



WA Kaolin Limited (ACN 083 187 017) (Company)

Corporate Governance Statement

This Corporate Governance Statement is current as at 9 October 2020 and has been approved by the Board of the Company on that date.

This document discloses the extent to which the Company will follow, as at the date it is admitted to the official list of the ASX, the recommendations set by the ASX Corporate Governance Council in the fourth edition of its Corporate Governance Principles and Recommendations (**ASX Recommendations**). The ASX Recommendations are not mandatory, however the ASX Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt instead of the relevant ASX Recommendation.

The Company's corporate governance policies were adopted on 21 July 2020 and are available in the "Corporate" section of the Company's website www.wakaolin.com.au.

Capitalised terms not defined in this Corporate Governance Statement have the same meaning as given to them in the prospectus dated 11 October 2020 issued by the Company (**Prospectus**).



Principles and Recommendations	Compliance by the Company
<p>Principle 1 – Lay solid foundations for management and oversight</p> <p><i>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.</i></p>	
<p>Recommendation 1.1</p> <p>A listed entity should review and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>The Board Charter sets out the principles for the operation of the Board and describes the functions of the Board and the functions delegated to management of the Company.</p> <p>Clause 2 of the Board Charter sets out the responsibilities and functions of the Board. The Board may delegate consideration to a committee of the Board specifically constituted for the relevant purpose.</p> <p>Clauses 3, 8 and 9 of the Board Charter set out the responsibilities delegated to the Chairman, CEO, management and the company secretary.</p> <p>The Board Charter is disclosed on the Company's website.</p>
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive, or putting someone forward for election as a director; and</p> <p>(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.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>The Board undertakes appropriate checks (including checks in respect of character, experience, education, directorships or executive commitments and any conflicts of interest) before appointing a person or putting forward for election.</p> <p>The Remuneration and Nomination Committee is responsible for:</p> <ul style="list-style-type: none"> • considering and recommending to the Board the process for identifying and selecting candidates for appointment as a Director; and • ensuring that all material information in its possession relevant to a decision on whether to elect or re-elect a Director is provided to security holders in the notice of meeting containing the resolution to elect or re-elect a Director.
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>The Company has a written agreement with each director and senior executive setting out the terms of their appointment.</p>
<p>Recommendation 1.4</p>	<p>The Company complies with this ASX Recommendation.</p>

Principles and Recommendations	Compliance by the Company
<p>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.</p>	<p>Clause 9 of the Board Charter provides that the company secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.</p>
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its board or a committee of the board to set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality 	<p>The Company complies with this ASX Recommendation.</p> <p>The Company has a Diversity Policy which is disclosed on the Company's website.</p> <p>Under Clause 3 of the Diversity Policy, the Board is responsible for, among other things, annually setting measurable objectives to promote gender diversity in the composition of its Board, senior management and workforce and assessing annually the Company's progress in achieving them.</p> <p>The Board will disclose, in relation to each reporting period, the objectives set and progress in achieving them. This will include disclosure of the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce.</p>

Principles and Recommendations	Compliance by the Company
<p>Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act.</p>	
<p>Recommendation 1.6</p> <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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>Clause 7 of the Board Charter (available on the Company's website) contains the process for regular review of the performance of the Board, its committees and each director.</p> <p>The Company will disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>Clause 7(b) of the Board Charter requires the Board (with guidance from the Remuneration and Nomination Committee) to review annually the performance of the CEO and other senior executives against guidelines approved by the Board.</p> <p>The Company will disclose for each reporting period whether a performance evaluation was undertaken.</p>
<p>Principle 2 – Structure the board to add value</p> <p><i>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</i></p>	
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p>	<p>The Company complies with this ASX Recommendation.</p> <p>The Company has a Remuneration and Nomination Committee. The Remuneration and Nomination Committee Charter (RNC Charter) sets out the roles and responsibilities of the Remuneration and</p>

Principles and Recommendations	Compliance by the Company
<p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director; <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; (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 <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>Nomination Committee.</p> <p>Clause 2(a) of the RNC Charter requires that, to the extent practicable given the size and composition of the Board from time to time, the Remuneration and Nomination Committee should comprise a minimum of three members, a majority of whom are independent directors and be chaired by an independent director.</p> <p>The members of the Remuneration and Nomination Committee are Cathy Moises (Independent Chair), John White (Independent Non-Executive Director) and Linton Putland (Independent Non-Executive Director).</p> <p>The RNC Charter is disclosed on the Company's website.</p> <p>The Company will disclose, as at the end of each reporting period, the number of times the Remuneration and Nomination Committee met throughout the period and the individual attendances of the members at those meetings.</p>
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>Under Clause 6 of the RNC Charter, the Remuneration and Nomination Committee is responsible for developing a board skills matrix setting out the mix of skills and experience that the Board currently has or is looking to achieve in its membership. The current board skills matrix that has been adopted by the Company is set out in Attachment A.</p>
<p>Recommendation 2.3</p>	<p>The Company complies with this ASX Recommendation.</p>

Principles and Recommendations	Compliance by the Company
<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 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 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>The Board has disclosed in the Prospectus the names of directors considered by the Board to be independent. The Company will disclose those directors it considers to be independent in its annual report and on its website. John White, Linton Putland and Cathy Moises are the independent directors of the Company.</p> <p>In accordance with the Company's Board Charter, directors must disclose their interests, positions, associations or relationships and the independence of the directors is regularly assessed by the Board in light of such disclosures. Details of the Directors' interests, positions, associations and relationships are provided in Sections 11.7 and 12.11 of the Prospectus.</p> <p>The Directors in office as at the date of this Corporate Governance Statement have served continuously since their respective dates of appointment which are as follows:</p> <ul style="list-style-type: none"> • John White — appointed as a Director effective 22 May 2020 • Alfred Baker — appointed as a Director effective 29 January 1999 • Linton Putland – appointed as a Director effective 22 May 2020 • Cathy Moises – appointed as a Director effective 22 May 2020
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>The Company complies with this ASX Recommendation. Of its four Directors, three Directors are considered independent.</p>
<p>Recommendation 2.5</p> <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 Company complies with this ASX Recommendation.</p> <p>Clause 8 of the Board Charter requires the chair of the Board to be an independent director who is not (or has not been in the previous 3 years) the CEO of the Company.</p>
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development opportunities to maintain the skills and knowledge needed to perform their role as</p>	<p>The Company complies with this ASX Recommendation.</p> <p>Under Clause 2(b)(vii) of the Board Charter, the Board is responsible for the Company's induction program for new directors and periodic review and facilitation of ongoing professional development for directors.</p> <p>Clause 9 of the Board Charter requires the company secretary, together with the guidance of the Board's Remuneration and Nomination Committee and assistance of the Board, to organise all such training and professional development. The Remuneration and Nomination Committee is responsible for reviewing the Company's induction program and ensuring continuing directors are provided with appropriate</p>

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directors effectively.	<p>opportunities to develop and maintain the skills and knowledge needed to perform their role.</p> <p>Clause 10 of the Board Charter provides that new directors will be briefed on their roles and responsibilities and time will be allocated at Board and committee meetings for continuing education on significant issues facing the Company and changes to the regulatory environment.</p>
<p>Principle 3 – Instil a culture of acting lawfully, ethically and responsibly</p> <p><i>A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.</i></p>	
<p>Recommendation 3.1</p> <p>A listed entity should articulate and disclose its values</p>	<p>The Company complies with this ASX Recommendation.</p> <p>The Company’s website includes a section dedicated to its culture, including its values. The Company’s values are:</p> <ul style="list-style-type: none"> • Excellence & Innovation • Customer Focus • Integrity • Teamwork • Community
<p>Recommendation 3.2</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breach of that code.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>The Company has a Code of Conduct which applies to, among others, its directors, senior executives and employees.</p> <p>Clause 18 requires that, where appropriate, the Board will be informed of material breaches of the Code of Conduct.</p>
<p>Recommendation 3.3</p> <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p>	<p>The Company complies with this ASX Recommendation.</p> <p>The Company has a Whistleblower Protection Policy, which from Listing, will be disclosed on the Company’s website.</p> <p>Clause 11 of the Whistleblower Protection Policy provides for bi-monthly reporting to the Board, where</p>

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(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	appropriate, on all active whistleblower matters. The Board must also be kept informed of material incidents reported under the Whistleblower Protection Policy.
<p>Recommendation 3.4</p> <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure the board or a committee of the board is informed of any material breaches of that policy.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>The Company has an anti-bribery and corruption policy (ABC Policy), which is disclosed on the Company's website.</p> <p>Under Clause 4 of the ABC Policy, all material breaches of the ABC Policy must be reported immediately to the Board.</p>
<p>Principle 4 – Safeguard integrity in corporate reporting</p> <p><i>A listed entity should have appropriate processes to verify the integrity of its corporate reports</i></p>	
<p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p>	<p>The Company complies with this ASX Recommendation.</p> <p>The Company has an Audit and Risk Management Committee. The Audit and Risk Management Committee Charter (ARC Charter) sets out the Audit and Risk Management Committee's roles and responsibilities.</p> <p>Clauses 2(a) and (d) of the ARC Charter provides that the Committee should to the extent practicable, given the size and composition of the Board from time to time, have at least three members, all of whom are non-executive directors and a majority of whom are independent directors, and the Committee should be chaired by an independent director who is not the chair of the Board.</p> <p>The members of the Audit and Risk Management Committee are Linton Putland (Independent Chair), John White (Independent Non-Executive Director) and Cathy Moises (Independent Non-Executive Director).</p> <p>The ARC Charter is disclosed on the Company's website.</p> <p>The relevant qualifications and experience of the Risk and Audit Committee members are set out in Section 5.1 of the Prospectus.</p> <p>The Company will disclose, 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.</p>

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<p>(v) 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>Recommendation 4.2</p> <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 Company complies with this ASX Recommendation.</p> <p>Clause 6(a) of the ARC Charter provides that the Audit and Risk Management Committee will recommend to the Board the financial statements after review with management and its external auditor.</p> <p>Clause 7(c)(iv) of the ARC Charter requires the CEO and the CFO to provide a sign off on these terms. The Company intends to obtain a sign off on these terms for each of its financial statements in each financial year. The Audit and Risk Management Committee is also responsible for ensuring that appropriate processes are in place to form the basis upon which the CEO and CFO provide the recommended declarations in relation to the Company's financial statements.</p>
<p>Recommendation 4.3</p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>Clause 4(a)(ix) of the ARC Charter requires the Audit and Risk Management Committee to ensure that any periodic corporate report the Company releases to the market that has not been subject to audit or review by an external auditor discloses the process taken to verify the integrity of its content.</p>

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<p>Principle 5 – Make timely and balanced disclosure</p> <p><i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i></p>	
<p>Recommendation 5.1</p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>The Company has a Disclosure Policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1, which is disclosed on the Company’s website.</p>
<p>Recommendation 5.2</p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>Under Clause 4(b)(iv) of the Company’s Disclosure Policy, the Disclosure Committee is required to provide the Board with copies of all material market announcements promptly after they have been made.</p>
<p>Recommendation 5.3</p> <p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation material on the ASX Market Announcements Platform ahead of the presentation.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>Clause 9(b) of the Disclosure Policy requires that ahead of any new and substantive investor or analyst presentation, a copy of the presentation materials must be released to ASX (even if the information in the presentation would not otherwise require market disclosure).</p>
<p>Principle 6 – Respect the rights of security holders</p> <p><i>A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.</i></p>	
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>Information about the Company and its governance can be found on the Company’s website (www.wakaolin.com.au).</p>
<p>Recommendation 6.2</p> <p>A listed entity should have an investor relations</p>	<p>The Company complies with this ASX Recommendation.</p> <p>The Company’s Shareholder Communication Policy provides for an investor relations program which</p>

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<p>program that facilitates effective two-way communication with investors.</p>	<p>actively encourages two-way communication with investors:</p> <ul style="list-style-type: none"> • through the Company's AGM, where shareholder participation is actively encouraged and facilitated; and • by providing security holders with information via the "Investors" section of the Company's website and the option to receive email communications and send email communications directly to the Company and to the Company's share registry.
<p>Recommendation 6.3</p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>Security holders are encouraged to participate at all general meetings and AGMs of the Company. Where practicable, the Company will consider the use of technological solutions for encouraging participation.</p> <p>The Company's Shareholder Communication Policy is disclosed on its website.</p>
<p>Recommendation 6.4</p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>Clause 6(g) of the Company's Shareholder Communication Policy provides that all substantive resolutions at a meeting of security holders will be decided by a poll rather than a show of hands.</p>
<p>Recommendation 6.5</p> <p>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>	<p>The Company complies with this ASX Recommendation.</p> <p>Under Clause 2 of the Company's Shareholder Communication Policy, security holders are encouraged to register with the Company's share registry to receive company information electronically.</p>
<p>Principle 7 - Recognise and manage risk</p> <p><i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework</i></p>	
<p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent</p>	<p>The Company complies with this ASX Recommendation.</p> <p>The Company has an Audit and Risk Management Committee. The ARC Charter sets out the Committee's roles and responsibilities.</p> <p>Clauses 2(a) and (d) of the ARC Charter provides that the Committee should to the extent practicable, given the size and composition of the Board from time to time, have at least three members, all of whom are non-executive directors and a majority of whom are independent directors, and the Committee should</p>

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<p>directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(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</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>be chaired by an independent director who is not the chair of the Board.</p> <p>The members of the Audit and Risk Management Committee are Linton Putland (Independent Chair), John White (Independent Non-Executive Director) and Cathy Moises (Independent Non-Executive Director).</p> <p>The ARC Charter is disclosed on the Company's website.</p> <p>The Company will disclose, as at the end of each reporting period, the number of times the Audit and Risk Management Committee met throughout the period and the individual attendances of the members at those meetings.</p>
<p>Recommendation 7.2</p> <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 that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>Clauses 4(a)(ii) and 10 of the ARC Charter require the Audit and Risk Management Committee to review at least annually and monitor the effectiveness of the Company's risk management framework to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.</p> <p>The Company will disclose, in relation to each reporting period, whether such a review has taken place.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p>	<p>The Company complies with this ASX Recommendation.</p> <p>The Board does not consider the Company would benefit from having an internal audit function. The ARC</p>

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<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 governance, risk management and internal control processes.</p>	<p>Charter provides for the Risk and Audit Committee Management Committee to manage audit arrangements and auditor independence, including considering whether an internal audit function is required and, if not, ensuring that the Company discloses the processes it employs to evaluate and improve its risk management and internal control processes.</p> <p>The Company employs the following processes for evaluating and continually improving the effectiveness of its risk management and internal control processes:</p> <ul style="list-style-type: none"> • the Board is responsible for: <ul style="list-style-type: none"> – overseeing and approving the Company’s risk management framework, including developing the policies and procedures relating to the identification, treatment and monitoring of key business risks; – identifying and classifying risks; and – monitoring the status of each risk identified; and • the Risk and Audit Management Committee is responsible for: <ul style="list-style-type: none"> – reviewing at least annually the Company’s internal control and risk management systems, which includes considering and overseeing implementation (to the extent adopted by the Company) of recommendations made by external auditors; – reporting to the Board in a timely manner on internal control, risk management and compliance matters which significantly impact upon the Company; – conducting an annual review of the Risk and Audit Management Committee’s work and reporting on outcomes to the Board.
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>The Company complies with this ASX Recommendation.</p> <p>Clause 7 of the ARC Charter requires the Risk and Audit Management Committee to identify and appropriately manage the risks facing the Company’s business including material exposure to environmental or social risks. The Company will disclose whether it has any material exposure to such risks and, if it does, how it manages or intends to manage them.</p>
<p>Principle 8 – Remunerate fairly and responsibly</p> <p><i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retrain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity’s values and risk</i></p>	

Principles and Recommendations	Compliance by the Company
<i>appetite.</i>	
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director. <p>and disclose:</p> <ul style="list-style-type: none"> (i) the charter of the committee; (ii) the members of the committee; and (iii) 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>(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>The Company complies with this ASX Recommendation.</p> <p>The Company has a Remuneration and Nomination Committee. The charter of the Remuneration and Nomination Committee (RNC Charter) sets out the roles and responsibilities of the Remuneration and Nomination Committee.</p> <p>Clause 2 of the RNC Charter requires that, to the extent practicable given the size and composition of the Board from time to time, the Nomination and Remuneration Committee should comprise a minimum of three members, a majority of whom are independent directors and be chaired by an independent director.</p> <p>The members of the Remuneration and Nomination Committee are Cathy Moises (Independent Chair), John White (Independent Non-Executive Director) and Linton Putland (Independent Non-Executive Director).</p> <p>The RNC Charter is disclosed on the Company's website.</p> <p>The Company will disclose, as at the end of each reporting period, the number of times the Remuneration and Nomination Committee met throughout the period and the individual attendances of the members at those meetings.</p>

Principles and Recommendations	Compliance by the Company
<p>Recommendation 8.2</p> <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 complies with this ASX Recommendation.</p> <p>Clause 2(b) of the Board Charter and Clause 4(a) of the RNC Charter provide for the evaluation and approval by the Board (with the assistance of the Remuneration and Nomination Committee) of the remuneration packages of non-executive directors, executive directors and other senior executives (including in relation to the administration of short-term and long-term incentive plans and engagement of external remuneration consultants).</p> <p>The remuneration of any executive director will be decided by the Board, without the affected executive director participating in that decision-making process. In addition, subject to any necessary regulatory or Shareholder approvals, a director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as directors.</p> <p>The Board reviews and approves the Company's remuneration policies and practices in order to ensure WA Kaolin is able to attract and retain executives and directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant director's time, commitment and responsibility.</p>
<p>Recommendation 8.3</p> <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 Company complies with this ASX Recommendation</p> <p>Clause 4.2 of the Securities Trading Policy prohibits directors and senior management (and their associated investment vehicles) from trading securities that limit the economic risk of security holdings that are unvested or which are subject to a holding lock (eg, hedging arrangements).</p> <p>There is no prohibition on any other securities.</p>
<p>Principle 9 – Additional recommendation that apply only in certain cases</p>	
<p>Recommendation 9.1</p> <p>A listed entity with a director who does not speak the language in which board or security holder</p>	<p>This is not applicable.</p>

Principles and Recommendations	Compliance by the Company
<p>meetings are held or key corporate documents are written should be disclosed the processes it had in place to ensure the director understands and can contribute to the discussion at those meetings and understands and can discharge their obligations in relation to those documents.</p>	
<p>Recommendation 9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	<p>The Company complies with this ASX Recommendation. Clauses 5.1 and 5.3 of the Company's Constitution require notice of general meetings to be given to security holders 28 days in advance, and to specify the date, time and place of the general meeting. Under Clause 5.2 of the Constitution, the Company may hold a general meeting at two or more venues using any technology that gives security holders as a whole a reasonable opportunity to participate.</p>
<p>Recommendation 9.3 A listed entity established outside Australia, and an externally managed listed entity that has a AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>This is not applicable.</p>

Attachment A Board Skills Matrix

Skill Set	Alf	Linton	John	Cathy	TOTAL (n= 12)	>=2
BUSINESS STRATEGY						
Strategic Planning	3	3	3	3	12	4
Chief Executive Role	3	2	3	1	9	3
CORPORATE GOVERNANCE						
Company Directorships	3	3	3	3	12	4
Governance	2	3	3	3	11	4
INTERNATIONAL EXPERIENCE						
Finance/Banking	2	2	2	3	9	4
Project Dev & Const.	3	3	3	3	12	4
Marketing	2	1	2	3	8	3
Kaolin Industry	3	1	1	1	6	1
International Govts.	2	2	3	2	9	4
TECHNOLOGY & INNOVATION						
Accounting /Auditing	2	1	2	2	7	3
Information Technology	2	2	2	2	8	4
Human Resources	2	2	3	3	10	4
Legal	2	1	2	2	7	3
Communications	2	1	2	2	7	3
Geology	2	2	2	3	9	4
Mine Planning	2	3	2	2	9	4
Mining Operations	3	3	2	2	10	4
Metallurgy	2	2	3	1	8	3
Chemical Engineering	3	0	1	1	5	1
Process Engineering	3	2	2	1	8	3
PROJECT ENGINEERING CONSTRUCTION & EXECUTION						
Project Dev & Const.	3	3	3	2	11	4
Feasibility Study Prep.	3	3	3	2	11	4
PROJECT MANAGEMENT						
Project Management	3	3	3	2	11	4
ESTABLISHED NETWORKS						
Financial Institutions	2	2	2	3	9	4
Engineering Cons.	3	3	3	1	10	3
Federal Government	2	1	3	0	6	2
TOTAL (n = 78)	64	54	63	53		

To fill in with a 0, 1, 2, or 3 on the following basis:

- 0 Indicates no significant exposure or understanding.
- 1 Indicates some exposure to, and understanding of, the subject.
- 2 Indicates a reasonable knowledge and understanding of the subject.
- 3 Indicates a detailed knowledge and experience from having practiced in the field.