

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

SUNDANCE RESOURCES LIMITED

ABN/ARBN

19 055 719 394

Financial year ended

2014

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

these pages of our annual report: \_\_\_\_\_

this URL on our website:

<http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=181>

The Corporate Governance Statement is accurate and up to date as at 30 September 2014 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date here:

30/9/14

Sign here:



Director/company secretary

Print name: GIULIO CASELLO

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
<p>1.1 A listed entity should disclose:</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 fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location: _____</p> <p style="text-align: center;"><i>Insert location here</i></p> <p>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):</p> <p><input type="checkbox"/> at this location: _____</p> <p style="text-align: center;"><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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 fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location: _____</p> <p style="text-align: center;"><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location: _____</p> <p style="text-align: center;"><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=181">http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=181</a></p> <p>... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>		
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(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; <b>OR</b></li> </ul> <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>[If the entity complies with paragraph (a):]  ... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location: _____  <i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location: <a href="http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=181">http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=181</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location: _____  <i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]  ... the fact that we do not have a nomination committee and the processes we employ 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><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location: _____  <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>2.2</p> <p>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.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b><u>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</u></b>		
3-1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	<p>... our code of conduct or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=i81">http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=i81</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b><u>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</u></b>		
4-1 The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee;	<p>[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=i81">http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=i81</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...	
<p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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; <b>OR</b></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>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p>		
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>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
4-3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b><u>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</u></b>		
5-1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at this location: <a href="http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=i81">http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=i81</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b><u>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</u></b>		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at this location: <a href="http://www.sundanceresources.com.au/irm/content/company-overview.aspx?RID=230&amp;RedirectCount=1">http://www.sundanceresources.com.au/irm/content/company-overview.aspx?RID=230&amp;RedirectCount=1</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

<p><b>Corporate Governance Council recommendation</b></p>	<p>We have followed the recommendation in full for the whole of the period above. We have disclosed ...</p>	<p>We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...</p>
<p>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.</p>	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:  <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u>  <input type="checkbox"/> at this location:  _____ <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u>  <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable</p>
<p>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.</p>	<p>... the fact that we follow this recommendation:  <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u>  <input type="checkbox"/> at this location:  _____ <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p><b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b></p>		
<p>7.1 The board of a listed entity should:  (a) have a committee or committees to oversee risk, each of which:  (1) has at least three members, a majority of whom are independent directors; and  and  (2) is chaired by an independent director, and disclose:  (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; <u>OR</u>  (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>[If the entity complies with paragraph (a):]  ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):  <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u>  <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>  ... and a copy of the charter of the committee:  <input checked="" type="checkbox"/> at this location:  <a href="http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=181">http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=181</a>  ... and the information referred to in paragraphs (4) and (5):  <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u>  <input type="checkbox"/> at this location:  _____ <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	<p>[If the entity complies with paragraph (b):]  ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u>  <input type="checkbox"/> at this location:</p>	
<p>7-2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u>  <input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>7-3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; <u>OR</u></p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]  ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u>  <input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]  ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u>  <input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

<p><b>Corporate Governance Council recommendation</b></p>	<p>We have followed the recommendation in full for the whole of the period above. We have disclosed ...</p>	<p>We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...</p>
<p>7.4</p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.sundanceresources.com.au/firm/content/environment-sustainability.aspx?RID=226">http://www.sundanceresources.com.au/firm/content/environment-sustainability.aspx?RID=226</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p><b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b></p>		
<p>8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <u>OR</u></p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.sundanceresources.com.au/firm/content/corporate-governance.aspx?RID=181">http://www.sundanceresources.com.au/firm/content/corporate-governance.aspx?RID=181</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	<p>[If the entity complies with paragraph (b):]  ... the fact that we do not have a remuneration committee and the processes we employ 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><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u>  <input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	
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.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u>  <input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=181">http://www.sundanceresources.com.au/irm/content/corporate-governance.aspx?RID=181</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u>  <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3 A listed entity which has an equity-based remuneration scheme should: (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.	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u>  <input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u>  <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u>  <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>		
<p>- <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>- <i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## CORPORATE GOVERNANCE STATEMENT

### CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The Company's practices are consistent with the Australian Stock Exchange (ASX) Corporate Governance Council Principles (Third Edition).

### PRINCIPLE 1: LAYING SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

#### *Recommendation 1.1 Role of the Board and Management*

The Board's role is to represent the shareholders. It is accountable to them for creating and delivering value through the effective governance of the business. This role requires a high-performing Board, with all Directors contributing to the Board's collective decision-making processes.

The Board exists to lead and oversee the management and direction of the Company. The Board operates in accordance with the broad principles set out in its Charter, a copy of which is on the Company's website. The Charter details the board's composition and functions.

The Board is responsible for:

OVERSEEING	GOVERNANCE	RISK AND REPORTING
<p>Strategy – defining and setting the business objectives and monitoring performance and achievement of those objectives;            Chairman selection – appointing the Chairman of the Board;            Leadership selection – as appropriate appointing or removing the Chief Executive Officer, evaluating the performance of the Chief Executive Officer, and approving other key executive appointments;            Succession planning – planning for Board, CEO and executive succession;            Remuneration framework – approving the Company's remuneration framework, approving CEO and executive remuneration, and setting Non-Executive Director remuneration within shareholder approved limits.</p>	<p>Corporate governance – reviewing and monitoring the Company's corporate governance policies and practices;            Board performance and composition – evaluating the performance of the Board and determining its size and composition; and            Social responsibility – considering the social, ethical and environmental impact of activities and operations and monitoring compliance with the Company's social responsibility policies.</p>	<p>Financial performance – monitoring and approving financial performance and budgets;            Financial reporting – considering and approving half-yearly and annual financial statements, and monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;            Risk management – oversight of the appropriateness of risk management framework and setting the risk appetite within which the Board expects management to operate; and            External auditor – selecting and recommending to shareholders the appointment of the external auditor.</p>

Management are responsible for implementing the strategic objectives and operating within the risk appetite set by the Board and for all other aspects of the day to day running of the Company. Management are also responsible for providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities.

**Recommendation 1.2 Director Checks**

The Company performs full checks on all potential directors. These include checks on a person's character, experience, education, criminal record and bankruptcy history. All directors have provided consent for the Company to perform such checks.

Your Directors' biographical details, including their relevant qualifications and experience and the skills they are bringing to the Board are detailed on the Company website and within the Annual Report. Details of any other material directorships currently held are also provided within the Annual Report.

Annually the Board conducts an assessment of its performance. As part of this assessment each Director is requested to provide the Chairman with details of their other commitments and specifically acknowledges to the Chairman that they will have sufficient time to fulfil their duties as a Director of the Company.

**Recommendation 1.3 Written Agreement with each Director and Senior Executive**

All Non-Executive Directors are engaged by the Company under letters of appointment and senior executives are engaged under service contracts. These address the roles and responsibilities of individuals.

Details of the letters of appointment and service contracts for senior executives are provided in the Remuneration Report within the Annual Report.

**Recommendation 1.4 Company Secretary**

The Company Secretary, Mrs Carol Marinkovich, is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

**Recommendation 1.5 Diversity**

The Company has adopted a Diversity Policy, a copy of which is available on the Company's website. The Policy includes a requirement for the Board to establish measurable diversity objectives. The Diversity Policy was reviewed by the Nomination and Remuneration Committee, and subsequently approved by the full Board.

The Board approved 2013-2014 diversity objectives, and the progress made toward achieving them, is detailed below.

**Objective 1**

To maintain, or improve the August 2013 level of female participation across the Company

	<b>2013</b>	<b>2014</b>
Whole Organisation	22%	18%
Senior Executives *	14%	14%
Board of Directors	20%	14%



While our overall results have decreased in some areas, this was due to the engagement of additional male staff in these groups and not to any reduction in the number of females in the Senior Executive and Board groups.

- \* Senior Executives is defined as Sundance Banding Level 7 and above.  
Banding Level guideline principles are:
- Heads of functional departments with a strategic focus
  - Usually reporting to the CEO or -2 from CEO

### **Objective 2**

For all recruitment of positions over Banding Level 5, we will aim to have a minimum of one female candidate as part of the selection pool.

Recruitment activities across all banding levels were minimal over the reporting period. As the Company moves into phases which involve recruitment of staff, measurement against this objective will be presented.

The Board has resolved to retain the diversity objectives as set for the previous year for the coming period of 2014-2015. As the Company moves into the Project construction phase the Board will reassess the suitability of our diversity objectives.

The Board looks forward to reporting positive results in relation to gender, and other areas of diversity throughout the Company.

### **Recommendation 1.6 Board Performance Assessment**

The Board has undertaken a process of self-assessment of its collective performance, and the performance of its committees utilising questionnaires during the 2013 financial year.

To date, the Board has not undertaken a formal process of assessment of individual Directors performance, but has done so informally via discussions between each Director and the Chairman.

### **Recommendation 1.7 Performance Evaluation of Senior Executives**

The importance of a clear relationship between Management performance and remuneration is reflected in our approach to evaluating Management performance.

The following process for Senior Management performance evaluation was undertaken, to the satisfaction of the Board, during the reporting period:

- the performance evaluation of the Managing Director and Chief Executive Officer was undertaken by the Chairman, in consultation with the Nomination and Remuneration Committee; and
- the performance evaluation of other Senior Executives was undertaken by the Managing Director and Chief Executive Officer, with the Nomination and Remuneration Committee's oversight of their objectives and performance assessments.

## PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

### **Recommendation 2.1** *Nomination Committee*

The Company has in place a Nomination & Remuneration Committee and the composition is determined so as to provide the Company with a broad base of industry, business, technical, administrative, financial and corporate skills and experience considered necessary to achieve the business objectives of the Company. The Committee has at least three members who are independent Directors.

The Committee Charter is available on the Company's website.

The membership and meeting attendance is disclosed in the Directors Report for the year ended 30 June 2014.

### **Recommendation 2.2** *Board Skills Matrix*

The Company has in place a process to assist in identifying areas of focus and maintaining an appropriate and diverse mix in its membership by utilising a Board Skills Matrix. The Board Skills Matrix is reviewed by the Board annually.

Our Board Skills Matrix sets out the mix of skills, experience and expertise that the Board currently has and is looking to achieve for Board membership. As well as general skills expected for Board membership the matrix reflects the various areas relevant to the Company's strategy. In particular they are CEO Level Experience, Iron Ore Industry Experience, Corporate Governance and Risk Management Experience, Finance, West African Business Experience, Chinese Business Experience and Large Scale Operations and Project Delivery Experience. Each of these areas is currently well represented on the Board. The Board benefits from the combination of Directors' individual skills, experience and expertise in particular areas, as well as the varying perspectives and insights that arise from the interaction of Directors with diverse backgrounds.

### **Recommendation 2.3** *Directors Independence*

The recommendations of best practice are that a majority of the Directors and in particular the chairperson should be independent.

An Independent Director is considered to be one who:

- is not a substantial shareholder of the Company or an officer or otherwise associated directly or indirectly with a substantial shareholder of the Company;
- is not an employee and has not within the last 3 years been employed in an executive capacity by the Company or another group member or been a director after ceasing to hold such employment;
- has not 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;
- is not a material supplier or customer of the Company or another group member, or an officer of, or otherwise associated directly or indirectly with a significant supplier or customer; or
- has no material contractual relationship with the Company or any other group member other than as a director of the Company.

Of the current Board members Mr George Jones (Chairman), Mr Wallace King, Mr Barry Eldridge, Mr Andrew (Robin) Marshall, Mr David Southam and Ms Fiona Harris meet these criteria. Mr Michael Blakiston and Mr Giulio Casello would not be considered independent.

Directors' independence and the length of service of each Director is reported within the Annual Report and detailed within the Corporate Governance section of the Company website.

**Recommendation 2.4 Majority of Directors Independent**

75% of the Board of the Company are Independent Directors.

**Recommendation 2.5 Chairman & Chief Executive Officer**

The Company has at all times maintained a separation between the Chairman and Chief Executive Officer roles. The day-to-day management of the Company is overseen by the Managing Director and Chief Executive Officer, Mr Giulio Casello. The Chairman of the Board is an Independent Director, Mr George Jones.

**Principle 2.6 Company Induction and Professional Development of Directors**

The Company has an established program for the induction of new Directors. This induction covers all aspects of the Company's operations including the provision of information and meetings with relevant Senior Executives so as to ensure that new Directors are able to fulfil their responsibilities and contribute to Board decisions.

Existing Directors are encouraged to participate in appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as a Director. Regular reviews are undertaken by the Nomination & Remuneration Committee as to whether the Directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to effectively fulfil their role on the Board and on Board Committees.

**Independent Advice**

The Directors, the Board and the Board Committees may seek external professional advice, as considered necessary, at the Company's expense, with the consent of the Chairman and assistance of the Company Secretary. If appropriate, any advice so received will be made available to all Directors.

## **PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY**

**Recommendation 3.1 Code of Conduct**

The Company has adopted a Vision and Values Statement and established a number of key policies, including a formalised Code of Conduct and Anti-Corruption Policy, copies of which are available on the Company's website.

Directors, officers, employees and consultants to the Company are required to observe high standards of behaviour and business ethics in conducting business on behalf of the Company and they are required to maintain a reputation of integrity on the part of both the Company and themselves. The Company does not contract with or otherwise engage any person or party where it considers integrity may be compromised. The Company's Values are an integral part of all employees' ongoing performance management.

All Directors, executives and staff of the Company and of all controlled entities are required to abide by the legal requirements and high standards of ethical conduct as recognised in each relevant jurisdiction in which the Group operates.

To ensure high standards of personal integrity are upheld, the Company has a Whistleblower Policy to assist in the identification of the reporting of unlawful or unethical behaviour.

## **PRINCIPLE 4: SAFEGUARDING INTEGRITY IN CORPORATE REPORTING**

### ***Recommendation 4.1 Audit & Risk Management Committee***

The Board has established an Audit & Risk Management Committee with a Charter that sets out its roles, responsibilities, composition, structure and membership requirements. A copy of the Charter is on the Company's website.

The Audit & Risk Management Committee currently has four members, being:

- Ms Fiona Harris (Chairman of the Audit & Risk Management Committee);
- Mr Michael Blakiston;
- Mr David Southam (appointed 5 March 2014); and
- Mr Andrew (Robin) Marshall (appointed 2 July 2014).

Mr Barry Eldridge resigned as a member of the Audit & Risk Management Committee effective 5 March 2014.

All members of the Audit & Risk Management Committee are Non-Executive Directors, and a majority are independent Non-Executive Directors. The Chairman, Ms Fiona Harris, is an independent Non-Executive Director who is not the Chairman of the Board. Details of the relevant qualifications and experience of the members of the Committee and the number of times the Committee met are detailed within the Annual Report.

Each Committee member has access to the external auditors and the auditor has access to each Committee member and members of management.

### ***Recommendation 4.2 Declarations from the CEO and CFO***

The Chief Executive Officer and the Chief Financial Officer are required to make a declaration in accordance with section 295A of the Corporations Act that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards, and to provide assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects.

### ***Recommendation 4.3 External Auditors***

The external auditor is required to attend the AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

## PRINCIPLE 5: MAKING TIMELY AND BALANCED DISCLOSURE

### *Recommendation 5.1 Disclosure Policy*

The Company has a Continuous Disclosure Policy, a copy of which is on the Company's website.

This Policy includes written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities. All directors, executives and staff are required to abide by all legal requirements, the Listing Rules of the Australian Securities Exchange ('ASX') and high standards of ethical conduct. This includes compliance with the continuous disclosure requirements of the Listing Rules.

The Chief Executive Officer and Company Secretary have been nominated as the persons responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

## PRINCIPLE 6: RESPECTING THE RIGHTS OF SHAREHOLDERS

### *Recommendation 6.1 Information on Website*

The Company provides information about itself and its governance to investors via its website and has a "Corporate Governance" landing page where all relevant corporate governance information can be accessed.

All Committee Charters and relevant Corporate Governance Policies are listed on this Corporate Governance landing page on the website.

The company website also includes copies of its annual reports and financial statements; copies of its ASX announcements; copies of Notices of Meetings, as well as an overview of the Company's business activities in appropriate areas of the website.

### *Recommendation 6.2 Investor Relations Program*

The Company has an established investor relations program to facilitate effective communication between the Company and investors. Underpinning this program is the Shareholder Communications Policy, a copy of which is on the Company's website.

The Board's policy is to seek to inform shareholders of all major developments affecting the Company by allowing investors and other financial market participants to gain a greater understanding of the entity's business, governance, financial performance and prospects.

The Company employs an Investor Relations Manager who regularly reports to the Board.

**Recommendation 6.3 Participation at Meetings of Shareholders**

The Company has policies and procedures that enable shareholders to receive the reports and participate in shareholder meetings by attendance or by written communication. The Board seeks to notify all shareholders so they can be fully informed for voting at the Annual General Meeting. Shareholders who have made an election receive a copy of the Company's Annual Report by mail; otherwise, the Annual Report is available on the Company's website. Direct voting facilities to allow security holders to vote ahead of the meeting without having to attend or appoint a proxy have been implemented by the Company.

**Recommendation 6.4 Electronic Communication**

The Company has the capability to communicate with shareholders electronically through its website, email communications and via the share registry. Electronic contact details are provided on the Company's website.

## **PRINCIPLE 7: RECOGNISING AND MANAGE RISK**

**Recommendation 7.1 Risk Committee**

The Company has a Committee, the Audit & Risk Management Committee, that oversees risk. It is composed of at least three members, the majority of whom are independent, and it is chaired by an Independent Director. The Charter is available on the Company's website. Details of the relevant qualifications and experience of the members of the Committee and the number of times the Committee met are detailed within the Annual Report.

The Chief Executive Officer is accountable to the Board, through the Audit & Risk Management Committee, for the implementation of the risk management process and is ultimately responsible for the management of risks in the business.

The Board has adopted a formal Risk Management Policy and associated procedures so as to formalise the process of managing material business risks of the Company. A copy of the Policy is available on the Company's website.

**Recommendation 7.2 Annual Risk Review**

The Risk Management Policy requires Management to design and implement risk management processes and systems to identify and manage the Company's material business risks and report to the Board on whether those risks are being managed effectively.

The Board is regularly briefed and involved in discussions in relation to many of the material business risks facing the Company.

The risk management framework is reviewed at least annually by the Audit & Risk Management Committee and has been reviewed for the year ended 30 June 2014.

The Chief Executive Officer and the Chief Financial Officer are required to make a declaration in accordance with section 295A of the Corporations Act that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards, and to provide assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects.

**Recommendation 7.3 Internal Audit**

The Company does not have a formal internal audit function. The Audit and Risk Management Committee monitors the need for an internal audit function having regard to the size, geographic location and complexity of the Company's operations.

The Company's Management periodically undertakes an internal review of financial systems and processes and where systems are considered to require improvement these systems are developed. The Audit & Risk Management Committee also considers external reviews of specific areas and monitors the implementation of system improvements.

**Recommendation 7.4 Sustainability Risks**

The Company currently publishes an Annual Environmental Report, which discloses economic, environmental and social sustainability risks. This report is available in hard copy and is published on the website.

The Board is regularly briefed and involved in discussions in relation to material exposure to economic, environmental and social sustainability risks facing the Company.

Management is currently considering the requirements for undertaking a separate Sustainability Report in addition to the Annual Environmental Report.

## **PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY**

**Recommendation 8.1 Remuneration Committee**

The Board has established a Nomination & Remuneration Committee, with a Charter that sets out its roles, responsibilities, composition, structure and membership requirements. The Charter is available on the Company's website.

The Nomination & Remuneration Committee currently has four members, being:

Mr Wal King (Chairman) (appointed 2 July 2014);  
Ms Fiona Harris;  
Mr Andrew (Robin) Marshall; and  
Mr David Southam (appointed 2 July 2014)

Mr Barry Eldridge resigned as a member of the Nomination & Remuneration Committee effective 2 July 2014.

All Committee members including the Chairman are independent Non-Executive Directors. The Annual Report details the number of times the Committee met throughout the period and the individual attendances of the members at those meetings.

***Recommendation 8.2 Disclosure of Remuneration Policies and Practices***

The Committee has established a Remuneration Policy for the Company. A copy of the Remuneration Policy is available on the Company's website. The Company's Remuneration Policy clearly distinguishes the structure of executive and non-executive remuneration, and contains a prohibition on Directors and employees entering into hedging arrangements to mitigate the risk of changes in value of unvested performance rights or options by the use of financial instruments. Any such arrangements entered into in relation to vested entitlements are required to be reported to the Board and must only occur within the trading periods allowed under the Securities Trading Policy.

The Remuneration Report contained in the Annual Report outlines the Director and executive remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 and the Corporations Regulations. It also provides the remuneration disclosure required by AASB124 Related Party Disclosures.

There are no schemes for retirement benefits, other than superannuation, for Non-Executive Directors.

***Recommendation 8.3 Policy on Equity Based Remuneration Scheme***

The Company has a Performance Rights Plan, which has been approved by Shareholders, a copy of which is located on the Corporate Governance landing page of the website.

The Sundance Securities Trading Policy specifically prohibits Directors, officers and employees from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes. A copy of the Securities Trading Policy can be found on the Corporate Governance page of the Company website.