

## Appendix 4G

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

Name of entity:

KINGSROSE MINING LIMITED

ABN / ARBN:

49 112 389 910

Financial year ended:

30 June 2015

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: <http://www.kingsrosemining.com.au/index.php/corporate/2013-07-29-08-01-41>

The Corporate Governance Statement is accurate and up to date as at 12 October 2015 and has been approved by the board.

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

Date: 13 October 2015

Name of Director or Secretary authorising lodgement: Joanna Kiernan, 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 checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i> ... 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.kingsrosemining.com.au/images/corporate_governance/board-charter.pdf">http://www.kingsrosemining.com.au/images/corporate_governance/board-charter.pdf</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 checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at	<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 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
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 checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<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>
1.5	<p>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 type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at</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 type="checkbox"/> at <i>[insert location]</i></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 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>
1.6	<p>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 checked="" 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 checked="" 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 type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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 checked="" 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 checked="" 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 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 [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</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 [insert location]</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 checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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>
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 [insert location]</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 checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at 2015 Annual Report (pages XXX)	<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 [insert location]	<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
2.5	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 checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<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
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 checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<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.kingsrosemining.com.au/images/corporate_governance_of_ConductJune.pdf">http://www.kingsrosemining.com.au/images/corporate_governance_of_ConductJune.pdf</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 checked="" 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 checked="" type="checkbox"/> at <a href="http://www.kingsrosemining.com.au/images/corporate_governance/audit-committee-charter.pdf">http://www.kingsrosemining.com.au/images/corporate_governance/audit-committee-charter.pdf</a></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 checked="" type="checkbox"/> at 2015 Annual Report (Page 19)</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 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 checked="" 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 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> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<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 that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.kingsrosemining.com.au/images/corporate_governance/continuous-disclosure.pdf">http://www.kingsrosemining.com.au/images/corporate_governance/continuous-disclosure.pdf</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<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> <input checked="" type="checkbox"/> at <a href="http://www.kingsrosemining.com.au">www.kingsrosemining.com.au</a> and at <a href="http://www.kingsrosemining.com.au/index.php/corporate/2013-07-29-08-01-41">http://www.kingsrosemining.com.au/index.php/corporate/2013-07-29-08-01-41</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at	<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 that does not hold periodic meetings of security holders and this recommendation is therefore not applicable

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>
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> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<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> <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i> <p>... and a copy of the charter of the committee:</p> <input type="checkbox"/> at <i>[insert location]</i> <p>... and the information referred to in paragraphs (4) and (5):</p> <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i> <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> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at	<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>
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 checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" 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>
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):]</p> <p>... 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):]</p> <p>... 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 checked="" 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>
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 checked="" 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 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 checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.kingsrosemining.com.au/images/corporate_governance/rem-com-charter.pdf">http://www.kingsrosemining.com.au/images/corporate_governance/rem-com-charter.pdf</a></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 checked="" type="checkbox"/> at 2015 Annual Report (page 19)</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 [insert location]</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>
8.2	<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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at 2015 Annual Report (pages 21 - 31)</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>
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 checked="" 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 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>
<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>



**KINGSROSE**  
MINING LIMITED

## **2015 Corporate Governance Statement**

## CORPORATE GOVERNANCE STATEMENT 2015

This Corporate Governance Statement is current as at 12 October 2015 and was reviewed and approved by the Board of Directors on that date.

Kingsrose Mining Limited (**Kingsrose** or the **Company**) has established a corporate governance framework, the key features of which are set out in this statement. The Company's corporate governance practices reflect the commitment by the Board of Directors to implementing the highest standards of ethics, integrity, legal and statutory compliance. In establishing the corporate governance framework of the Company, the Board has adopted practices that are consistent with the ASX Corporate Governance Council's Principles and Recommendations (3<sup>rd</sup> Edition). The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due consideration, the Company's corporate practices depart from a recommendation, the Board has offered full disclosure and explained its reasons for the adoption of an alternative practice, in compliance with the "if not, why not" reporting regime. All practices, unless otherwise stated, were in place for the entire reporting period ended 30 June 2015.

### PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

#### Recommendation 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 Company's Board Charter sets out the specific responsibilities of the Board, and those matters delegated to Senior Management.

The Board seeks to identify the expectations of its Shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board recognises it is accountable to the Shareholders for the overall performance of the Company and takes responsibility for setting its strategic direction, overseeing management of the Company, monitoring financial performance, reviewing and monitoring systems of risk management and internal control, overseeing the corporate governance of the Company and monitoring the implementation of the Company's code of conduct and other codes, policies and charters that reflect the values of the Company and guide the conduct of its Directors and employees.

The Managing Director, supported by Senior Management is responsible for managing the day to day activities of the Company and in addition is responsible for advancing the strategic direction of the Company as set by the Board.

A copy of the Board Charter is located at: [http://www.kingsrosemining.com.au/images/corporate\\_governance/board-charter.pdf](http://www.kingsrosemining.com.au/images/corporate_governance/board-charter.pdf)

#### Recommendation 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 will all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.**

The Company has made no new Director appointments since January 2014. Should the Company seek to appoint any new Director in the future, then the appropriate checks will be undertaken (which may be conducted by external consultants or the Directors as appropriate) to verify the candidates character, experience, education, criminal record and bankruptcy history.

A profile of each Director is included in every Annual Report and the Company ensures that all material information in its possession relevant to a Shareholder's decision on whether to elect or re-elect a Director is provided to Shareholders in the relevant notice of meeting.

### **Recommendation 1.3**

**A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.**

The Company formalised its arrangements with its Non-Executive Director's throughout the reporting period with the introduction of a written agreement with each Non-Executive Director which outlines the terms of their appointment, the Company's expectations in relation to the Director's duties and responsibilities, time commitment and compliance with Company policies and procedures and regulatory requirements. In addition, the agreement sets out the indemnity and insurance arrangements that the Company has in place and the Company's policy on Directors access to information and seeking external independent professional advice. Any material variations to written agreements with Directors are disclosed to ASX.

The Company has written contracts in place with each Senior Executive (including the Managing Director) which sets out the terms of their appointment, a description of their position, duties and responsibilities and the circumstances giving rise to termination.

Further information can be found in the Remuneration Report in the 2015 Annual Report.

### **Recommendation 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 Company Secretary is appointed by the Board and has a dual reporting function to the Managing Director and the Board.

The Company Secretary has a direct line of communication with the Chairman and all Directors, and is responsible for supporting the proper functioning of the Board which includes, but not limited to, providing advice on governance and procedural issues, and the preparation of detailed Board papers and minutes.

The responsibilities of the Company Secretary are set out in the Board Charter located at:

[http://www.kingsrosemining.com.au/images/corporate\\_governance/board-charter.pdf](http://www.kingsrosemining.com.au/images/corporate_governance/board-charter.pdf)

### **Recommendation 1.5**

**A listed entity should:**

- (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;**
- (b) disclose that policy or a summary of it; and 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 entity's diversity policy and its progress towards achieving them, and either:**
  - (i) 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**
  - (ii) 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.**

The Company recognises that a talented and diverse workforce is a key competitive advantage and is committed to developing a workplace that promotes diversity, including diversity in gender, race, cultural backgrounds, nationality, skill sets and experience.

To this end, the Company has adopted an Equal Employment Opportunity & Diversity Policy whereby to the extent possible permitted by the laws of the jurisdictions in which it operates, there shall be no discrimination for or against any employee or applicant because of their race, religion, colour, gender, age, national or ethnic origin, family responsibilities, or political belief. The Company is committed to maintaining a work environment free of discriminatory practice of any kind in which individuals are treated fairly and equally with dignity and respect. Whilst the Company is committed to fostering diversity at all levels across the organisation, it firmly believes that this must be done on a non-discriminatory basis, always seeking to employ or

promote the best qualified person for the job irrespective of race, colour, gender, religion, age, nationality, disability, marital status, sexual orientation, political conviction or any other personal attributes not relevant to the requirements of the job.

This Equal Employment Opportunity & Diversity Policy does not set measurable objectives specifically to achieve gender diversity as it is arguably inconsistent with the policy of non-discrimination described above.

#### **Recommendation 1.6**

**A listed entity should:**

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and**
- (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**

The Company has a Process for Performance Evaluation which details the performance review process of the Board, Committees, individual Directors and Senior Executives.

The Chairman is responsible for evaluation of the Board and its members, as well as the various committees.

The Chairman and the Board regularly discussed the performance and composition of the Board and various Committees during the 2015 financial year, considering issues or concerns if and when they arose. This ongoing process has remained in-house and informal throughout the year, relying on regular discussion. A formal performance review of the Chairman was not undertaken.

The performance criteria against which Directors are assessed are aligned with the financial and strategic objectives of the Company. Directors whose performance is consistently unsatisfactory may be asked to retire.

A copy of the Company's Process for Performance Evaluation is located at:

[http://www.kingsrosemining.com.au/image/corporate\\_governance/performance-evaluation.pdf](http://www.kingsrosemining.com.au/image/corporate_governance/performance-evaluation.pdf)

#### **Recommendation 1.7**

**A listed entity should:**

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and**
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**

The Company has a Process for Performance Evaluation which details the performance review process of the Board, Committees, individual Directors and Senior Executives.

A formal performance appraisal for the Managing Director and Chief Financial Officer was not completed for FY2015 as the Managing Director only commenced in January 2014 and the Chief Financial Officer in February 2014. The decision was made to waive a formal performance appraisal until a full financial years' service had been completed.

The Group's current size and structure allowed the Chairman and the Board to regularly discuss the performance of the Managing Director and Chief Financial Officer throughout the period, considering issues or concerns if and when they arose. This ongoing process remained informal.

Formal performance appraisals of the remaining Senior Executives which takes into account criteria such as achievement towards the Company's performance benchmarks and the achievement of individual performance objectives was conducted by the Managing Director during the reporting period.

A copy of the Company's Process for Performance Evaluation is located at:

[http://www.kingsrosemining.com.au/image/corporate\\_governance/performance-evaluation.pdf](http://www.kingsrosemining.com.au/image/corporate_governance/performance-evaluation.pdf)

## PRINCIPLE 2: STRUCTURE OF THE BOARD TO ADD VALUE

### Recommendation 2.1

The board of a listed entity should:

- (a) have a nomination committee which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director,
  - (iii) and disclose:
    - (iv) the charter of the committee;
    - (v) the members of the committee; and
    - (vi) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendance of the members at those meetings; or
- (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.

Given the size and scale of the Company's operations, the full Board undertakes the role of the Nomination Committee. The Board considers that the formation of a separate Nomination Committee would not provide any additional benefits.

The Board as a whole (with abstentions from relevant Directors where there is a conflict of interest) carries out the role and has the responsibilities typically assumed by a Nomination Committee. These responsibilities include, but are not limited to, regularly reviewing the size and composition of the Board and consideration of any appropriate changes, identifying and assessing the necessary and desirable skills and competency levels of Directors with a view to enhancing the Board, and making recommendations on the appointment, re-appointment or removal of Directors if and when necessary.

The Board as a whole reviews the Company's succession plans to assist in maintaining the appropriate mix of skills, experience, expertise and diversity on the Board.

The Board may, when it considers it necessary or appropriate, seek advice from external consultants or specialists.

### Recommendation 2.2

**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.**

The Board recognises the need for Directors to have a relevant blend of skills and personal experience across a range of disciplines required to properly manage and oversee the Company's operations, having regard to the scale and nature of its activities.

The Board considers that collectively the Directors have the range of skills, knowledge and experience necessary to direct the Company. The mix of skills, experience and expertise currently represented on the Board, and that the Board would seek to maintain include:

Areas of Competency and Skills of Kingsrose Mining Directors	
Resources Industry Expertise	Operational Management
Technical Expertise (Mining)	Technical Expertise (Geology)
Safety, Environment, Community and Stakeholder Engagement	Governance and Compliance
Financial and Risk Management	Equity Markets and Global Funds Management

A profile of each Director setting out their experience, expertise and period of office is set out in the Directors' Report in the 2015 Annual Report on pages 17 to 18 and on the Company's website at this location:

<http://www.kingsrosemining.com.au/index.php/corporate/board-of-directors>



The Board considers that its current structure and composition allows it to effectively discharge its duties given the Company's current size and scale of operations, however should any appointment be made in the future, due consideration will be given to the balance and mix of skills on the Board and also in accordance with the Company's Policy and Procedure for Selection and (Re) Appointment of Directors. A copy of this Policy is located at:

[http://www.kingsrosemining.com.au/images/corporate\\_governance/Policy\\_and\\_Procedure\\_on\\_Selection\\_and\\_Re\\_Appointment\\_of\\_Directors.pdf](http://www.kingsrosemining.com.au/images/corporate_governance/Policy_and_Procedure_on_Selection_and_Re_Appointment_of_Directors.pdf)

### Recommendation 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 current composition of the Board is as follows:

Name	Role	Length of Service	Status
John Morris	Non-Executive Chairman	8 years	Independent
Scott Huffadine	Managing Director	1.5 years	Not Independent (Executive)
J. William Phillips	Non-Executive Director	10 years	Not Independent (Substantial Shareholder & material contractor)
Andrew Spinks	Non-Executive Director	3 years	Independent

The Board assesses the independence of Directors taking into consideration the criteria of the type described in Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations (3rd Edition).

A copy of the Company's Policy on Assessing the Independence of Directors is located at:

[http://www.kingsrosemining.com.au/images/corporate\\_governance/Policy-on-assessing-independence.pdf](http://www.kingsrosemining.com.au/images/corporate_governance/Policy-on-assessing-independence.pdf)

The Board acknowledges that Mr John Morris has been a long-serving Director of the Company with greater than 8 years' service. The Board believes that Mr Morris is the most appropriate person to lead the Board given his significant experience and understanding of the Company's operations. The Board believes that Mr Morris brings independent judgement to all issues falling within the scope of the role of Chairman and that his tenure does not compromise his ability to be classified as an independent Director.

The Board acknowledges that the Company paid consulting fees (at normal commercial rates) to Strategic Resource Management Pty Ltd (an entity associated with Non-Executive Director, Mr Andrew Spinks) for professional services provided to the Company outside the course of his normal Director duties during financial years 2013 & 2014. No fees were paid during the 2015 financial year. The Board has considered its Policy on Assessing the Independence of Directors, and notes that Strategic Resource Management Pty Ltd has not been a material consultant or supplier to the Company within the last three years in line with the Company's Materiality Threshold as outlined in its Board Charter. The Board believes that the fees paid to Strategic Resource Management did not compromise Mr Spinks' ability to be classified as an independent Director.

### Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

At the date of this report, two of the four Directors are independent.

The Board is of the view that the Company is not of sufficient size or scale to warrant the inclusion of additional independent non-executive Directors in order to comply with this recommendation. The Board considers that each of the current Directors

possess the necessary skills and experience suitable and that the current composition of the Board is adequate for the Company's current size and scale of operations.

The Board will continue to review its structure and composition and will consider the appointment of additional Directors should the nature and scale of the Company's operations change.

#### **Recommendation 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.**

At the date of this report, the Chairman, Mr John Morris is an independent non-executive Director. The roles of the Chairman and Managing Director are carried out by different persons, namely Mr Morris and Mr Scott Huffadine respectively.

#### **Recommendation 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.**

All new Directors are provided with an induction including comprehensive meetings with the Managing Director, Senior Executives and management and provision of information on the Company including Company and Board policies. In addition, all new Directors are required to undertake a site visit as soon as practicable after their appointment to further assist their understanding of the Company and its operations.

All Directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education and, subject to approval, the Company will pay reasonable expenses in relation to relevant industry seminars and education courses.

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

#### **Recommendation 3.1**

**A listed entity should disclose:**

- (a) have a code of conduct for its directors, senior executives and employees; and**
- (b) disclose that code or a summary of it.**

The Company has established a Code of Conduct as a framework for decisions and actions promoting ethical and responsible decision making and conduct during employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and its duty of care to all its employees, clients and stakeholders. It sets out the principles and standards expected of anyone working for or engaged by the Company. All employees are given a copy of the Code of Conduct and are required to sign an acknowledgement of commitment and adherence to the Code of Conduct when they commence work with the Company.

A copy of the Company's Code of Conduct is located at:

[http://www.kingsrosemining.com.au/images/corporate\\_governance/Code\\_of\\_ConductJune.pdf](http://www.kingsrosemining.com.au/images/corporate_governance/Code_of_ConductJune.pdf)

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

#### **Recommendation 4.1**

**The board of a listed entity should:**

- (a) have an audit committee which:**
  - (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and**
  - (ii) is chaired by an independent director, who is not the chair of the board, and disclose:**
    - (iii) the charter of the committee;**
    - (iv) the relevant qualifications and experience of the members of the committee; and**

- (v) in relation to each reporting period the number of times the committee met through the period and the individual attendances of the members at those meetings; or
- (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 rotation of the audit engagement partner.

The Company's Audit Committee comprises 3 non-executive Directors, the majority of whom are independent Directors. The Audit Committee is chaired by an Independent Director who is not Chairman of the Board. All members of the Audit Committee consider themselves to be financially literate and have the relevant experience and understanding of the industry in which the Company operates.

A copy of the Audit Committee's charter is located at:

[http://www.kingsrosemining.com.au/images/corporate\\_governance/audit-committee-charter.pdf](http://www.kingsrosemining.com.au/images/corporate_governance/audit-committee-charter.pdf)

The qualifications and experience of the members are outlined in the Directors Report on pages 17-18 of the 2015 Annual Report, and the number of times the Committee met throughout the reporting period and the attendance of the Committee members at those meeting can be found on pages 19.

#### **Recommendation 4.2**

**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.**

The Managing Director and Chief Financial Officer have provided declarations to the Board that the financial records of the Company have been properly maintained in accordance with the *Corporations Act 2001 (Cth)*, and the Company's financial statements comply with accounting standards and give a true and fair view of the Company's financial position and performance for the relevant reporting period.

#### **Recommendation 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.**

The Company's external auditor, Ernst & Young is invited to, and attends each Annual General Meeting of the Company. Shareholders are provided with an opportunity to address questions to the auditor.

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

#### **Recommendation 5.1**

**A listed entity should:**

- (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
- (b) disclose that policy or a summary of it.

The Company has a Policy on Continuous Disclosure designed to comply with its disclosure obligations under the *Corporations Act 2001 (Cth)* and ASX Listing Rules and to promote investor confidence in the Company. The Board has appointed the Company Secretary as the person responsible for communicating with ASX and overseeing and coordinating the timely disclosure of information to ASX, subject to prior review and approval of all announcements by the Directors. In addition, the Policy sets out the obligations and accountability of all Directors, Officers and employees of the Group in relation to confidentially and continuous disclosure.

A copy of the Company's Policy on Continuous Disclosure is located at:

[http://www.kingsrosemining.com.au/images/corporate\\_governance/continuous-disclosure.pdf](http://www.kingsrosemining.com.au/images/corporate_governance/continuous-disclosure.pdf)

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

### **Recommendation 6.1**

**A listed entity should provide information about itself and its governance to investors via its website.**

The Company's website [www.kingsrosemining.com.au](http://www.kingsrosemining.com.au) provides information on its Board & Management, its projects, operations, strategic objectives, community involvement and links to all material periodically released to ASX.

The website also includes an option for Shareholders to register for inclusion in the distribution of email updates from the Company including but not limited to, ASX Announcements, Investor Presentations, Financial Statements and any other information deemed relevant.

The dedicated Corporate Governance section which contains links to key policies, procedures and charters of the Company is located at:

<http://www.kingsrosemining.com.au/index.php/corporate/2013-07-29-08-01-41>

### **Recommendation 6.2**

**A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.**

The Company has a proactive approach to clearly and consistently communicating the Company's activities and objectives to Shareholders, the media and the wider investment community and actively encourages ongoing Shareholder engagement and feedback.

The Company has engaged an external consultant to assist in developing and promoting its investor relations program and communications strategy.

The Company's Shareholder Communication Policy is located at:

[http://www.kingsrosemining.com.au/images/corporate\\_governance/shareholder-communication.pdf](http://www.kingsrosemining.com.au/images/corporate_governance/shareholder-communication.pdf)

### **Recommendation 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.**

The Company encourages the attendance of Shareholders at Shareholders' meetings and a designated time is set aside for a question and answer session once the formal business of the meeting has been concluded.

The Company, through its Share Registry, has established an online voting facility to permit Shareholders to vote online if they are unable to attend the meeting.

The Company's Shareholder Communication Policy is located at:

[http://www.kingsrosemining.com.au/images/corporate\\_governance/shareholder-communication.pdf](http://www.kingsrosemining.com.au/images/corporate_governance/shareholder-communication.pdf)

### **Recommendation 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.**

The Company welcomes electronic communications from its Shareholders via its publicised email address [info@kingsrosemining.com.au](mailto:info@kingsrosemining.com.au).

The Company's website also includes an option for Shareholders to register for inclusion in the distribution of email updates from the Company including but not limited to, ASX Announcements, Investor Presentations, Financial Statements and any other information deemed relevant.

The Company's Share Registry also engages with Shareholders electronically and makes available a range of relevant information on its website. Shareholders can register with the Share Registry to receive all communication via electronic means, including the Annual Report and Notice of Meeting and can also register to access their personal information and details of their shareholdings via the internet.

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

### **Recommendation 7.1**

The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:**
  - (i) has at least three members a majority of whom are independent directors; and**
  - (ii) is chaired by an independent director, and disclose**
  - (iii) the charter of the committee;**
  - (iv) the members of the committee; and**
  - (v) 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;**
- (b) and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and rotation of the audit engagement partner.**

Given the size and scale of the Company's operations, the Board has not established a separate Risk Committee, instead, the Audit Committee and the full Board take responsibility for ensuring that there are adequate policies and procedures in place in relation to risk management, compliance and internal control systems.

### **Recommendation 7.2**

The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and**
- (b) disclose, in relation to each reporting period, whether such a review has taken place.**

The Company operates under a Risk Management Framework which provides the process for risk management and internal control systems and applies to the management of all types of risk, financial and non-financial throughout the business. A copy of the Company's Risk Management Policy is located at:

[http://www.kingsrosemining.com.au/images/corporate\\_governance/risk-management.pdf](http://www.kingsrosemining.com.au/images/corporate_governance/risk-management.pdf)

The Board conducts an annual review of the Company's policies on risk oversight and management to satisfy itself that management has developed and implemented a sound system of risk management and internal control. The Board delegates the day-to-day management of risk to the Managing Director and Chief Financial Officer who are responsible for identifying, assessing, monitoring and managing risks.

### **Recommendation 7.3**

A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structure and what role it performs; or**
- (b) if it does not have an internal audit function, the fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.**

The Company does not currently have a formal internal audit function, however the Audit Committee and the Board oversee the effectiveness of risk management and internal control processes.

Management is charged with resourcing, operating and monitoring the system of internal control, incorporating risk responses in the form of controls into its management systems, and reporting results of the effectiveness of these systems to the Board.

Although no system of internal control can provide absolute assurance that the business risks will be fully mitigated, the internal control systems adopted by the Company have been designed to meet the Company's specific needs and the risks to which it is exposed. Internal control measures currently adopted by the Board include:

- monthly reporting to the Board in respect of operational and financial performance;
- weekly reporting of the Company's financial position;
- authority limits established for management which must not be exceeded unless prior Board approval is obtained;
- a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- regular reports to the Board by appropriate members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measure which are either in place or can be adopted to manage or mitigate those risks.

#### **Recommendation 7.4**

**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.**

The Company, as a gold and silver exploration and production company, faces inherent risks in its activities, including economic, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for its Shareholders.

In an effort to manage and mitigate these inherent risks, the Company has in place a suite of policies and procedures to ensure the Company operates within a robust risk management framework and to ensure sustainable and responsible business practices are ongoing.

The Company's exposure to material economic, environmental and social sustainability risks are discussed in the Operations Review and Directors Report and the financial statements all contained in the 2015 Annual Report.

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

#### **Recommendation 8.1**

**The Board of a listed entity should:**

- (a) have a remuneration committee which:**
- (i) has at least three members, a majority of whom are independent directors; and**
  - (ii) is chaired by an independent director, and disclose:**
  - (iii) the charter of the committee;**
  - (iv) the members of the committee; and**
  - (v) 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**
- (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.**

The Company's Remuneration Committee comprises 3 non-executive Directors, the majority of whom are independent Directors, and is chaired by an Independent Director.

A copy of the Remuneration Committee's charter is located at:

[http://www.kingsrosemining.com.au/images/corporate\\_governance/rem-com-charter.pdf](http://www.kingsrosemining.com.au/images/corporate_governance/rem-com-charter.pdf)

The number of times the Committee met throughout the reporting period and the attendance of the Committee members at those meeting can be found on page 19 of the 2015 Annual Report.

### **Recommendation 8.2**

**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.**

In accordance with good corporate governance practice, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

Non-executive Directors are remunerated on a fixed fee basis for their time, commitment and responsibilities as part of an aggregate fee pool approved by Shareholders. Fees paid to Non-Executive Directors cover all activities associated with their role on the Board and any sub-committees. Remuneration for Non-Executive Directors is not linked to the performance of the Company.

Remuneration for Executive Directors and Senior Executives consists of fixed annual remuneration (base pay, superannuation and other non-cash benefits) and variable 'at risk' components (ie short-term and long-term incentives). Further details regarding the Company's remuneration policies and practices is contained in the Remuneration Report on pages 21 – 31 of the 2015 Annual Report.

### **Recommendation 8.3**

**A listed entity which has an equity – based remuneration scheme should:**

- (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**
- (b) disclose that policy or a summary of it.**

The Company has an equity-based remuneration scheme. The Company's Securities Trading Policy prohibits KMP from entering into transactions or arrangements which limit the economic risk of participating in invested entitlements under any equity based remuneration scheme.

A copy of the Company's Security Trading Policy can be located at:

[http://www.kingsrosemining.com.au/images/corporate\\_governance/securities-trading-policy.pdf](http://www.kingsrosemining.com.au/images/corporate_governance/securities-trading-policy.pdf)