceptionally onerous provisions in the opinion of the Board;
- (c) they impact on income or distribution in excess of the quantitative tests;
- (d) there is a likelihood that either party will default, and the default may trigger any of the quantitative tests;
- (e) they are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests;
- (f) they contain or trigger change of control provisions;
- (g) they are between or for the benefit of related parties; or
- (h) they otherwise trigger the quantitative tests.

Any matter which falls within the above guidelines is a matter which triggers the materiality threshold ("**Materiality Threshold**").

4. The Chairperson

The chairperson is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings. The chairperson is also responsible for shareholder communication and arranging Board performance evaluation.

5. Independent Directors

It is a priority of the Board to achieve an appropriate balance between independent and non-independent representation on the Board. In making this determination, the Board takes into account the required skills and experience required, in the context of the Company's operations and activities from time to time. In determining whether or not the directors are independent, the Board applies the criteria as set out in the ASX Principles of Good Corporate Governance and Best Practice Recommendations.

Where the chairperson is not an independent director, the Company will appoint a lead independent director. The lead independent director will take over the role of the chairperson when the chairperson is unable to act in that capacity as a result of his or her lack of independence.

The independent directors, along with all directors, are responsible for the reviewing and challenging executive performance. They are also responsible for contributing to the development of strategy.

6. The Managing Director

The managing director is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out his/her responsibilities the managing director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

7. Role and Responsibility of Management

The role of management is to support the managing director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Management is responsible for reporting all matters which fall within the Materiality Threshold at first instance to the managing director or, if the matter concerns the managing director, then directly to the chairperson or the lead independent director, as appropriate.

AUDIT COMMITTEE CHARTER

NIDO PETROLEUM LIMITED ("COMPANY")

1. Composition of the Audit Committee

The committee shall comprise the non-executive members of the Board.

At least one member is to have significant, recent and relevant financial experience.

2. Role of the Audit Committee

The role of the Audit Committee is to:

- (a) monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgments;
- (b) review the Company's internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;
- (c) monitor and review the effectiveness of the Company's internal audit function (if any);
- (d) monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services.
- (e) perform such other functions as assigned by law, the Company's constitution, or the Board.

3. Operations

The committee meets at least twice a year, with further meetings on an as required basis.

Minutes of all meetings of the committee are to be kept and the minutes and a report of actions taken or recommended to be given at each subsequent meeting of the full Board.

Committee meetings will be governed by the same rules, as set out in the Company constitution as they apply to the meetings of the Board.

Relevant members of management and the external auditor may be invited to attend meetings.

The committee shall meet with the external auditor without management present, as required.

4. Authority and Resources

The Company is to provide the committee with sufficient resources to undertake its duties, including provision of educational information on accounting policies and other financial topics relevant to the Company, and such other relevant materials requested by the committee.

The committee will have the power to conduct or authorize investigations into any matters within the committee's scope of responsibilities. The committee will have the authority, as it deems necessary or appropriate, to retain independent legal, accounting or other advisors.

5. Reporting to the Shareholders

The directors' reports are to contain a separate section that describes the role of the committee and what action it has taken.

The chairperson of the audit committee is to be present at the annual general meeting to answer questions, through the chairperson of the Board.

6. Responsibilities

Annual responsibilities of the committee are as set out in the Audit Committee Action Points (attached).

AUDIT COMMITTEE CHARTER – ANNUAL ACTION POINTS

Financial Reporting and Internal Controls

- Review half-year and annual financial statements
- Consider management's selection of accounting policies and principles
- Consider the external audit of the financial statements and the external auditor's report thereon
- Consider internal controls including the Company's policies and procedures to assess, monitor and manage financial risks (and other business risks if authorised)

Annual meeting with External Auditor

- Discuss the Company's choice of accounting policies and methods, and any recommended changes
- Discuss the adequacy and effectiveness of the Company's internal controls
- Discuss any significant findings and recommendations of the external auditor and management's response thereto
- Discuss any difficulties or disputes with management encountered during the course of the audit including any restrictions or access to required information

External Auditor Engagement

- Establish/review criteria for the selection, appointment and rotation of external auditor
- Recommend to the Board to appoint and replace the external auditor and approve the terms on which the external auditor is engaged
- Establish/review permissible services that the external auditor may perform for the company and pre-approve all audit/non-audit services
- Confirm the independence of the external auditor, including reviewing the external auditor's non-audit services and related fees
- Ensure that the external auditor is requested to attend the AGM of the Company and is available to answer questions from shareholders

Internal Communications and Reporting

- Provide an annual report that includes the committee's review and discussion of matters with management and the external auditor
- Regularly update the Board about committee activities and make appropriate recommendations
- Ensure the Board is fully aware of matters which may significantly impact the financial conditions or affairs of the business

Other

- Verify the membership of the committee is in accordance with the Audit Committee Charter
- Review the independence of each committee member based on ASX Corporate Governance Guidelines
- Review and update the Audit Committee Charter and Action Points
- Develop and oversee procedures for treating complaints or employee concerns received by the Company regarding accounting, internal accounting controls and auditing matters

NOMINATION COMMITTEE CHARTER

NIDO PETROLEUM LIMITED ("COMPANY")

1. Composition

The Nomination Committee shall comprise the full Board.

2. Role

The role of the Nomination Committee is to determine the state of director nominees for election to the Board and to identify and recommend candidates to fill casual vacancies.

3. Operations

The full Board shall meet as the committee at least once a year and otherwise as required. Minutes of all meetings of the committee are to be kept. Committee meetings will be governed by the same rules as set out in the Company's constitution, as they apply to meetings of the Board.

4. Responsibilities

(a) Size and Composition of the Board

To ensure that the Board has the appropriate blend of directors with the necessary financial expertise and relevant industry experience, the committee shall:

- (i) regularly review the size and composition of the Board, and make recommendations to the Board on any appropriate changes;
- (ii) develop and plan for identifying, assessing and enhancing director competences and provide advice on the competency levels of directors;
- (iii) make recommendations on the appointment and removal of directors; and
- (iv) make recommendations on whether any directors whose term of office is due to expire should be nominated for re-election.

(b) Selection Process of new Directors

- (i) The committee shall develop criteria for the selection of the candidates to the Board in the context of the Board's existing composition and structure.

- (ii) The committee is empowered to engage external consultants in its search for a new director.
 - (iii) The initial appointment of a new director is made by the Board, who will be required to stand for re-election at the Company's next Annual General Meeting.
- (c) Performance Appraisal Competency

The committee shall:

- (i) establish evaluation methods of rating the performance of Board members;
- (ii) implement ways of enhancing the competency levels of directors;
- (iii) consider and articulate the time required by Board members in discharging their duties efficiently;
- (iv) undertake continual assessment of directors as to whether they have devoted sufficient time in fulfilling their duties as directors;
- (v) provide new directors with an induction into the Company; and
- (vi) provide all directors with access to ongoing education relevant to their position in the Company.

REMUNERATION COMMITTEE CHARTER

NIDO PETROLEUM LIMITED ("COMPANY")

1. Composition

The Remuneration Committee shall comprise the full Board.

2. Role

The function of the committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations on:

- (a) remuneration packages of executive directors, non-executive directors and senior executives; and
- (b) employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

3. Operations

The full Board shall meet in its capacity as the committee at least twice a year and otherwise as required. Minutes of all meetings of the committee are to be kept. Committee meetings will be governed by the same rules as set out in the Company's constitution, as they apply to meetings of the Board.

4. Responsibilities

(a) Executive Remuneration and Incentive Policies

The committee is to make decisions to the Board with respect to appropriate remuneration and incentive policies for executive directors and senior executives which:

- (i) motivates executive directors and senior executives to pursue long term growth and success of the Company within an appropriate control framework;
- (ii) demonstrates a clear correlation between key performance and remuneration; and
- (iii) aligns the interests of key leadership with the long-term interests of the Company's shareholder.

(b) Executive Remuneration Packages

The committee is to ensure that:

- (i) executive remuneration packages involve a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives;
- (ii) a proportion of executives' remuneration is structure in a manner designed to link reward to corporate and individual performances; and
- (iii) recommendations are made to the Board with respect to the quantum of bonuses to be paid to executives.

To the extent that the Company adopts a different structure for executive remuneration, it shall document its reasons for purposes of disclosure to stakeholders.

(c) Non-Executive Directors

The committee is to ensure that:

- (i) fees paid to non-executive directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting;
- (ii) non-executive directors are remunerated by way of fees (in the form of cash and /or superannuation benefits);
- (iii) non-executive directors are not provided with retirement benefits other than statutory superannuation entitlements; and
- (iv) non-executive directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders.

To the extent that the Company adopts a different remuneration structure for its non-executive directors, the committee shall document its reasons for the purpose of disclosure to stakeholders.

(d) Incentive Plans and Benefits Programs

The committee is to:

- (i) review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, the committee will act on behalf of the Board to administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising grants, in accordance with the terms of those plans; and

- (ii) ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and
- (iii) continually review and if necessary improve any existing benefit programs established for employees.

CODE OF CONDUCT

NIDO PETROLEUM LIMITED ("COMPANY")

This Code of Conduct sets out the principles and standards which the Board, management and employees of the Company are encouraged to strive towards when dealing with each other, shareholders and the broad community.

1. Responsibility to Shareholders

The Company aims:

- (a) to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders and the financial community; and
- (b) to comply with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity.

2. Integrity and Honesty

Directors, management and staff shall deal with the Company's customers, suppliers, competitors and each other with the highest level of honesty, fairness and integrity and observe the rule and spirit of the legal and regulatory environment in which the Company operates.

3. Respect for the Law

The Company is to comply with all legislative and common law requirements which affect its business, in particular those in respect of occupational health and safety, the environment, native title and cultural heritage. Any transgression from the applicable legal rules is to be reported to the managing director as soon as a person becomes aware of such a transgression.

4. Conflicts of Interest

Directors, management and staff must not involve themselves in situations where there is a real or apparent conflict of interest between them as individuals and the interest of the Company. Where a real or apparent conflict of interest arises, the matter should be brought to the attention of:

- (a) the chairperson in the case of a Board member;
- (b) the managing director in the case of a member of management; and
- (c) a supervisor in the case of an employee,

so that it may be considered and dealt with in an appropriate manner for all concerned.

5. Protection of Assets

Directors, management and staff must protect the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company and that no property, information or position belonging to the Company or opportunity arising from these are used for personal gain or to compete with the Company.

6. Confidential Information

Directors, management and staff must respect confidentiality of all information of a confidential nature which is acquired in the course of the Company's business and not disclose or make improper use of such confidential information to any person unless specific authorisation is given for disclosure or disclosure is legally mandated.

7. Employment Practices

The Company will employ the best available staff with skills required to carry out vacant positions.

The Company will ensure a safe work place and maintain proper occupational health and safety practices commensurate with the nature of the Company's business and activities.

8. Responsibility to the Community

The Company will recognise, consider and respect environmental issues which arise in relation to the Company's activities and comply with all applicable legal requirements.

9. Responsibility to the Individual

The Company recognises and respects the rights of individuals and to the best of its ability will comply with the applicable legal rules regarding privacy, privileges, private and confidential information.

10. Obligations Relative to Fair Trading and Dealing

The Company will deal with others in a way that is fair and will not engage in deceptive practices.

11. Compliance with the Code of Conduct

Any breach of compliance with this Code of Conduct is to be reported directly to the managing director or chairperson, as appropriate.

12. Periodic Review of Code

The Company will monitor compliance with this Code of Conduct periodically by liaising with the Board, management and staff especially in relation to any areas of difficulty which arise from this Code of Conduct and any other ideas or suggestions for improvement of it. Suggestions for improvements or amendments to this Code of Conduct can be made at any time by providing a written note to the managing director.

POLICY AND PROCEDURE FOR SELECTION AND APPOINTMENT OF NEW DIRECTORS

Candidates for the Board are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within the Company's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities. Directors are initially appointed by the full Board, subject to election by shareholders at the next general meeting.

PROCESS FOR PERFORMANCE EVALUATION OF THE BOARD, BOARD COMMITTEES, INDIVIDUAL DIRECTORS AND KEY EXECUTIVES

The chairman is responsible for conducting an annual review of the Board performance, on an informal basis.

SUMMARY OF POLICY FOR TRADING IN COMPANY SECURITIES

The Company's policy for trading company securities applies to all directors and employees and contains a prohibition on insider trading both in respect of the Company and other companies other than Nido Petroleum Limited. The policy provides that written approval shall be obtained prior to trading.

SUMMARY OF COMPLIANCE PROCEDURES

Detailed compliance procedures for ASX Listing Rule disclosure requirements have been adopted by the Company. It appoints an officer of the Company to be responsible for compliance. It is detailed in its application covering the following areas:

1. appointment of the responsible officer and description of his/her duties;
2. identifies area of risk for the Company;
3. provides guidelines for:
 - (a) identifying disclosure material; and
 - (b) monitoring share price movements;
4. guide for use of trading halts;
5. guide for decision making process;
6. details on record keeping;
7. education of Board and management;
8. confidentiality;
9. release of disclosure material; and
10. updating of compliance procedures.

PROCEDURE FOR THE SELECTION, APPOINTMENT AND ROTATION OF EXTERNAL AUDITOR

1. Responsibility

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as per the recommendations of the Audit Committee. Any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company.

2 Selection Criteria

Mandatory criteria

Candidates for the position of external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period. Further, the successful candidate must have arrangements in place for the rotation of the audit engagement partner on a regular basis.

Other criteria

Other than the mandatory criteria mentioned above, the Board may select an external auditor based on criteria relevant to the business of the Company such as experience in the industry in which the Company operates, references, cost and any other matters deemed relevant by the Board.

3 Review

The Audit Committee will review the performance of the external auditor on an annual basis and make any recommendations to the Board.

SHAREHOLDER COMMUNICATION STRATEGY

The Board aims to ensure that the shareholders are informed of all major developments affecting the Company. All shareholders receive the Company's annual report, and may also request copies of the Company's half-yearly and quarterly reports. The Company also encourages full participation of shareholders at the annual general meeting of the Company.

In addition, the Company maintains a website at www.nido.com.au, on which the Company makes the following information available on a regular and up to date basis:

- company announcements (for last two years);
- most recent information briefings to media & analysts;
- notices of meetings and explanatory materials;
- financial information (for last three years); and
- annual reports (for last three years).

SUMMARY OF RISK MANAGEMENT POLICY

The Company has established a risk management policy which sets out a framework for a system of risk management and internal compliance and control, whereby the Board delegates day-to-day management of risk to the managing director. The managing director, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management. The policy also recognises that the Company's risk management system is evolving and that the level and extent of the system will evolve commensurate with the evolution and growth of the Company's activities.

TEN ESSENTIAL CORPORATE GOVERNANCE PRINCIPLES AND BEST PRACTICE RECOMMENDATIONS

Principle 1: Lay solid foundations for management and oversight

Recognise and publish the respective roles and responsible of Board and management.

Recommendation 1.1:

- Formalise and disclose the functions reserved to the Board and those delegated to management.
 - Formalise directors appointments in writing.
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Principle 2: Structure the Board to add value

Have a Board of effective composition, size and commitment to adequately discharge its responsibilities and duties

Recommendation 2.1: A majority of the Board should be independent directors.

Recommendation 2.2: The chairperson should be an independent director.

Recommendation 2.3: The roles of the chairperson and chief executive officer (or equivalent) should not be exercised by the same individual.

Recommendation 2.4: The Board should establish a Nomination Committee.

Recommendation 2.5: Provide the information indicated in *Guide to Reporting on Principle 2*.

Principle 3: Promote ethical and responsible decision-making

Actively promote ethical and responsible decision-making

Recommendation 3.1: Establish a Code of Conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to:

3.1.1 the practices necessary to maintain confidence in the Company's integrity

3.1.2 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.2: Disclose the policy concerning trading in Company securities by directors, officers and employees.

Recommendation 3.3: Provide the information indicated in *Guide to reporting on Principle 3*.

Principle 4: Safeguard integrity in financial reporting

Have a structure to independently verify and safeguard the integrity of the Company's financial reporting

Recommendation 4.1: Require the chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

Recommendation 4.2: The Board should establish an Audit Committee.

Recommendation: 4.3: Structure the Audit Committee so that it consists of:

- only non-executive directors
- a majority of independent directors
- an independent chairperson, who is not chairperson to the Board
- at least three members.

Recommendation 4.4: The Audit Committee should have a formal charter.

Recommendation 4.5: Provide the information indicated in *Guide to reporting on Principal 4*.

Principle 5: Make timely and balanced disclosure

Promote timely and balanced disclosure of all material matters concerning the Company

Recommendation 5.1: Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.

Recommendation 5.2: Provide the information indicated in *Guide to reporting on Principle 5*.

Principle 6: Respect the rights of shareholders

Respect the rights of shareholders and facilitate the effective exercise of those rights

Recommendation 6.1: Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.

Recommendation 6.2: Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Principle 7: Recognise and Manage risk

Establish a sound system of risk oversight and management and internal control

Recommendation 7.1: The Board or appropriate Board committee should establish policies on risk oversight and management.

Recommendation 7.2: The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the Board in writing that:

7.2.1 the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board

7.2.2 the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Recommendation 7.3: Provide the information indicated in *Guide to reporting on Principle 7*.

Principle 8: Encourage enhanced performance

Fairly review and actively encourage enhanced Board and management effectiveness

Recommendation 8.1: Disclose the process for performance evaluation of the Board, its committees and individual directors, and key executives.

Principle 9: Remunerate fairly and responsibly

Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined

Recommendation 9.1: Provide disclosure in relation to the Company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.

Recommendation 9.2: The Board should establish a Remuneration Committee.

Recommendation 9.3: Clearly distinguish the structure of non-executive directors' remuneration from that of executives.

Recommendation 9.4: Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.

Recommendation 9.5: Provide the information indicated in *Guide to reporting on Principle 9*.

Principle 10: Recognise the legitimate interests of stakeholders

Recognise legal and other obligations to all legitimate stakeholders

Recommendation 10.1: Establish and disclose a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders.