

FeOre Limited
ARBN 152 971 821
(Company)

Corporate Governance Statement

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council as set out in the Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition) have been applied by the Company.

Principle 1: Lay Solid Foundations for Management and Oversight

Recommendation 1.1: Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

The Board is accountable to shareholders for the performance of the Company and has overall responsibility for its direction and management and the formulation of policies to be applied in the Company's business.

The Board is also responsible to shareholders for the Company's strategic direction and the execution of the Company's overall objective, which is to increase long-term shareholder value.

In accordance with the Guidelines on Recommendation 1.1, the Company has adopted a formal Board Charter that details the functions and responsibilities of the Board to disclose the division of responsibility and any delegations of authority. This Board Charter, and the balance of responsibilities generally will be reviewed as appropriate to ensure that the divisions of functions remain appropriate to the needs of the Company.

Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.

The Board is responsible for reviewing the performance of the Chairman and management.

The Company's goals are used as the basis for evaluating performance of senior executives. Performance evaluations are undertaken annually, by the Chief Executive Officer. The Chief Executive Officer's performance evaluation is also undertaken annually, by the Board.

Chief Executive Officer

At the commencement of each financial year, the Board and the Chief Executive Officer will agree a set of specific performance measures to be used in the review of the Chief Executive Officer for the forthcoming year. These will include:

- (a) financial measures of the Company's performance;
- (b) the extent to which key operational goals and strategic objectives are achieved;
- (c) development of management and staff;
- (d) compliance with legal and the Company's policy requirements; and

(e) achievement of key performance indicators.

Senior executives

The Chief Executive Officer is responsible for assessing the performance of the key executives within the Company. The basis of evaluation of senior executives will be on agreed performance measures, examining the effectiveness and quality of the individual, assessing key contributions, identifying areas of potential improvement and assessing whether various expectations of shareholders have been met.

The Board will also monitor the performance of the Company's senior executives, including measuring actual performance against planned performance.

This process will be reviewed annually.

The Company will also put in place induction procedures to allow new senior executives to participate fully and actively in management decision making at the earliest opportunity. Induction procedures will aim to provide new senior executives with knowledge about the Company and the industry within which it operates, as applicable, together with information to ensure an understanding of:

- (a) the Company's financial position, strategies, operations and policies; and
- (b) the rights, duties and responsibilities and roles of the Board and senior executives.

Recommendation 1.3: Companies should provide the information indicated in the Guide to reporting on Principle 1.

The corporate governance statement in the Company annual report will include, where applicable, a statement explaining any departure from Recommendations 1.1, 1.2 or 1.3 and whether a performance evaluation for senior executives has taken place in the reporting period and whether it is in accordance with the review process outlined above.

The Company will ensure that the Board Charter is made publicly available by posting it to the Company's website in the Corporate Governance section.

Principle 2: Structure the Board to Add Value

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

The Board is composed of the following 4 Directors:

Name	Position
Tim Sun	Chairman and Non-Executive Director
Bruce Higgins	Non-Executive Director
Quintus Roux	Non-Executive Director
Christina Mu Jun	Non-Executive Director

When considering independence, the Company considered the following recommendation made by the ASX Corporate Governance Council:

'When determining the independent status of a director the board should consider whether the director:

1. is a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company¹;
2. is employed, or has previously been employed in an executive capacity by the company or another group member, and there has not been a period of at least 3 years between ceasing such employment and serving on the board;
3. has within the last 3 years been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided;
4. is a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
5. has a material contractual relationship with the company or another group member other than as a director.'²

The following determinations have been made with respect to the status of each director;

Tim Sun	Independent
Bruce Higgins	Independent
Quintus Roux	Independent
Christina Mu Jun	Independent

The Board considers that the Board's composition is appropriate to the Company's size and structure.

The Board will review its performance and composition at least on an annual basis to ensure that it has the appropriate mix of expertise and experience, taking into account the size and nature of the Company's activities.

Directors may obtain independent professional advice at the Company's expense, subject to prior approval by the Chairman, on matters arising in the course of the Company's business. Directors also have unrestricted access to any employees of the Company and, subject to the law, access to all the Company records and information held by employees and external advisers.

Recommendation 2.2: The chairperson should be an independent director.

¹ For this purpose a 'substantial shareholder' is a person with a substantial holding as defined in section 9 of the Corporations Act 2001 (Clth).

² ASX Corporate Governance Council Corporate Governance Principles and Recommendations with 2010 Amendments 2nd edition 2010 p 17.

The Chairman is an independent Director. The Board considers this to be appropriate to the Company's size, structure and the nature of its activities.

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

The Chairman and Chief Executive Officer are separate and distinct. There is a clear division of responsibility at the head of the Company and the divisions of responsibilities between the chair and the Chief Executive Officer are set out in the Board Charter.

Recommendation 2.4: The board should establish a nomination committee.

The Board considers that the formation of a Nomination Committee is not warranted at this time given the size of the Board.

Recommendations of candidates for new Directors are made to the Board. The Board as a whole must make such appointments as it considers the most appropriate for the Company.

The Board will at some time consider forming a Nomination Committee if the size of the Board increases and efficiencies may be derived from a formal committee structure. There is no set timeframe in which a Nomination Committee may be appointed.

Recommendation 2.5: Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.

The Board reviews the performance of the Chief Executive Officer.

Potential nominations to the Board are assessed by the full Board.

The Board undertakes self assessment of its collective performance and the performance of its committees. Individual performance is evaluated by the full Board. These reviews are conducted on an annual basis.

As part of the annual review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for non-executive Directors is considered with regard to practices of other public companies and the aggregate amount of fees approved by shareholders. The Board also reviews the appropriate criteria for Board membership collectively.

The Board has established formal processes to review its own performance and the performance of individual Directors (including the Chief Executive Officer) and the committees of the Board.

Board

A process has been established to review and evaluate the performance of the Board. The Board is required to meet annually with the specific purpose of reviewing the role of the Board, assessing its performance over the previous 12 months, including comparison with others, and

examining ways in which the Board can better perform its duties. The review will incorporate the performance of the Board.

The annual review includes consideration of the following measures:

- (a) assessment of the performance of the Board over the previous 12 months having regard to the corporate strategies, operating plans and the annual budget;
- (b) review the Board's interaction with management;
- (c) identification of any particular goals and objectives of the Board for the next year;
- (d) review the type and timing of information provided to the Directors; and
- (e) identification of any necessary or desirable improvements to Board.

The method and scope of the performance evaluation will be set by the Board and which may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

Committees

Similar procedures to those for the Board review will be applied to evaluate the performance of any Board committees established by the Company. An assessment will be made of the performance of each committee against each charter and areas identified where improvements can be made.

Non-executive Directors

The Chairman will have primary responsibility for conducting performance appraisals of non-executive Directors in conjunction with them, having particular regard to:

- (a) contribution to Board discussion and function;
- (b) degree of independence including any conflicts of interest;
- (c) availability for and attendance at Board meetings and other relevant events;
- (d) contribution to Company strategy;
- (e) membership of and contribution to any Board committees; and
- (f) suitability to Board structure and composition.

Where the Chairman, following a performance appraisal, considers that action must be taken in relation to a Director's performance, the Chairman must consult with the remainder of the Board regarding whether a Director should be counselled to resign, not seek re-election, or in exceptional circumstances, whether a resolution for the removal of a Director be put to shareholders.

Recommendation 2.6: Companies should provide the information indicated in the Guide to reporting on Principle 2.

The corporate governance statement in the Company annual report will include the material set out in the Guide to reporting on Principle 2³.

Principle 3: Promote ethical and responsible decision making

Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code as to:

- *The practices necessary to maintain confidence in the company's integrity*
- *The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders*
- *The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.*

In accordance with the Guidelines on Recommendation 3.1, the Company has adopted a formal Code of Conduct : Obligations to Stakeholders and a formal Code of Conduct for directors and key officers to set the ethical tone and standards of the Company. These policies will be reviewed by the Board as appropriate.

Recommendation 3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.

In accordance with the Guidelines on Recommendation 3.2, the Company has adopted a Diversity Policy. This policy will be reviewed by the Board as appropriate.

Recommendation 3.3: Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

The Company intends to disclose in annual report details of the Company's diversity policy, details of any measurable objectives that have been set by the Board and the progress towards achieving the objectives (if applicable).

Recommendation 3.4: Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.

The Company intends to disclose in its annual report details of the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board (if applicable).

³ ASX Corporate Governance Council Corporate Governance Principles and Recommendations with 2010 Amendments 2nd edition 2010 p 21.

Recommendation 3.5: Companies should provide the information indicated in the Guide to reporting on Principle 3.

The corporate governance statement in the Company annual report will include the material set out in the Guide to reporting on Principle 3⁴.

Principle 4: Safeguard integrity in financial reporting

Recommendation 4.1: The board should establish an audit committee.

The Company does not currently have an Audit Committee. The Board considers that the formation of an Audit Committee is not warranted at this time given the size of the Board.

The Board will at some time consider forming an Audit Committee if the size of the Board increases and efficiencies may be derived from a formal committee structure. There is no set timeframe in which an Audit Committee may be appointed.

Recommendation 4.2: Structure the audit committee so that it consists of:

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

When established, the Audit Committee will be structured to be commercially cost effective and appropriate to the Company's size and structure.

Recommendation 4.3: The audit committee should have a formal charter.

An Audit Committee Charter will be adopted when an Audit Committee is established in the future.

Recommendation 4.4: Companies should provide the information indicated in the Guide to reporting on Principle 4.

The corporate governance statement in the Company annual report will include the material set out in the Guide to reporting on Principle 4⁵.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1: Companies should establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance and disclose those policies or a summary of those policies.

The Board aims to ensure that the market is properly informed of all the information that is required to be disclosed under the Listing Rules of the ASX. The ultimate determination as to

⁴ ASX Corporate Governance Council Corporate Governance Principles and Recommendations with 2010 Amendments 2nd edition 2010 p 25.

⁵ ASX Corporate Governance Council Corporate Governance Principles and Recommendations with 2010 Amendments 2nd edition 2010 p 28.

whether or not to disclose in doubtful cases may be made by the Board and/or the Chairman, taking into account the overall situation of the Company and, if necessary, legal or other advice.

The Board considers that the formation of a Continuous Disclosure Compliance Committee is not warranted at this time given the size of the Board and continuous disclosure compliance matters will be dealt with by the Board at this stage. However, the Board will at some time consider forming a Continuous Disclosure Compliance Committee if the size of the Board increases and efficiencies may be derived from a formal committee structure. There is no set timeframe in which a Continuous Disclosure Compliance Committee may be appointed. Once established, the Continuous Disclosure Compliance Committee will deal with continuous disclosure issues. The Continuous Disclosure Compliance Committee once established will consist of the Chairman, the Company Secretary and, where available, any other Director.

The Company has adopted a formal Continuous Disclosure Policy to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance. A copy of this policy will be publicly available.

Under the Board's Continuous Disclosure Policy, all senior personnel must ensure that all reporting staff report any material event or development within their area of responsibility to their manager and to one or more of the Chairman and the Company Secretary.

The Company Secretary will be the point of contact with the ASX. As a listed company, the Company will not release information that is for release to the market to any person until it has given the information to the ASX and has received an acknowledgement from the ASX that the information has been released to the market.

Recommendation 5.2: Companies should provide the information indicated in the Guide to reporting on Principle 5.

The corporate governance statement in the Company annual report will include the material set out in the Guide to reporting on Principle 5⁶.

Principle 6: Respect the Rights of Shareholders

Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

The Company aims to convey to its shareholders pertinent information in a detailed, regular, factual and timely manner.

The Board will ensure that the annual report includes relevant information about the operations of the Company during the year and changes in the state of affairs of the Company.

Information will be communicated to shareholders by the Company through:

⁶ ASX Corporate Governance Council Corporate Governance Principles and Recommendations with 2010 Amendments 2nd edition 2010 p 29.

1. Placement of market announcements on the Company's web-site www.feore.com after the information has been given to the ASX and the usual acknowledgement has been received;
2. The annual and interim financial reports (for those shareholders who have requested a copy);
3. Disclosures to the ASX;
4. Notices and explanatory memoranda of annual general meetings; and
5. All shareholders are invited to attend and raise questions at the annual general meeting.

All shareholders are welcome to communicate directly with the Company.

All queries will be answered to the maximum extent possible (with consideration given to commercially sensitive information, privacy requirements and the Company's disclosure obligations) and in a timely fashion.

Recommendation 6.2: Companies should provide the information indicated in the Guide to reporting on Principle 6.

The corporate governance statement in the Company annual report will include the material set out in the Guide to reporting on Principle 6⁷ including a statement by the Company, as a foreign incorporated entity, of the extent to which it has achieved the aims of the provisions of section 250RA of the Australian *Corporations Act 2001 (Cth)* (that requires the auditor of the Company to attend the listed Company's annual general meeting).

Principle 7: Recognise and Manage Risk

Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Although no formal policy has been adopted, the Board is committed to ensuring that the risks associated with the Company's business activities are properly identified, monitored and managed and to embedding in its management and reporting systems a number of risk management controls.

The Board is to monitor and receive advice on areas of operational and financial risk, and consider strategies for appropriate risk management arrangements.

Specific areas of risk to be regularly considered at Board meetings are to include intellectual property, changes in government regulation, technology changes, human resources, integrity of data, statutory compliance and continuous disclosure obligations.

Recommendation 7.2: The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.

⁷ ASX Corporate Governance Council Corporate Governance Principles and Recommendations with 2010 Amendments 2nd edition 2010 p 32.

The Chief Executive Officer manages the Company's material business risks and reports to the Board.

Materiality thresholds

The Company regularly reviews procedures, and ensures timely identification of material information and materiality thresholds.

Materiality judgments can only be made on a case by case basis, when all the facts are available. In accordance with Accounting Standard AASB 1031, the Board would consider an amount which is:

- (a) equal or more than 10% of an appropriate base amount to be material unless there is evidence or convincing argument to the contrary; and
- (b) equal to or less than 5% of an appropriate base amount to be immaterial unless there is evidence or convincing argument to the contrary.

The level between 5% and 10% of an appropriate base amount is considered to be a subjective area to be resolved by the Board.

Recommendation 7.3: The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Company will include in its annual report the extent to which it has achieved the aims of section 295A of the *Corporations Act* during the reporting period and provide any reasons for not doing so (if applicable).

Recommendation 7.4: Companies should provide the information indicated in the Guide to reporting on Principle 7.

The corporate governance statement in the Company annual report will include the material set out in the Guide to reporting on Principle 7⁸.

Principle 8: Remunerate Fairly and Responsibly

Recommendation 8.1: The board should establish a remuneration committee.

The directors consider the current size of the board does not warrant the establishment of a separate Remuneration Committee. However, the Board will at some time consider forming a Remuneration Committee if the size of the Board increases and efficiencies may be derived from a formal committee structure. There is no set timeframe in which a Remuneration Committee may be appointed.

⁸ ASX Corporate Governance Council Corporate Governance Principles and Recommendations with 2010 Amendments 2nd edition 2010 p 35.

Recommendation 8.2: The Remuneration Committee should be structured so that it:

- *consists of a majority of independent directors*
- *is chaired by an independent chair*
- *has at least 3 members*

If established in the future, the Remuneration Committee will be structured to be commercially cost effective and appropriate to the Company's size and structure, and will function in accordance with a Remuneration Committee Charter. It will be of sufficient size and independence to enable it to discharge its mandate effectively. The role of the Remuneration Committee will be to review and make recommendations as to remuneration packages for Directors and senior executives including employee incentive and equity-based plans. The Remuneration Committee will be required to meet at least once a year and otherwise as required and the Company will where possible limit the use of executive directors serving on the remuneration committee in order to address the potential for, or perception of, conflict of interest of executive director involvement in board decisions on their remuneration packages.

Recommendation 8.3: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

With respect to non-executive Directors, the Board or when established the Remuneration Committee is to ensure that:

- (a) fees paid to non-executive Directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to that aggregate amount at the Annual General Meeting;
- (b) non-executive Directors are remunerated by way of fees (in the form of cash and/or superannuation benefits);
- (c) non-executive Directors are not provided with retirement benefits other than statutory superannuation entitlements; and
- (d) non-executive Directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders.

With respect to executives, the Board or when established the Remuneration Committee is to ensure that:

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

Recommendation 8.4: Companies should provide the information indicated in the Guide to reporting on Principle 8.

The corporate governance statement in the Company annual report will include the material set out in the Guide to reporting on Principle 8⁹.

⁹ ASX Corporate Governance Council Corporate Governance Principles and Recommendations with 2010 Amendments 2nd edition 2010 p 39.