



Siburan
Resources
Limited

ACN 137 176 393

CORPORATE GOVERNANCE STATEMENT

Approved by the Board of Siburan Resources Limited on 27 September 2019.

The Board and management of Siburan Resources Limited (“Siburan” or the “Company”) recognise their duties and obligations to shareholders and other stakeholders to implement and maintain a proper system of corporate governance. The Company believes that the adoption of good corporate governance adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council (“Recommendations”) in the reporting period. The Recommendations are guidelines designed to improve the efficiency, quality and integrity of the Company. They are not prescriptive, so that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Recommendations, it must identify which Recommendations have not been followed and give reasons for not following them.

This Corporate Governance Statement (“Statement”) provides details of the Company’s compliance with those Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation.

This Statement is current as at 27 September 2019 and has been approved by the Board of Directors of Siburan Resources Limited.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation	Requirement	Comply Yes/ No
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.	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.	Yes
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	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.	Yes
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 (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: (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 (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.	Partly - see commentary below
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.	Yes

1.7	A listed entity should: <ul style="list-style-type: none"> (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. 	Yes
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Commentary

The Board operates under the Board Charter that details its functions, responsibilities and powers and those delegated to management. The Board Charter is available on the Company's website.

The Board is accountable to shareholders for the performance of the Company. The Board's primary responsibility is to oversee Siburan's business activities and management for the benefit of all shareholders, which it accomplishes by:

- reviewing and approving corporate strategies, the annual budget and financial plans;
- overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives;
- monitoring financial performance and liaising with the Company's external auditor;
- appointing and assessing the performance of the Managing Director (or equivalent), and overseeing succession plans for senior executives;
- ratifying the appointment and the removal of senior executives and the company secretary;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestures;
- reviewing, ratifying and monitoring the systems of risk management and internal control, codes of conduct and legal compliance;
- enhancing and protecting the reputation of the Company; and
- reporting to and communicating with shareholders.

The Company seeks to have a board comprising directors with an appropriate variety of skill, experience and expertise who are competent in dealing with current and emerging issues of the business and who can effectively review and challenge the performance of management and exercise independent judgement.

The appointment of directors is governed by the Company's Constitution and the Appointment and Selection of New Directors policy. In accordance with the Constitution of the Company, no director except a Managing Director shall hold office for a continuous period in excess of three years or past the third annual general meeting following the director's appointment, whichever is the longer, without submitting for re-election.

On appointment, non-executive directors receive formal letters of appointment setting out the terms and conditions of employment. Executive directors are employed pursuant to employment contracts. Full-time senior executives are employed under written contractual arrangements.

The Diversity Policy sets out the Company's aims and practices in relation to recognising and respecting diversity in employment. The Policy reinforces the Company's commitment to actively managing diversity as a means of enhancing the Company's performance by recognising and utilising the contributions of diverse skills and talent from its employees.

The Company is at variance with **Recommendation 1.5(a)** in that it has not set or disclosed measurable objectives for achieving gender diversity in accordance with its Diversity Policy. Due to the size of the Company, the Board does not deem it practical to limit the Company to specific targets for gender diversity as it operates in a very competitive labour market where positions are sometimes difficult to fill. However, every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background.

The performances of the Board, individual directors and senior executives are evaluated in accordance with the Performance Evaluation Process (available on the Company's website). Performance evaluations of the Board and individual directors have not taken place in the reporting period due to the low level of activities undertaken by the Group.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation	Requirement	Comply Yes/ No
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>	Yes
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.	No
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>	Yes
2.4	A majority of the board of a listed entity should be independent directors.	No
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.	No
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.	Yes

Commentary

No formal nomination committee has been established by the Company as yet. The Board, as a whole, currently serves as the nomination committee.

The Company's Corporate Governance Plan includes a Nomination Committee Charter, which discloses the specific responsibilities of the committee.

Where necessary, the Board seeks advice of external advisers in connection with the suitability of applicants for Board membership.

The Board strives to ensure that it is comprised of directors with a blend of skills, experience and attributes appropriate to the Company and its business. The principal criterion for the appointment of new directors is their ability to add value to the Company and its business. In light of this, the Company is at variance with **Recommendation 2.2**. It has not been deemed necessary to create a formal document setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

The Board consists of one executive director and three non-executive directors. Details of their skills, experience and expertise and the period of office held by each have been included in the 2019 Directors' Report. The number of Board meetings and the attendance of the directors are set out in the 2019 Directors' Report.

The Board has reviewed the position and associations of each of the three non-executive directors in office and has determined that two non-executive directors are currently independent directors. In making this determination, the Board had regard to the independence criteria set out in ASX's Corporate Governance Principles and Recommendations, and other facts, information and circumstances that the Board considers relevant. Mr Dale Klynhout satisfies the independence criteria and is considered an independent director. Although Mr Chiong Ong Tiong holds 10,000,000 fully paid ordinary shares in the Company, the Board considers this immaterial. Mr Tiong is regarded as independent as he is not a substantial shareholder as defined by the *Corporations Act*.

The Company is at variance with Recommendations 2.4 and 2.5 as it presently does not have a chairman and the majority of the Board are non-independent directors. The Board has determined that the composition of the current Board represents the best mix of directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management.

When appointed to the Board, a new director will receive an induction appropriate to their experience. Directors may participate in continuing education to update and enhance their skills and knowledge from time to time, as considered appropriate. Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. The Board also has a policy under which individual directors and Board committees may obtain independent professional advice at the Company's expense in relation to the execution of their duties, after consultation with the Chairman.

The Company's Constitution, Nomination and Remuneration Committee Charter and the policy for Appointment and Selection of New Directors are available on the Company's website: <http://www.siburan.com.au/corporate/corporate-governance>.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Recommendation	Requirement	Comply Yes/ No
3.1	A listed entity should: <ul style="list-style-type: none"> (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. 	Yes

Commentary

As part of the Board's commitment to maintaining a proper system of corporate governance, the Company has adopted a Code of Conduct to guide directors and officers in carrying out their duties and responsibilities.

The Code of Conduct applies to all directors and officers of the Company. It sets out Siburan's commitment to successfully conducting the business in accordance with all applicable laws and regulations while demonstrating and promoting the highest ethical standards. The Code of Conduct reflects the matters set out in the commentary and guidance for Recommendation 3.1.

The Code of Conduct is available on the Company's website: <http://www.siburan.com.au/corporate/corporate-governance>.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation	Requirement	Comply Yes/ No
4.1	<p>The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) have an audit committee which: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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. 	Yes
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>	No
4.3	<p>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>	Yes

Commentary

No formal audit committee has been established by the Company as yet. The Board, as a whole, currently serves as the audit committee. The Company's Corporate Governance Plan includes an Audit and Risk Committee Charter, which discloses the specific responsibilities of the committee.

The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Group is of sufficient size to justify the appointment of additional directors for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive. As the operations of the Group develop the Board will reassess the formation of an audit committee.

The Company is at variance with Recommendations 4.2 as it presently does not have a CEO or CFO and hence did not receive any declarations in relation to the Group's financial records and internal control system before the approval of the Group's financial statements. As the operations of the Group develop the Board will reassess the appointment of CEO and CFO for the Group.

The Board reviews the external auditor's terms of engagement and audit plan, and assesses the independence of the external auditor. The current practice, subject to amendment in the event of legislative change, is for the rotation of the engagement partner to occur every five years.

The Company's independent external auditor is PKF Mack. The appointment of PKF Mack was ratified by members at the inaugural Annual General Meeting held on 17 November 2010. The Company's external auditor attends every Annual General Meeting as required by the Corporations Act, and members are allowed a reasonable opportunity at the meeting to ask the auditor questions relevant to the audit, their report and independence, and the accounting policies adopted by the Group.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation	Requirement	Comply Yes/ No
5.1	A listed entity should: <ul style="list-style-type: none"> (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. 	Yes

Commentary

The Continuous Disclosure Policy sets out the key obligations of the directors and employees in relation to continuous disclosure as well as the Company's obligations under the Listing Rules and the Corporations Act. The Policy also provides procedures for internal notification and external disclosure, as well as procedures for promoting understanding of compliance with the disclosure requirements for monitoring compliance.

The Policy reflects the matters set out in the commentary and guidance for Recommendation 5.1. The Continuous Disclosure Policy is available on the Company's website: <http://www.siburan.com.au/corporate/corporate-governance>.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation	Requirement	Comply Yes/ No
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	No
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.	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.	Yes

Commentary

In accordance with continuous disclosure obligations under the ASX Listing Rules, the Company has procedures in place to ensure that all price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely manner. All information disclosed to the ASX is posted on the Company's website.

The Company has a Shareholder Communications Policy which is available on the Company's website. The Shareholder Communications Policy sets out the Company's aims and practices in respect of communicating with both current and prospective shareholders.

Shareholders are forwarded the Company's Annual Report, if requested, and documents relating to each General Meeting, being the Notice of Meeting, any Explanatory Memorandum and a Proxy Form, and shareholders are invited to attend these meetings. Shareholders may elect to receive communications electronically. The Company's external auditors are also required to be present at annual shareholder meetings to answer any queries shareholders may have with regard to the audit and preparation and content of the Audit Report.

Siburan is at variance with **Recommendation 6.2** as the Company has not designed and implemented a specific investor relations program to facilitate effective two-way communication with shareholders. The Board considers the above practices adequate at the present time. As the Company grows in size, the Board will monitor the requirement to develop more formal and expansive communications with shareholders.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation	Requirement	Comply Yes/ No
7.1	<p>The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (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 (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. 	Yes
7.2	<p>The board or a committee of the board should:</p> <ul style="list-style-type: none"> (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. 	Yes
7.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> (a) if it has an internal audit function, how the function is structured and what role it performs; or (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. 	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>	Yes

Commentary

No formal risk committee has been established by the Company as yet. The Board, as a whole, currently serves as the risk committee. The Company's Corporate Governance Plan includes an Audit and Risk Committee Charter, which discloses the specific responsibilities of the committee.

The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Group is of sufficient size to justify the appointment of additional directors for the sole purpose of satisfying this recommendation. As the operations of the Company develop the Board will reassess the composition of the Audit and Risk Committee.

Siburan recognises that risk is inherent to any business activity and that managing risk effectively is critical to the immediate and future success of the Company. As a result, the Board has adopted a Risk Management Policy which sets out the Company's system of risk oversight, management of material business risks and internal control. The Risk Management Policy is available on the Company's website.

Siburan's risk management framework is supported by the Board of Directors and management. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Management is responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk.

The Company does not presently have an internal audit function. However, the Board and Management continually monitor and endeavour to improve the effectiveness of the Company's risk management and internal control procedures. The Board's interaction with the Company's external auditor also provides additional oversight in this area.

The Company, as an exploration company, faces inherent risks in its activities, including economic, environmental and social sustainability risks which may have a material impact on the Company's ability to create value for its shareholders. The Board regularly monitors the operational and financial performance of the Company's activities. It monitors and receives advice on areas of operation and financial risk and considers strategies for appropriate risk management. All operational and financial strategies adopted are aimed at improving the value of the Company's shares. However, the Directors recognise that mineral exploration and evaluation is inherently risky. Material business risks are considered in the preparation of the Review of Operations in the Annual Report. In relation to environmental risks, the Company closely monitors its exposure to all such risks and seeks the input of specialist environmental consultants as required.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation	Requirement	Comply Yes/ No
8.1	The board of a listed entity should: <ul style="list-style-type: none"> (a) have a remuneration committee which: <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (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 (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. 	Yes
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.	Yes
8.3	A listed entity which has an equity-based remuneration scheme should: <ul style="list-style-type: none"> (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. 	Yes

Commentary

The Board has not established a formal remuneration committee at this point in the Group's development. It is considered that the size of the Board along with the level of activity of the Group renders this impractical and the Board, acting without the affected director participating in the decision making process, currently serves as a remuneration committee.

The Company's Corporate Governance Plan includes a Remuneration Committee Charter, which discloses its specific responsibilities.

The policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors are set out in the 2019 Remuneration Report contained in the 2019 Directors' Report.

The Company has adopted a Securities Trading Policy which set out the rules relating to dealings by employees and directors in securities issued by the Company. The Securities Trading Policy prohibits employees and directors from using derivatives or hedging arrangements that operate or are intended to operate to limit the economic risk of security holdings over unvested Company securities. The Securities Trading Policy is available on the Company's website: <http://www.siburan.com.au/corporate/corporate-governance>.