



**CORPORATE GOVERNANCE PRINCIPLES AND
RECOMMENDATIONS**

Corporate Governance Principles and Recommendations

Rox Resources Limited ACN 107 202 602 (Company)

Principle 1: Lay solid foundations for management and oversight

Companies should establish and disclose the respective roles and responsibilities of Board and Management.

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

Recommendation 1.2: Companies should disclose the process for evaluating the performance of Senior Executives.

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

Principle 2: Structure the Board to add value

Companies should have a board of effective composition, size and commitment to adequately discharge its responsibilities and duties.

Recommendation 2.1: A majority of the Board should be Independent Directors.

Recommendation 2.2: The Chair should be an Independent Director.

Recommendation 2.3: The roles of the Chair and Chief Executive Officer should not be exercised by the same individual.

Recommendation 2.4: The Board should establish a Nomination Committee.

Recommendation 2.5: Companies should disclose the process for evaluating the performance of the Board, its Committees and Individual Directors.

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

Principle 3: Promote ethical and responsible decision-making

Companies should actively 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.

Recommendation 3.2: Companies should establish a policy concerning trading in company securities by Directors, Senior Executives and Employees, and disclose the policy or a summary of that policy.

Recommendation 3.3: Companies should provide the information indicated in the *Guide to reporting on Principle 3*.

Principle 4: Safeguard integrity in financial reporting

Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.

Recommendation 4.1: The Board should establish an Audit Committee.

Recommendation 4.2: The Audit Committee should be structured so that it:

- consists only of Non-Executive Directors
- consists of a majority of Independent Directors
- is chaired by an Independent Chair, who is not Chair of the Board
- has at least three members.

Recommendation 4.3: The Audit Committee should have a formal charter.

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

Principle 5: Make timely and balanced disclosure

Companies should promote timely and balanced disclosure of all material matters concerning the company.

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

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

Principle 6: Respect the rights of shareholders

Companies should respect the rights of shareholders and facilitate the effective exercise of those rights

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.

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

Principle 7: Recognise and Manage risk

Companies should establish a sound system of risk oversight and management and internal control

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

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.

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.

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

Principle 8: Remunerate fairly and responsibly

Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear

Recommendation 8.1: The board should establish a Remuneration Committee.

Recommendation 8.2: Companies should clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executive Directors and Senior Executives.

Recommendation 8.3: Companies should provide the information indicated in the Guide *to reporting on Principle 8*