

AusROC Metals Ltd

1 March 2018

Ausroc Metals Limited (ACN 073 155 781) (ASX:ARK)

ASX Announcement

Corporate Governance Statement

This Corporate Governance Statement sets out the current position of Ausroc Metals Limited (**Company**) with regards to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition, 2014) (**Principles and Recommendations**).

While the Principles and Recommendations are not mandatory, the Company will be required to disclose the extent to which it complies with the Principles and Recommendations in its future annual reports.

Recommendations

Item	Recommendation	Comment	Implemented
Principle 1 - Lay solid foundations for management and oversight			
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 roles and responsibilities of the Board and Management. It is available for review at www.woomex.com.au (Company's Website).	Yes
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 Company undertakes appropriate checks in respect of any person who is being considered as a director. These checks may include character, experience, education and financial history and background checks. The Company provides all relevant candidate information contained in the Principles and Recommendations about any candidate to enable security holders to make informed decisions regarding the candidate's election or re-election.	Yes
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 enters into a detailed letter of appointment or employment contract with each director and employee.	Yes
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's Board Charter sets out the roles and responsibilities of the Company	Yes

		Secretary. The Board Charter is available for review on the Company's Website.	
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,</p> <p>(d) 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</p> <p>(3) published under that Act.</p>	<p>The Board values diversity and recognises the benefits diversity can provide the Company, particularly in respect of its ability to achieve its goals.</p> <p>The Board is in the process of establishing a diversity policy which promotes diversity thereby ultimately broadening the pool for recruitment of high quality employees, enhancing employee retention, fostering closer connections with, and a better understanding of, stakeholders, and improves corporate image and reputation.</p>	Yes
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>At the present time the Company has not established a Remuneration Committee given the size of the Company.</p> <p>The Chair is currently responsible for evaluating the performance of the Board, its committees and individual directors.</p> <p>The performance reviews will take the form of an informal meeting based on review goals for the Board and individual Directors. The goals are based on corporate requirements and any areas for improvement</p>	Yes

		identified. The Chair will provide each Director with confidential feedback on their performance.	
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>	The Board is responsible for evaluating the performance of the senior executives as set out in the Board Charter on the Company's Website.	Yes
Principle 2 – Structure the board to add value			
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,</p> <p>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>At the present time the Company does not comply with Principle 2.1 as it has not established a nomination committee. Given the size of the Company, the Board considers that it is not prudent to form a nomination committee to deal with the selection and appointment of new Directors at this stage.</p> <p>If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board undertakes the checks referred to item 1.2 to ensure all replacements have the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	No
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 is currently developing a Board skills matrix to help identify any gaps in the collective skills and diversity of the Board that should be addressed.	Yes

		<p>The Board skills matrix will be reviewed by the Directors on an annual basis.</p> <p>Details of the Directors' skills, experience and meeting attendance will be set out in the Directors' report in each year's Annual Report.</p>	
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p>	<p>Given the size of the Company, Mr Joe Fekete is the only current independent director.</p> <p>Details of the length of service of each director will be set out in the Directors' report in each year's Annual Report.</p>	Yes
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	<p>The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the appointment of additional independent directors.</p> <p>The Company considers industry experience and specific expertise to be more important attributes of its Board members at this stage and believes that the composition of the Board is appropriate given the size and development of the Company at the present time.</p>	No
2.5	<p>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.</p>	<p>The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the appointment of an independent director as chair.</p> <p>The Company's managing director is Mr Gerard Anderson and the Company's chair is Mr Neville Martin.</p>	No
2.6	<p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and</p>	<p>The Board shall induct new directors in accordance with the process set out in the Company's Board Charter available on the Company's Website.</p>	Yes

	maintain the skills and knowledge needed to perform their role as directors effectively.	The Company is committed to the professional development of its directors. It is the responsibility of the Chair to facilitate the ongoing development of all directors as set out in the Board Charter available on the Company's Website.	
Principle 3: Act ethically and responsibly			
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.	The Board has established a Code of Conduct which is available on the Company's Website.	Yes
Principle 4 – Safeguard integrity in corporate reporting			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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 (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.	The Board has established an Audit and Risk Committee whose primary function is to give additional assurance regarding the quality and reliability of financial information used by the Board and financial information provided by the Company pursuant to its statutory reporting requirements. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the appointment of an independent director as chair of the Audit and Risk Committee.	Yes

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 Board will receive written assurance from its CEO and CFO for each financial reporting period that their opinion is founded on a sound system of risk management and internal control and that the system is operating effectively.	Yes
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 auditor is required to attend the Company's AGM and is available to answer questions relevant to the audit.	Yes
Principle 5 – Make timely and balance disclosure			
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 market disclosure protocol which is available on the Company's Website.	Yes
Principle 6 – Respect the rights of security holders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Information about the Company and its governance is available to investors on the Company's Website.	Yes
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors	The Company has developed a Shareholder Communications policy to ensure all relevant and material information reported and disclosed to investors. The Shareholder Communications Policy is available on the Company's Website.	Yes
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 explicitly encourages all shareholders to attend General Meetings of the Company in each notice of meeting, and in the event they cannot attend, the Company encourages those shareholders to participate by exercising their votes.	Yes
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 and its share registry actively encourage electronic communication as the most efficient means of communication. All new shareholders will be issued with a letter encouraging the registration of electronic contact methods.	Yes
Principle 7 – Recognise and manage risk			

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>The Board has established an Audit and Risk Committee which has the responsibility of making recommendations to the Board in relation to:</p> <p>(a) the adequacy of the entity's processes for managing risk;</p> <p>(b) any incident involving fraud or other break down of the entity's internal controls; and</p> <p>(c) the entity's insurance program, having regard to the entity's business and the insurable risks associated with its business.</p> <p>The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the appointment of an independent director as chair of the Audit and Risk Committee.</p> <p>The Audit and Risk Committee Charter is available on the Company's Website.</p>	Yes
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 Board and the Audit and Risk Committee regularly review the Company's risk management framework.</p>	Yes
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>The Company is not of the size or scale to warrant the cost of an internal audit function. This function is undertaken by the Board, in conjunction with the Audit and Risk Committee which regularly review risk management processes and internal controls.</p>	Yes
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>The Company's exposure to economic, environmental and social sustainability risks are as set out in the Replacement Prospectus dated 8 January 2018.</p>	Yes
Principle 8 – Remunerate fairly and responsibly			

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>At the present time the Company has not established a Remuneration Committee given the size of the Company.</p> <p>The Board performs the typical functions of a Remuneration committee which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board.</p>	No
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>The Company discloses all Director and executive remuneration and policies on remuneration in its annual report.</p>	Yes
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>The Board is responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.</p> <p>While the Company does not presently have an equity-based remuneration scheme, the Company recognises that most of its Directors hold securities in the Company.</p> <p>The Company's Securities Trading Policy sets out when securities (including new securities issued under an equity-based remuneration scheme) may be traded by Directors, executives and employees.</p>	Not applicable

		The Company's Securities Trading Policy is available on the Company's Website.	
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