

23 September 2015

**ASX / TSX ANNOUNCEMENT**

**CORPORATE GOVERNANCE STATEMENT**

Please find attached the Corporate Governance Statement for Orocobre Limited for the financial year ended 30 June 2015, together with an Appendix 4G Key to Disclosures – Corporate Governance Council Principles and Recommendations.



Rick Anthon

Joint Company Secretary

## Appendix 4G

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

Name of entity

Orocobre Limited

ABN/ARBN

31 112 589 910

Financial year ended

30 June 2015

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.orocobre.com.au/Corporate\\_Governance.htm](http://www.orocobre.com.au/Corporate_Governance.htm)

The Corporate Governance Statement is accurate and up to date as at 22 September 2015 and has been approved by the board.

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

Date here: 23 September 2015



Sign here:

Company secretary

Print name: Rick Anthon

<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 <b>NOT</b> 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>			
1.1	<p>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 <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><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 checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.orocobre.com.au/Corporate_Governance.htm">http://www.orocobre.com.au/Corporate_Governance.htm</a></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>
1.2	<p>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 <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>
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>... the 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>
1.4	<p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>... 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>

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>1.5 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 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 our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.orocobre.com.au/Corporate_Governance.htm">http://www.orocobre.com.au/Corporate_Governance.htm</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 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 paragraphs (c)(1) or (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><input checked="" 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>1.6 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 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 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 checked="" 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 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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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**PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE**

2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <u>OR</u></p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input 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 type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input 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>[If the entity complies with paragraph (b):]</p> <p>... 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 <u>OR</u></p> <p><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 <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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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 ...
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input 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 checked="" 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>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<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>_____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input 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>... 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>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input 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 checked="" 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> <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: _____ <i>Insert location here</i>	<input checked="" 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
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> <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: _____ <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 and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</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> <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</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; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those	<p>[If the entity complies with paragraph (a):]            ... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: _____ <i>Insert location here</i> <p>... and a copy of the charter of the committee:</p> <input type="checkbox"/> at this location: _____ <i>Insert location here</i> <p>... and the information referred to in paragraphs (4) and (5):</p>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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>meetings: <u>OR</u></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><input 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>[If the entity complies with paragraph (b):]  ... 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 <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	
<p>4.2 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 <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</p>
<p>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>	<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 that does not hold an annual general meeting 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>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</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.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at this location:  <a href="http://www.orocobre.com.au/Corporate_Governance.htm">http://www.orocobre.com.au/Corporate_Governance.htm</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.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	... 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>	<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
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.	... 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>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	The board of a listed entity should:	[If the entity complies with paragraph (a):]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance

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>(a) have a committee or committees to oversee risk, each of 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; <b>OR</b></p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</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>... and a copy of the charter of the committee:</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 (4) and (5):</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>[If the entity complies with paragraph (b):]</p> <p>... 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 <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p>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 ...
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location] ... and that such a review has taken place in the reporting period covered by this Appendix 4G: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; <u>OR</u> (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.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>  [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: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.4	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.	... 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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 ...
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**PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY**

8.1	<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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p style="text-align: center;"><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p style="text-align: center;"><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p style="text-align: center;"><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... 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></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p style="text-align: center;"><i>Insert location here</i></p>	<p><input checked="" 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>
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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 ...
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 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>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</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 do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## **Orocobre Ltd**

### **Corporate Governance Statement 22 September 2015**

The Board of Directors of Orocobre Limited (Orocobre or the Company) is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company's Corporate Governance Statement is structured with reference to the Australian Securities Exchange Corporate Governance Council's "Corporate Governance Principles and Recommendations, 3rd Edition".

This statement has been approved by the Board of Orocobre and is current as at 22 September 2015. The statement and information identified therein are available on the Company's website at [www.orocobre.com](http://www.orocobre.com) under the Corporate Governance section.

The Board endorses the ASX Principles of Good Corporate Governance and Best Practice Recommendations, and has adopted corporate governance charters and policies reflecting those recommendations to the extent appropriate having regard to the size and circumstances of the Company

The Company is committed to ensuring that its corporate governance systems maintain the Company's focus on transparency, responsibility and accountability. For further information on corporate governance policies adopted by the Company, refer to our website: [www.orocobre.com](http://www.orocobre.com).

Principle	Comment
<p><b>Principle 1: Lay solid foundations for management and oversight</b></p> <p><b>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.</b></p>	
<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 Company's Board Charter (published on the Company's website) sets out the specific responsibilities of the Board and those delegated to Senior Management.</p> <p>The Board is collectively responsible for promoting the success of the Company through its key functions of setting strategic direction, overseeing management of the Company, providing overall corporate governance, monitoring financial performance, engaging appropriate management and Directors commensurate with the desired structure and objectives of the Company and reviewing, ratifying and monitoring systems of risk management and internal control codes of conduct policy and legal compliance.</p> <p>The Managing Director supported by other members of the Senior Management Team, is responsible for managing the day to day activities of the Company and advancing the strategic direction of the Company as set by the Board.</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 Company has made no new appointments to the Board since November 2012.</p> <p>Should the Company act to appoint any new Director in the future, then appropriate checks will be undertaken which will include checks such as the person's character experience, education, criminal record and bankruptcy history.</p> <p>A profile of each Director is included in the Annual Report and in any notice of meeting where a Director is standing for election or re-election.</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 Company has a written agreement in place with each Director and Senior Executive which sets out the terms of their appointment. Any material variations to written agreements with Directors are disclosed to the ASX.</p>
<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>Each Board member has direct access to the Company Secretaries (who are accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board) with procedures for the provision of information, including requests for additional information</p>
<p>1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant</p>	<p>The Board has established a Diversity Policy which is published on the Company's website.</p> <p>The Board at this juncture has not set measurable objectives. This policy will be reviewed as part of the annual compliance review to ensure that the Diversity Policy is being progressed as required and to set measurable objectives when appropriate for the Company.</p>

<p>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 proportion of women employees in the whole organisation, women in management positions and women on the board are as follows:</p> <table border="1" data-bbox="745 360 1330 539"> <thead> <tr> <th>Measure</th> <th>Female proportion</th> </tr> </thead> <tbody> <tr> <td>Organisation</td> <td>11%</td> </tr> <tr> <td>Management</td> <td>33%</td> </tr> <tr> <td>Board</td> <td>Nil</td> </tr> </tbody> </table> <p>As at the date of this Annual Report, 0% of the Board, 11% of employees and 33% of senior executives are women. In Australia, 38% of employees are women while in Argentina the figure is 10%. All senior executive roles performed by women are based in Argentina. These figures include the Sales de Jujuy SA employees responsible for the management of the Olaroz project as well as employees of Borax Argentina SA.</p>	Measure	Female proportion	Organisation	11%	Management	33%	Board	Nil
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<p>1.6 - 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 Company has a Process for Performance Evaluation which is published on the Company's website. The Process details the performance review process of the Board, committees, individual Directors and Senior Executives.</p> <p>The Chairman is responsible for evaluation of the Board and its members, as well as the various Committees. The Chairman and the Board regularly discussed the performance and composition of the Board and various Committees during the 2014-2015 period, considering issues or concerns as they arose. This ongoing process has remained in-house and informal throughout the year relying on regular discussion. A formal performance review of the Chairman was not undertaken.</p>								
<p>1.7 - A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p>	<p>As above.</p> <p>A Process for Performance Evaluation is published on the Company's website.</p> <p>During the 2014-2015 period, the Non-Executive Directors performed a formal performance appraisal of the Managing Director as the Nomination Committee within the reporting period. During this appraisal process, the Nomination Committee as a whole set the key</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>performance indicators (KPIs) for the Managing Director for the relevant period.</p> <p>Formal performance appraisals of the Senior Executives were conducted by the Managing Director and separately with the Nomination Committee as a whole within the reporting period</p>
<p><b>Principle 2: Structure the board to add value</b></p> <p><b>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</b></p>	
<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol 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: <ol style="list-style-type: none"> <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> </ol> </li> </ol> <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>The Company does not have a separate Nominations Committee. The full Board carries out the role of a Nomination Committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee.</p> <p>The board as a whole currently undertakes the process of reviewing the skill base and experience of existing directors to enable identification or attributes required in new directors. In this capacity the Board acts as a Nomination Committee and acts in accordance with the Nomination Committee Charter. Where appropriate, independent consultants may be engaged to identify possible new candidates for the board.</p> <p>A copy of the Nomination Committee Charter is published on the Company's website.</p>
<p>2.2 - A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>The Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties.</p> <p>The Board has identified that the appropriate mix of skills and diversity required of its members on the Board to operate effectively and efficiently is achieved by personnel having substantial skills and experience in operational management, project development, process engineering and development, corporate law, finance, listed resource companies, equity markets and global funds management.</p> <p>A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report in the 2015 Annual Report.</p>

<p>2.3 - 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 position of each director and as to whether or not they are considered to be independent is set out below.</p> <table border="1" data-bbox="741 360 2033 826"> <thead> <tr> <th data-bbox="741 360 1070 408">Name</th> <th data-bbox="1070 360 1339 408">Position</th> <th data-bbox="1339 360 1727 408">Independence Position</th> <th data-bbox="1727 360 2033 408">Appointment Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="741 408 1070 464">James Calaway</td> <td data-bbox="1070 408 1339 464">Chair</td> <td data-bbox="1339 408 1727 464">Not Independent</td> <td data-bbox="1727 408 2033 464">May 2009</td> </tr> <tr> <td data-bbox="741 464 1070 520">Richard Seville</td> <td data-bbox="1070 464 1339 520">Managing Director</td> <td data-bbox="1339 464 1727 520">Not Independent</td> <td data-bbox="1727 464 2033 520">April 2007</td> </tr> <tr> <td data-bbox="741 520 1070 576">John Gibson</td> <td data-bbox="1070 520 1339 576">Non-executive Director</td> <td data-bbox="1339 520 1727 576">Independent</td> <td data-bbox="1727 520 2033 576">March 2010</td> </tr> <tr> <td data-bbox="741 576 1070 632">Courtney Pratt</td> <td data-bbox="1070 576 1339 632">Non-executive Director</td> <td data-bbox="1339 576 1727 632">Independent</td> <td data-bbox="1727 576 2033 632">March 2010</td> </tr> <tr> <td data-bbox="741 632 1070 687">Fernando Oris de Roa</td> <td data-bbox="1070 632 1339 687">Non-executive Director</td> <td data-bbox="1339 632 1727 687">Independent</td> <td data-bbox="1727 632 2033 687">June 2010</td> </tr> <tr> <td data-bbox="741 687 1070 743">Frederico Nicholson</td> <td data-bbox="1070 687 1339 743">Non-executive Director</td> <td data-bbox="1339 687 1727 743">Independent</td> <td data-bbox="1727 687 2033 743">September 2010</td> </tr> <tr> <td data-bbox="741 743 1070 826">Robert Hubbard</td> <td data-bbox="1070 743 1339 826">Non-executive Director</td> <td data-bbox="1339 743 1727 826">Independent</td> <td data-bbox="1727 743 2033 826">November 2012</td> </tr> </tbody> </table>	Name	Position	Independence Position	Appointment Date	James Calaway	Chair	Not Independent	May 2009	Richard Seville	Managing Director	Not Independent	April 2007	John Gibson	Non-executive Director	Independent	March 2010	Courtney Pratt	Non-executive Director	Independent	March 2010	Fernando Oris de Roa	Non-executive Director	Independent	June 2010	Frederico Nicholson	Non-executive Director	Independent	September 2010	Robert Hubbard	Non-executive Director	Independent	November 2012
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<p>2.4 - A majority of the board of a listed entity should be independent directors.</p>	<p>The current board has a majority of independent directors.</p>																																
<p>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>	<p>The Chairman of the company is not considered to be independent as he is a substantial shareholder of the Company.</p> <p>The Board believes that the current Chairman can and does make quality and independent judgements in the best interest of the Company and other stakeholders notwithstanding that he is not an independent director in accordance with the criteria set out in the recommendations</p> <p>The Role of the Chair is documented in the Company's Board Charter published on the Company's website.</p>																																
<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>	<p>The Company has procedures to provide new directors with any information they may request with direct access to the Company Secretary and Senior Management available to any new appointee. The Company encourages, and recommends, that all non-executive directors attend relevant external seminars and educational programs to assist directors in the effect of exercise of their powers and duties. The Board has agreed that such seminars and educational programs obtained by a director will be at the expense of the Company.</p>																																

	<p>The Board sitting in its capacity as Nominations Committee will review the skills and experience of prospective Directors and ascertain any shortcomings and development opportunities. It also oversees any induction program, and ongoing education requirements concerning key developments in the Company, and in the industry and environment in which the Company operates. Subject to approval, the Company will pay reasonable expenses to enable Directors to seek independent professional advice if required to properly discharge their responsibilities.</p> <p>Each new Director is inducted into the Company's policies and processes on engagement.</p>
<p><b>Principle 3: Act ethically and responsibly</b>  <b>A listed entity should act ethically and responsibly.</b></p>	
<p>3.1 - A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>The Company is committed to operating ethically, honestly, responsibly and legally in all its business dealings. Accordingly, the Company requires employees to act in the Company's best interests in a professional, honest and ethical manner, and in full compliance with the law, both within and on behalf of the Company.</p> <p>The Company has an established Code of Conduct (Code), published on the Company website, that outlines the behaviour that is expected of employees. The Code governs all the Company's operations and the conduct of Directors, management and employees.</p> <p>The purpose of the Code is to:</p> <ul style="list-style-type: none"> <li>• outline the high standards of honest, ethical and legal behaviour expected of directors and employees;</li> <li>• encourage adherence with those standards to protect and promote the interests of all HRL stakeholders;</li> <li>• guide directors and employees as to the practices considered necessary to maintain confidence in the Group's integrity; and</li> </ul> <p>set out the responsibility and accountability of directors and employees to report and investigate any unlawful or unethical practices or behaviour.</p>
	<p><b>Trading in company securities by directors, officers and employees</b></p> <p>The Board has established written guidelines, set out in its Securities Trading Policy, that restrict dealings by directors and relevant employees in the Company's shares. The Securities Trading Policy identifies certain periods when directors and relevant employees are prohibited from trading in the Company's securities. Outside of these periods, in the absence of knowledge of unpublished price-sensitive information, directors and relevant employees may buy or sell shares in the Company.</p> <p>The Securities Trading Policy is published on the Company's website.</p>
<p><b>Principle 4: Safeguard integrity in corporate reporting</b>  <b>A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.</b></p>	

<p>4.1 - The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, who is not the chair of the board,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the relevant qualifications and experience of the members of the committee; and</li> <li>(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></li> </ol> <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>The Company's Audit and Risk Committee comprises Robert Hubbard as Chair, John Gibson and Fernando Oris de Roa, all of whom are Non-Executive Independent Directors. Robert Hubbard is an accountant by discipline, and all members of the Audit Committee consider themselves to be financially literate and have significant understanding of the industry in which the Company operates.</p> <p>The Audit and Risk Committee Charter is published on the Company's website whilst the qualifications and experience of the members are outlined in the profiles in the Directors' Report contained within the 2015 Annual Report.</p> <p>The Committee met three times during the reporting period, with all members attending at each meeting.</p>
<p>4.2 - 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 CEO and CFO state in writing to the Board each reporting period that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial and operational results and have been properly maintained in accordance with all relevant accounting standards.</p> <p>The CEO and CFO state in writing to the Board each reporting period that:</p> <ul style="list-style-type: none"> <li>• the statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.</li> <li>• the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.</li> </ul>
<p>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</p>	<p>The engagement partner (or his representative) of the Company's external auditor, attends the Company's AGM and is available to answer questions from shareholders about the audit.</p>

audit.	
<p><b>Principle 5: Make timely and balanced disclosure</b></p> <p><b>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</b></p>	
<p>5.1 - A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>The Company policy on Continuous Disclosure is published in the Company's website and is designed to ensure compliance with the SASX Listing Rules disclosure requirements and accountability at a senior executive level for that compliance.</p>
<p><b>Principle 6: Respect the rights of security holders</b></p> <p><b>A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.</b></p>	
<p>6.1 - A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>The Company seeks to disclose all material information to shareholders as soon as possible and as widely as possible, in keeping and complying with its continuous disclosure requirements.</p> <p>Information released to the ASX is also published on the Company's website immediately. The website also contains copies of media releases as well as information in relation to the Company's businesses and major projects, people, financial results and corporate governance practices and policies.</p> <p>The Company has a Shareholder Communications Policy that is published on the Company's website.</p>
<p>6.2 - A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>The Company has a proactive approach to communicating with Shareholders and the wider investment community, and encourages ongoing Shareholder feedback and participation at general meetings.</p> <p>To support the Company's communication strategy, the Company has appointed a dedicated Investor Relations professional to promote the Company's investor relations program.</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>Shareholders are encouraged to participate in the Annual General Meeting (AGM) to ensure a high level of accountability and identification with the Company's strategies and goals. Important issues are presented to shareholders as separate resolutions.</p> <p>Shareholders who are unable to attend the AGM may vote by appointing a proxy using the form included with the Notice of Meeting. Further, shareholders are also invited to submit questions in advance of the AGM so that the Company can ensure those issues are addressed at the meeting.</p>
<p>6.4 - A listed entity should give security holders the option to receive communications from, and send</p>	<p>Shareholders have the option to receive communications from, and send communications to, the Company and its share registry, Link Market Services, electronically.</p>

<p>communications to, the entity and its security registry electronically.</p>	
<p><b>Principle 7: Recognise and manage risk</b>  <b>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</b></p>	
<p>7.1 - The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of 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,</p> <p>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; <b>OR</b></p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>The Company recognises the importance of managing risk and controlling its business activities in a manner which enables it to maximise profitable opportunities, avoid or reduce risks which may cause injury or loss, ensures compliance with applicable laws and regulations, and enhances resilience to external events.</p> <p>The Company has not established a separate risk committee. However the Audit Committee also deals with matters of Risk and the Board assume responsibility for overseeing and approving risk management strategy and policies and internal compliance.</p> <p>The Charter of the Audit and Risk Committee is published on the Company's website.</p> <p>The Directors have significant experience in, and understanding of, the industry in which the Company operates, and the risks associated with public companies, to perform the functions associated with risk under the Audit and Risk Committee and Board Charter.</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 Company operates under a Risk Management Framework which provides the process for risk management and internal control systems and applies to the management of all types of risk, financial and non-financial, throughout the business.</p> <p>The Risk Management Framework is reviewed by the Audit and Risk Committee and approved by the Board.</p>
<p>7.3 - A listed entity should disclose:</p>	<p>The Company does not have an internal audit function. Risk management and internal controls are the responsibility of the Board and</p>

<p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>Senior Management.</p> <p>The Board, through the Audit and Risk Committee, oversee the effectiveness of risk management and internal control processes.</p> <p>Management are charged with resourcing, operating and monitoring the system of internal control, incorporating risk responses in the form of controls into its management systems, and reporting results on balanced assessments regarding the effectiveness of internal controls to the Board.</p> <p>During the period, the Company engaged an external consultant to implement a formal internal audit function. Implementation commenced during the period and will be managed on a progressive basis through to completion</p>
<p>7.4 - 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>The Company has exposure to the following risks:</p> <ul style="list-style-type: none"> <li>• Fluctuations in the Australian dollar, the American dollar and the Argentinean peso which can impact on revenue streams from operations. The Company does not hedge but monitors currency fluctuations.</li> <li>• The completion of commissioning, the commencement of commercial production and ramp up of the Olaroz Lithium Facility and the timing thereof. The Company closely monitors progress at the Olaroz Lithium Facility to ensure progress.</li> <li>• Changes to royalties and charges levied by various Governments and changes to rates of taxes. That may impact on the profitability of the Company. The Company maintains communications with relevant parties to assist in mitigating potential increases.</li> </ul> <p>The Company is subject to, and responsible for, existing environmental liabilities associated with its projects as well as potential new liabilities through continuation of operating activities. The Company continually monitors its ongoing environmental obligations and risks and implements rehabilitation and corrective actions as appropriate to remain compliant.</p>
<p><b>Principle 8: Remunerate fairly and responsibly</b></p> <p><b>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.</b></p>	
<p>8.1 - The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol 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> </ol>	<p>A Remuneration Committee is in place and comprises two non-executive Directors, Courtney Pratt and Federico Nicholson and James Calaway (Non-Executive Chairman)</p> <p>A copy of the Remuneration Committee Charter is published on the Company's website.</p> <p>The Committee met three times during the reporting period with all members in attendance.</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; <b>OR</b></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>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>	<p>The structure of Non-Executive Director remuneration is clearly distinguishable from that of Executive Directors and other Senior Executives. The Company operates on a detailed Remuneration Framework which is reviewed annually.</p> <p>Non-Executive Directors are remunerated on a fixed fee basis for time. Commitment and responsibility as part of an aggregate remuneration pool approved by Shareholders. No incentives are in place for Non-Executive Directors.</p> <p>Senior Executives (including the Managing Director) are remunerated on an annual basis with a total fixed remuneration (i.e. cash base salary, superannuation capped at \$30,000, salary continuance insurance, medical insurance and parking) and variable "at risk" components (i.e. a short term incentive (STI) and a long term incentive (LTI)).</p> <p>The STI variable component is designed to encourage and reward superior performance in a manner which aligns this element of remuneration with the creation of Shareholder wealth. The LTI variable component is designed to incentivise and motivate key management personnel (KMP) to pursue the long term growth and success of the Company.</p> <p>Grant of the STI is based on achievement of Company key performance indicators, and personal performance and KPI achievement on an annual basis. Award of the LTIs, comprising of performance shares, is dependent on achievement of hurdles at the conclusion of a three year period.</p> <p>Further details on the Company's remuneration practices with regard to KMP are contained within the Remuneration Report which forms part of the Directors' Report in the 2015 Annual Report.</p>
<p>8.3 - A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>KMP are prohibited from entering into transactions which limit the risk of participating in unvested entitlements under any equity-based remuneration scheme.</p> <p>KMP are required to comply with the Company's Securities Trading Policy</p>