

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Syrah Resources Limited

ABN/ARBN

77 125 242 284

Financial period ended

31 December 2015

Our corporate governance statement² for the above period above can be found at:³

these pages of our annual report:

this URL on our website:

Corporate Governance Statement link at:

<http://www.syrahresources.com.au/site/DefaultSite/file system/documents/Governance/Corporate%20Governance%20Statement-31Mar16 .pdf>

The Corporate Governance Statement is accurate and up to date as at 31 March 2016 and has been approved by the board.

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

Date here: 31 March 2016



Sign here:

Company Secretary

Print name: Melanie Leydin

¹ 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.

² "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.

³ 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 NOT followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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: in our</p> <p><input checked="" type="checkbox"/> Corporate Governance Statement OR</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: Board Charter link at:</p> <p>http://www.syrahresources.com.au/site/DefaultSite/filesystem/documents/Governance/Board%20Charter-March%202016.pdf</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.2	<p>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 OR</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 OR</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 ...
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</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 OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</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 OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.5	<p>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>(i) 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>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location: Diversity Policy link at:</p> <p>http://www.syrahresources.com.au/site/DefaultSite/filesystem/documents/Policies/Syrah%20Resources%20Limited%20-%20Diversity%20Policy.pdf</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: OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></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 OR</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 type="checkbox"/> at this location: Diversity Policy link at:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>...in relation to item 1.5(c)...</p> <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</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 ...
	<p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement: OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	
<p>1.6 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 OR</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 OR</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 OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.7 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 OR</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 OR</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 OR</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 ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<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 OR</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>http://www.syrahresources.com.au/site/DefaultSite/filesystem/documents/Governance/Syrah%20Resources%20Limited%20-%20Remuneration%20Committee%20Charter.pdf and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</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 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 OR</p> <p><input type="checkbox"/> at this location:</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</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 ...
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 checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: In the Board Charter, which can be found via the Board Charter link at:</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>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 OR</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 checked="" type="checkbox"/> in our Corporate Governance Statement OR</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 OR</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 checked="" type="checkbox"/> in our Corporate Governance Statement OR</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 OR</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 ...
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 checked="" type="checkbox"/> in our Corporate Governance Statement OR <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 OR <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 OR <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 OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
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 type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: Code of Conduct link at: http://www.syrahresources.com.au/site/DefaultSite/filesystem/documents/Policies/Syrah%20Resources%20Limited%20-%20Code%20of%20Conduct.pdf	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	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> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> <p>... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at this location:</p>	<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 NOT 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; OR</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>http://www.syrahresources.com.au/site/DefaultSite/filesystem/documents/Governance/Audit%20Committee%20Charter-March%202016.pdf</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</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 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 OR</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 OR</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 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 ...
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 OR <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 OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	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 OR <input checked="" type="checkbox"/> at this location: The Investors link at: http://www.syrahresources.com.au/site/DefaultSite/filesystem/documents/Policies/Syrah%20Resources%20Limited%20-%20Continuous%20Disclosure%20Policy.pdf <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
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 these locations: The Investors link at: http://www.syrahresources.com.au/AboutUs/CorporateGovernanceI.aspx <hr/> <i>Insert location here</i>	<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 OR <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

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 ...
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>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</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 OR</p> <p><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>
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>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</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>
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>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, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that</p>	<p>[If the entity complies with paragraph (a):]</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 OR</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>and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</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><input checked="" 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 NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>fact and the processes it employs for overseeing the entity's risk management framework.</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 checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></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 OR</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>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; 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>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</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 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 OR</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</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 ...
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>... 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 checked="" type="checkbox"/> in our Corporate Governance Statement OR</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>
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>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; OR</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 OR</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>http://www.syrahresources.com.au/site/DefaultSite/filesystem/documents/Governance/Syrah%20Resources%20Limited%20-%20Remuneration%20Committee%20Charter.pdf and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</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 remuneration committee and the processes we employ for setting the level and composition of</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</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 ...
	remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: _____ <i>Insert location here</i>	
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. ... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: <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
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. ... our policy on this issue or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at this location: The Investors link at: http://www.syrahresources.com.au/site/DefaultSite/filesystem/documents/Policies/Syrah%20Resources%20Limited%20-%20Securities%20Trading%20Policy.pdf _____ <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 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

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 ...	
<u>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</u>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>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): N/A</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></p> <p>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: N/A</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

This Corporate Governance Statement is for the six month period ended 31 December 2015 and is accurate and up to date as at 31 March 2016 and has been approved by the Board of Directors.

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Introduction

The Board and management of Syrah Resources Limited (Syrah or the Company) is committed to adopting relevant practices which are consistent with the ASX Corporate Governance Council's (Council) 3rd Edition of the Corporate Governance Principles and Recommendations (ASX Guidelines) and to maintaining a high standard of corporate governance.

Where the Company's corporate governance practices do not meet with the practices recommended by the Council, or the Board does not consider it practicable or necessary to implement some principles due to the size and stage of development of its operations, the Board's reasoning for any departure is explained.

A summary of the ASX Guidelines and the extent to which Syrah has complied is set out below:

ASX Recommendation	Adopted	If not, why not
Principle 1: Lay solid foundations for management and oversight		
1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	✓	
1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and	✓	

ASX Recommendation	Adopted	If not, why not
(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.		
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	✓	
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.	✓	
1.5 A listed entity should: <ul style="list-style-type: none"> (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 entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: <ul style="list-style-type: none"> - 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 - 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. 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ 	✓
1.6 A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	✓	
1.7 A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	✓	
Principle 2: Structure the Board to add value		
2.1 The Board of a listed entity should: <ul style="list-style-type: none"> (a) have a nomination committee which: 	✓	

ASX Recommendation	Adopted	If not, why not
<ul style="list-style-type: none"> - has at least three members, a majority of whom are independent directors; and - is chaired by an independent director and disclose: <ul style="list-style-type: none"> - the charter of the committee; - the members of the committee; and - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a 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>2.2 A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that Board currently has or is looking to achieve in its membership.</p>	✓	
<p>2.3 A listed entity should disclose:</p> <ul style="list-style-type: none"> (a) the names of the directors considered by the board to be independent directors; (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 (c) the length of service of each director. 	✓	
<p>2.4 A majority of the Board of a listed entity should be 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>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>	✓	
Principle 3: Act ethically and responsibly		
<p>3.1 A listed entity should:</p> <ul style="list-style-type: none"> (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. 	✓	

ASX Recommendation	Adopted	If not, why not
Principle 4: Safeguard integrity in corporate reporting		
<p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> - has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and - is chaired by an independent director, who is not the chair of the board, and disclose: <ul style="list-style-type: none"> - the charter of the committee; - the relevant qualifications and experience of the members of the committee; and - in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <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>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>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>	✓	
Principle 5: Make timely and balanced disclosure		
<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>	✓	
Principle 6: Respect the rights of security holders		
<p>6.1 A listed entity should provide information about itself and its governance to investors via its website.</p>	✓	

ASX Recommendation	Adopted	If not, why not
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	✓	
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.	✓	
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.	✓	
Principle 7: Recognise and manage risk		
7.1 The board of a listed entity should: <ul style="list-style-type: none"> (a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> - has at least three members, a majority of whom are independent directors; and - is chaired by an independent director, and disclose: <ul style="list-style-type: none"> - the charter of the committee; - the members of the committee; and - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. 	✓	✓
7.2 The board or committee of the board should: <ul style="list-style-type: none"> (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place. 	✓	
7.3 A listed entity should disclose: <ul style="list-style-type: none"> (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. 	✓	✓
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.	✓	

ASX Recommendation	Adopted	If not, why not
Principle 8: Remunerate fairly and responsibly		
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> - has at least three members, a majority of whom are independent directors; and - is chaired by an independent director, and disclose: <ul style="list-style-type: none"> - the charter of the committee; - the members of the committee; and - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(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>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>	✓	

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1: A listed entity should disclose:

- (a) the respective roles and responsibilities of its board and management; and**
- (b) those matters expressly reserved to the board and those delegated to management.**

The Board is responsible for the governance of the Company and its authority is derived from the Constitution which also establishes the functions reserved to the Board. The Board's functions and the functions delegated to management are set out in the Board Charter which is available on the Company's corporate governance page at www.syrahresources.com.au.

Key responsibilities of the Board

The key functions of the Board include:

- developing and approving the corporate strategy and monitoring implementation of the strategy;
- establishing a sound risk management framework and periodically reviewing the effectiveness of that framework;
- evaluating, approving and monitoring major capital expenditure, capital management and all major acquisitions, divestitures and other corporate transactions, including the issue of securities of the Company;
- approving all accounting policies, financial reports and material reporting and external communications by the Company;
- appointing, monitoring and managing the performance of executive and non-executive directors and other senior executives of the Company;
- with the advice and assistance of the Remuneration and Nomination Committee, reviewing and approving the performance and remuneration of the individual Board members and senior executives, and policies with respect to remuneration of other employees;
- upon the recommendation of the Audit, Risk and Compliance Committee, appointing the external auditor and determining its remuneration and terms of appointment, including reviewing the performance of the external auditor and considering the re-appointment of the external auditor;
- ensuring that effective audit, risk management and regulatory compliance programmes are in place to protect the Company's assets and shareholder value and manage its material business risks;
- at least once per year the Board will review the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amend those policies and procedures as necessary.
- at least once per year the Board will review and evaluate the performance of the Board, each Board committee and each individual director against the relevant charters, corporate governance policies, and agreed goals and objectives.
- ensuring that the Company maintains a commitment to promoting diversity in the workplace and that the Company complies with its Diversity Policy.

Key responsibilities of management

The management function is conducted by, or under the supervision of, the Managing Director as directed by the Board and by other officers to whom the management function is properly delegated by the Board or the Managing Director.

The Board approves corporate objectives for the Managing Director to satisfy and, jointly with the Managing Director, develops the duties and responsibilities of the Managing Director, which includes those set out in any employment contract of the Managing Director.

The Managing Director is responsible for implementing strategic objectives, plans and budgets approved by the Board in accordance with the directions of the Board.

Directors may delegate their powers as they consider it appropriate including to management of the Company. However, ultimate responsibility for strategy and control rests with the Directors and management are ultimately accountable to the Board.

Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.

Recommendation 1.2: A listed entity should:

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and**
- (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.**

The Remuneration and Nomination Committee Charter requires the Committee to observe specific procedures in relation to the nomination and appointment of new directors.

Amongst other due diligence requirements, the Committee is responsible for assisting the Board in undertaking appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director, including checks as to the person's character, experience, education, criminal record and bankruptcy history.

When an existing or potential new director is put forward for election or re-election, all material information in the Company's possession in relation to the candidate(s) are disclosed in the relevant documents to shareholders for their consideration.

Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter of appointment summarises the policies and terms that are relevant to the director of the Company including remuneration, expectation of preparation for and attendance at all Board meetings, minimum hourly commitments, appointments to other boards, procedures for dealing with conflicts of interest and the availability of independent legal advice.

A summary of service agreements for Senior Executives of the Company is disclosed in the Remuneration Report section of the Annual Report.

Recommendation 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.

The Company Secretary of Syrah Resources Limited is Melanie Leydin and details about her experience and background are disclosed in the Director's Report section of the Annual Report. The Company Secretary is responsible for ensuring that Board procedures are complied with and that corporate governance matters are addressed. The Company confirms that Ms Leydin is accountable directly to the Board, through Non-Executive Chairman James Askew.

Recommendation 1.5: A listed entity should:

- (a) have a diversity policy which includes requirements for the Board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and entity's progress in achieving them;**
- (b) disclose that policy or a summary of it; and**
- (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:**
 - 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**
 - 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.**

The Company's Diversity Policy supports the commitment of Syrah to create an inclusive workplace that embraces and values diversity whilst upholding the principle of meritocracy. The key objectives of the Diversity Policy are:

- ensuring equal employment opportunity for all its employees and senior management based on merit, ability, performance and potential, in a way that contributes to the achievement of corporate objectives, including diversity;
- monitoring and promoting the diversity of staff and the associated corporate culture, including by ensuring that recruitment and selection processes at all levels are appropriately structured so that a diverse range of candidates are considered and that there are no conscious or unconscious biases that might discriminate against certain candidates;
- supporting and complying with legislative requirements in relation to employment equality;
- establishing appropriate and measurable objectives for achieving gender diversity; and
- annually reviewing, assessing and reporting against the measurable objectives for achieving gender diversity and the Company's progress in achieving them.

A full copy of the Diversity Policy is available on the Company's corporate governance page at www.syrahresources.com.au.

The Company has not yet set measurable objectives for achieving gender diversity. The Company is currently not of a size that justifies the establishment of measurable diversity objectives. As the Company develops and grows, the Board will seek to develop objectives and strategies for achieving a diverse workplace.

As at 31 December 2015, women made up 43% of the Group's total workforce. There are currently no women in Executive positions or on the Board.

The Company is not considered a "relevant employer" under the *Workplace Gender Equality Act 2012*, as it is not a non-public sector employer with 100 or more employees in Australia for any six months or more of a reporting period.

Recommendation 1.6: A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and**
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**

The Board reviews its own performance and that of its Committees and individual directors on an annual basis. Performance evaluations are overseen by the Chairman and Company Secretary and are undertaken by way of round-table discussions, Board evaluation questionnaires and where appropriate, one-on-one interviews. A performance evaluation of the Board was undertaken during Q4 2015 and concluded that the Board and its Committees were functioning well and there were no performance issues which required any remedial action.

Recommendation 1.7: A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and**
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**

The performance of the Managing Director and Senior Executives are reviewed and evaluated on an annual basis.

The Board, in consultation with the Remuneration and Nomination Committee, is responsible for evaluating the performance of the Managing Director. Other Senior Executives are evaluated by the Managing Director which involves consultation and feedback from the Remuneration and Nomination Committee and the Board. A performance evaluation of the Managing Director and the Senior Executives was undertaken during Q4 2015.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1: The Board of a listed entity should:

(a) have a nomination committee which:

- has at least three members, a majority of whom are independent directors; and
- is chaired by an independent director

and disclose:

- the charter of the committee;
- the members of the committee; and
- as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a 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.

The Remuneration and Nomination Committee is responsible for advising the Board on the composition of the Board and its Committees, reviewing the performance of the Board, its Committees and the individual directors and overseeing the remuneration and human resources policies and practices of the Company.

The Charter for the Remuneration and Nomination Committee is available on the Company's corporate governance page at www.syrahresources.com.au.

The Committee currently consists of:

- Chairperson – Rhett Brans (Non-Executive Director)
- Member – James Askew (Non-Executive Chairman)
- Member – Sam Riggall (Non-Executive Director)

A summary of the number of Committee meetings and attendances by individual members during the six month period ended 31 December 2015 are disclosed in the Directors' Report section of the Annual Report.

Recommendation 2.2: A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that Board currently has or is looking to achieve in its membership.

The Remuneration and Nomination Committee is responsible for developing and implementing processes to identify and assess necessary and desirable competencies and characteristics for Board members.

The Board considers that collectively the directors have the necessary skills, knowledge and experience to direct the Company as outlined in the following Skills Matrix.

Experience and competencies	Professional qualifications
Strategy, leadership and risk management	Finance
Corporate governance	Legal
Stakeholder communication and engagement	Technical including mining and engineering
Financial analysis and capital markets expertise	
Legal and regulatory approval	
Safety, environment and social responsibility	
Project development and construction	
Mining and mineral processing	
Industrial minerals marketing	

Recommendation 2.3: A listed entity should disclose:

- (a) the names of the directors considered by the Board to be independent directors;**
- (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**
- (c) the length of service of each director.**

The Independence Assessment Matrix for the Board is set out in the following table.

Name of director	Term in office	Length of service	Independence Status
J Askew	Chairman since October 2014	1 year and 5 months	Independent
T Kumova	Director since April 2013 and Managing Director since October 2014	2 years and 10 months	Not Independent. Executive Director and substantial shareholder (>5%).
S Riggall	Non-Executive Director since October 2014	1 year and 5 months	Independent
R Brans	Non-Executive Director since May 2013	2 years and 9 months	Independent
J Caldeira	Non-Executive Director since July 2014	1 year and 7 months	Not independent. Partner of Sal & Caldeira Advogados Lda, the Company's principal legal representative in Mozambique.

Recommendation 2.4: A majority of the board of a listed entity should be independent directors.

The Independence Assessment Matrix concluded that three out of the current five Board members are considered to be independent directors.

Recommendation 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.

The Independence Assessment Matrix concluded that James Askew, the current Chairman of the Company, is an independent director. The current Managing Director of the Company is Tolga Kumova.

Recommendation 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.

The Remuneration and Nomination Committee is responsible for establishing induction programmes for new directors to gain an understanding of:

- the Group's financial position, strategies, operations and risk management policies; and
- the respective rights, duties and responsibilities and roles of the Directors and the Board.

The Company also provides directors with the opportunity to undertake training courses with the Australian Institute of Company Directors or other professional bodies as required, subject to the approval of the Chairman.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Recommendation 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.**

The Board has adopted a Code of Conduct that applies to the Directors, Officers, Employees, Contractors and Consultants of the Group ("Employees"). The key objectives are to ensure Directors and Employees:

- observe the highest standards of honesty, integrity, fairness and ethical, responsible and law-abiding behaviour when performing their duties;
- are aware of and avoid potential conflicts of interest or duty (either directly or indirectly) and to disclose any potential conflicts of interest or duty fully and frankly to the Board for consideration and resolution;
- do not improperly use their position, property or information acquired through their position for personal gain or gain of an associate or to compete with or harm the Group;
- maintain the confidentiality of information regarding the Group and other stakeholders that is acquired while performing their duties, even after they leave the Group;
- deal fairly with other Employees of the Group as well as external stakeholders;
- use all reasonable endeavours to protect any Group asset and to ensure its efficient use;
- respect the privacy of Employees within the Group and external stakeholders
- uphold the Company's commitment to be a responsible corporate citizen by actively supporting the communities in which the Directors and Employees live and work and doing business in an environmentally responsible manner;
- comply with any applicable law, rule or regulation as well as the protocols, policies and procedures of the Group; and
- report promptly and in good faith any actual or suspected violation by any Director or Employee of the standards, requirements or expectations set out in the Code of Conduct.

A full copy of the Code of Conduct is available on the Company's corporate governance page at www.syrahresources.com.au.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1: The board of a listed entity should:

(a) have an audit committee which:

- **has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and**
- **is chaired by an independent director, who is not the chair of the board,**
and disclose:
 - **the charter of the committee;**
 - **the relevant qualifications and experience of the members of the committee; and**
 - **in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Audit, Financial Risk and Compliance Committee, is responsible for monitoring and advising the Board on the Company's audit, financial risk management and regulatory compliance policies and procedures.

The Charter for the Audit, Financial Risk and Compliance Committee is available on the Company's corporate governance page at www.syrahresources.com.au.

The Committee currently consists of:

- Chairperson – Sam Riggall (Non-Executive Director)
- Member – James Askew (Non-Executive Chairman)
- Member – Rhett Brans (Non-Executive Director)

A summary of relevant qualifications of the Committee members, the number of Committee meetings and attendances by individual members during the six month period ended 31 December 2015 are disclosed in the Directors' Report section of the Annual Report.

Recommendation 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.

The Board has received a declaration from Managing Director, Tolga Kumova and Chief Financial Officer, David Corr that the Company's financial statements for the six month period ended 31 December 2015 has adhered to these standards.

Recommendation 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.

The Company requests that a representative from the Company's External Auditor, PricewaterhouseCoopers, be in attendance at the AGM and be available to answer questions from shareholders in relation to the conduct of the audit and the preparation of and content of the auditor's report.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 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.**

The Board has established a Continuous Disclosure Policy to provide up-to-date information to its shareholders and to ensure compliance with ASX listing rule disclosure requirements and the *Corporations Act 2001*. The key objectives are to ensure:

- the Company immediately discloses all price-sensitive information to the ASX;
- the Company's officers and employees are aware of the Company's continuous disclosure obligations;
- procedures are established for the collection of all potentially price-sensitive information;
- procedures are established for assessing whether information should be disclosed and the extent of any required disclosure; and
- procedures are established for releasing information to and responding to any queries from the ASX.

The guiding principle is that the Company must immediately disclose to the ASX any information concerning the Group that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Board will be consulted in relation to the disclosure or non-disclosure of major matters and the form and content of any announcement in relation to such a major matter requires consideration and approval by the Board.

A full copy of the Continuous Disclosure Policy is available on the Company's corporate governance page at www.syrahresources.com.au.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.

The Company has established a corporate website at www.syrahresources.com.au which provides an overview of the Company's activities including details about the Board, management team, corporate governance, social responsibility as well as current and historical ASX announcements.

Recommendation 6.2: A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The investor relations activities currently undertaken by the Company include:

- regular roadshows by the Managing Director and other relevant employees to meet with existing and potential investors in Australia and internationally; and
- attendance by Senior Executives at industry events and functions to enable investors to communicate directly with the Company.

Recommendation 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.

The Board encourages full participation of shareholders at the Annual General Meeting (AGM) to ensure a high level of accountability and alignment with the Company's strategy and goals. In preparing for the AGM, the Company will prepare a Notice of Meeting and related explanatory information so that they provide all the information that is relevant to shareholders in making decisions on the matters to be voted on at the meeting.

Details regarding the timing and location of a Company's AGM is disclosed to the ASX in advance to encourage attendance by shareholders. Time is also set aside at the AGM for the Board, Executives and the External Auditor, PricewaterhouseCoopers, to respond to any shareholder queries.

Recommendation 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 Company provides the option for shareholders to receive communications from the Company or its security registry electronically.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1: The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

- has at least three members, a majority of whom are independent directors; and
- is chaired by an independent director,
and disclose:
 - the charter of the committee;
 - the members of the committee; and
 - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Board has recently resolved to establish a separate Sustainability and Risk Committee during 2016 to oversee the Company's risk management framework and to monitor and advise the Board on all material risks including strategic, operational, legal, reputation, credit, market and liquidity risk.

In anticipation of this decision to form a separate Sustainability and Risk Committee the Board assumed responsibility for overseeing the Company's risk management framework and monitoring of non-financial risks during the period.

The Audit, Financial Risk and Compliance Committee, continues to be responsible for monitoring and advising the Board on the Company's financial risks.

Recommendation 7.2: The board of a listed entity 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 Company's risk management framework is reviewed by the Board on a periodic basis. The Board initiated a review with management to assess development and commissioning risks for the project during the period and plans to undertake a more comprehensive review of the Company's risk management framework in early 2016.

A review of the material risks within the business and the effectiveness of the Company's management of these risks is performed regularly. A summary of material business risks is included in the Directors' Report section of the Annual Report.

Recommendation 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;
or**
- (b) if it does not have an internal audit function, that fact and the processes it employs for
evaluating and continually improving the effectiveness of its risk management and internal
control processes.**

The Company does not presently have an internal audit function.

The Board is presently responsible for the Company's risk management and internal control processes including:

- overseeing the establishment and implementation of risk management and internal compliance and control systems and ensuring there is a mechanism for assessing the efficiency and effectiveness of those systems;
- establishing policies and procedures on risk oversight and management to establish an efficient and effective system for:
 - identifying, assessing, monitoring and managing risk; and
 - disclosing any material change to the risk profile;
- regularly reviewing, discussing and updating the risk profile;
- assessing the adequacy of the internal risk control system with management and external auditors;
- monitoring the effectiveness of the internal risk control system;
- ensuring the risk management system takes into account all material risks, including risks arising from:
 - implementing strategies (strategic risk);
 - operations and external events (operational risk);
 - legal and regulatory compliance (legal risk);
 - changes in community expectation of corporate behaviour (reputation risk);
 - a counterparty's financial obligations within a contract (credit risk);
 - changes in financial and physical market prices (market risk); and
 - being unable to fund operations or convert assets into cash (liquidity risk)
- reviewing proposed disclosures and strategies for managing material economic, environmental and social sustainability risks

The Audit, Financial Risk and Compliance Committee continues to be responsible for the Company's financial risk management and internal control processes including:

- monitoring financial risk management and internal compliance and control systems and ensuring there is a mechanism for assessing the efficiency and effectiveness of those systems;
- regularly reviewing, discussing and updating the financial risk profile;
- assessing the adequacy of the internal financial risk control system with management and internal (if relevant) and external auditors;
- monitoring the effectiveness of the internal financial risk control system;
- ensuring the risk management system takes into account all material financial risks;
- assessing if management has controls in place for unusual transactions and any potential transactions that may carry more than an acceptable degree of risk;
- evaluating the Company's exposure to fraud and review the effectiveness of management's processes for managing financial reporting fraud risk;
- reviewing proposed disclosures and strategies for managing material financial risks; and
- considering the Group's insurance arrangements and renewals and in particular:
 - review the Group's insurance program annually having regard to the nature of the Group's business and the insurable risks associated with that business; and
 - recommend to the Board changes to the Group's insurance program resulting from the annual review.

As the Company's operations grow and evolve, the Board will consider the appropriateness of adopting an internal audit function.

Recommendation 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.

The Company's exposure to potential material risks are disclosed in the Review of Operations and Directors Report sections of the Annual Report. The management of these potential material risks is the responsibility of the Board and Audit, Financial Risk and Compliance Committee and will be carried out in accordance with the guidelines set out in Recommendation 7.3.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1: The board of a listed entity should:

(a) have a remuneration committee which:

- has at least three members, a majority of whom are independent directors; and
 - is chaired by an independent director,
- and disclose:**
- the charter of the committee;
 - the members of the committee; and
 - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;

or

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Remuneration and Nomination Committee is responsible for advising the Board on the composition of the Board and its Committees, reviewing the performance of the Board, its Committees and the individual directors and overseeing the remuneration and human resources policies and practices of the Company.

The Charter for the Remuneration and Nomination Committee is available on the Company's corporate governance page at www.syrahresources.com.au.

The Committee currently consists of:

- Chairperson – Rhett Brans (Non-Executive Director)
- Member – James Askew (Non-Executive Chairman)
- Member – Sam Riggall (Non-Executive Director)

A summary of the number of Committee meetings and attendances by individual members during the six month period ended 31 December 2015 are disclosed in the Directors' Report section of the Annual Report.

Recommendation 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.

Non-Executive Directors

Non-Executive Directors are remunerated at market rates for time, commitment and responsibilities. The Board determines payments to Non-Executive Directors and annually reviews their remuneration taking into account comparable roles, comparative market data and if required, the advice of independent remuneration consultants.

Additional details around Non-Executive Director remuneration are disclosed in the Remuneration Report section of the Annual Report.

Executives

The Board, in consultation with the Remuneration and Nomination Committee, is presently reviewing the Company's Executive Remuneration Strategy to ensure that the executive remuneration framework remain appropriate and aligned to the business needs. The Board aims to ensure that the Company's Remuneration Practices are performance based and designed to:

- motivate executives to pursue the Group's long term growth and success; and
- demonstrate a clear relationship between the Group's overall performance and the performance of its Executives.

The Committee utilises independent expert advice and surveys as appropriate to benchmark remuneration against contemporary industry data.

Additional details around Executive remuneration are disclosed in the Remuneration Report section of the Annual Report.

Recommendation 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 or it.**

The Board, in consultation with the Remuneration and Nomination Committee, has determined that any employee of the Company that is a participant of an equity-based remuneration scheme must seek Board approval before they are permitted to enter into a transaction that will limit the economic risk of participation in the scheme.