

## Appendix 4G

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

Name of entity:

Kalium Lakes Limited

ABN / ARBN:

98 613 656 643

Financial year ended:

30 June 2019

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://http://www.kaliumlakes.com.au/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 3 October 2018 and has been approved by the board.

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

Date: 11 October 2019

Name of Director or Secretary authorising  
lodgement:

Chris Achurch, Company Secretary

<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. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## 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 ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
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 fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ( <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a> ) <b>OR</b> <input type="checkbox"/> at [insert location] ... 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): <input type="checkbox"/> in our Corporate Governance Statement.	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ( <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a> ) <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ( <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a> ) <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ( <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a> ) <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

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 ... <sup>4</sup>
<p>1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p><b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> in the Corporate Governance section of the Company's website (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p>... and 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 <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> Refer explanation why that is so in our Corporate Governance Statement.</p> <p><b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<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 checked="" type="checkbox"/> in our Corporate Governance Statement (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p><b>OR</b> <input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p><b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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 NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement  <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>  <b>OR</b> <input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement  <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>  <b>OR</b>  <input type="checkbox"/> at [insert location]</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 NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
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; 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):]</p> <p>... 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 (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p><b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> on the Corporate Governance section of the Company's website (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p><b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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</p> <p><input type="checkbox"/> at [insert location]</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>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p><b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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 NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<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 names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement  <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a></p> <p><b>OR</b></p> <p><input type="checkbox"/> on the Corporate Governance section of the Company's website</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement  <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a></p> <p><b>OR</b></p> <p><input type="checkbox"/> on the Corporate Governance section of the Company's website</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement  <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a></p> <p><b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p>We have NOT followed the recommendation in full. Refer the Governance Statement.</p> <p><b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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 fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement  <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a></p> <p><b>OR</b></p> <p><input type="checkbox"/> on the Corporate Governance section of the Company's website</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 NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement  (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p><b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</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>
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: <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>... our code of conduct or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement  (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p><b>OR</b></p> <p><input type="checkbox"/> on the Corporate Governance section of the Company's website</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 ... <sup>4</sup>	
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> on the Corporate Governance section of the Company's website ... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p><b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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: Not applicable</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p><b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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 ... <sup>4</sup>
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 <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a> <b>OR</b> <input type="checkbox"/> on the Corporate Governance section of the Company's website	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>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.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a> <b>OR</b> <input type="checkbox"/> on the Corporate Governance section of the Company's website	<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.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> on the Corporate Governance section of the Company's website <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a> <b>OR</b> <input type="checkbox"/> on the Corporate Governance section of the Company's website	<input 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.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a> <b>OR</b> <input type="checkbox"/> on the Corporate Governance section of the Company's website	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <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

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 ... <sup>4</sup>
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  <a href="http://www.kaliumlakes.com.au/corporate-governance"> (http://www.kaliumlakes.com.au/corporate-governance )</a></p> <p><b>OR</b></p> <p><input type="checkbox"/> on the Corporate Governance section of the Company's website</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>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, 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 fact and the processes it employs for overseeing the entity's risk management framework.</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 checked="" type="checkbox"/> in our Corporate Governance Statement  <a href="http://www.kaliumlakes.com.au/corporate-governance"> (http://www.kaliumlakes.com.au/corporate-governance )</a></p> <p><b>OR</b></p> <p><input type="checkbox"/> on the Corporate Governance section of the Company's website ... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> on the Corporate Governance section of the Company's website  <a href="http://www.kaliumlakes.com.au/corporate-governance"> (http://www.kaliumlakes.com.au/corporate-governance )</a> ... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement  <a href="http://www.kaliumlakes.com.au/corporate-governance"> (http://www.kaliumlakes.com.au/corporate-governance )</a></p> <p><b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</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: Not applicable</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</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 ... <sup>4</sup>
<p>7.2</p> <p>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 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement  <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a></p> <p><b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement  <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a></p> <p><b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>7.3</p> <p>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</p> <p><b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</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  <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a></p> <p><b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> Refer 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 ... <sup>4</sup>
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  (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p><b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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 ... <sup>4</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
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; 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 (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p><b>OR</b></p> <p><input type="checkbox"/></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> on the Corporate Governance section of the Company's website (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p><b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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: Not applicable</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>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>... 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 (<a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>)</p> <p><b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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 NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
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  <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>  <b>OR</b></p> <p><input type="checkbox"/> In the Securities Trading Policy, available on the Company's website Corporate Governance Section.</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 do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<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):</p> <p>Not applicable.</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></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:</p> <p>Not applicable</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## Corporate Governance Statement

The Board and management of Kalium Lakes Limited recognise the duties and obligations to shareholders and other stakeholders to implement and maintain a proper system of corporate governance. The Company believes that good corporate governance adds value to stakeholders and enhances investor confidence.

The Company's corporate governance documents are available in the Corporate Governance section of its website, <http://www.kaliumlakes.com.au/corporate-governance>

Kalium Lakes' compliance to the Principles and Recommendations (3rd Edition) of the ASX Corporate Governance Council and a checklist cross-referencing these Principles and Recommendations to the relevant disclosures are outlined within ASX Appendix 4G.

Kalium supports the intent of the ASX Corporate Governance Council Principles and Recommendations 3rd Edition (Principles and Recommendations) and meets the specific requirements of the Principles and Recommendations, unless shown otherwise in the tables set out in this statement.

This Corporate Governance Statement sets out a description of the Company's key corporate practices and provides details of the Company's adoption of the Recommendations, including details on its departure from the Recommendations.

### Committees

The Board has established Committees to assist in the execution of its duties and to ensure that important and complex issues are given the detailed consideration they require. The primary Committees of the Board are the Audit and Risk Committee (ARC), the Nomination Committee (NC) and the Remuneration Committee (RC).

Each Committee has its own Charter approved by the Board, and under which authority is delegated by the Board. Each Committee is required to report the outcomes of its deliberations to the Board so that the Board is fully informed on all important matters before matters are resolved. Committee Charters are available in the Corporate Governance section of the Company's website.

### Meeting Attendance

The Board and its Committees meet as often as necessary to fulfil their roles. Directors are required to allocate sufficient time to the Company to discharge their responsibilities effectively, including adequate time to prepare for Board and Committee meetings and in joining visits to the Company's operational sites.

Attendance at Board and Committee meetings during FY2019 is summarised below:

Director	Board		Audit & Risk Committee		Remuneration Committee		Nomination Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Malcolm Randall	10	9	2	2	2	2	3	3
Brett Hazelden	10	10	2*	2	2	2	3	3
Rudolph van Niekerk	10	9	2	2	2*	1	3 *	1
Brendan O'Hara	9	9	2	2	1	1	2	2
Stephen Dennis	1	1	-	-	1	1	1	1

(\*) Eligible to attend by invitation.

Generally, Board meetings are half a day in duration and Board Committee meetings precede the Board meeting. The directors have each visited the project across several days, in conjunction with the formal Board and Committee meetings.

This Statement is current as at 11 October 2019 and has been approved by the Board of Directors of Kalium Lakes.

A copy of the Corporate Governance Statement and ASX Appendix 4G is available on the Company's website at:

<http://www.kaliumlakes.com.au/corporate-governance>

**Principle 1 – Lay solid foundations for management and oversight**

Recommendation	Requirement	Comply Yes/No and Explanation															
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>Yes.</p> <p>Both the Statement of Matters Reserved for the Board and the Statement of Matters Reserved for the Managing Director are reviewed annually to assess continued relevance and to identify any areas requiring improvement or change. Where changes are required to these documents, such changes are approved by the Board. Refer specific documents on the Company’s Corporate Governance Section on its website.</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>Yes.</p> <p>Prior to appointing a director, the Company undertakes a rigorous process of evaluation and checks to ensure their suitability and capacity to discharge their duties as a Board member. This evaluation covers matters such as:</p> <ul style="list-style-type: none"> <li>• Skills and experience including the expected contribution to the collective skills and experience of the Board.</li> <li>• Current and prior directorships and/or executive roles.</li> <li>• Independence.</li> <li>• Any other matters (including interests, positions and associations) which could adversely affect their ability to effectively discharge their duties as a Board member.</li> <li>• Following appointment, directors are supported through a formal induction program to familiarise them with the operations of the business. This typically involves a combination of meetings with senior management, site visits and briefings on specific issues. This process continues throughout the director’s tenure.</li> </ul>															
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>Yes.</p> <p>A letter of appointment sets out terms of engagement including the basis of remuneration. Prior to appointment, or offering themselves for re-election, non-executive directors are required to specifically acknowledge that they have the time available to fully discharge their responsibilities to the Company.</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>Yes.</p>															
1.5	<p>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 the 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 the Act.</p>	<p>Partial compliance.</p> <p>Kalium Lakes is committed to providing a balanced and inclusive working environment underpinned by a documented Diversity Policy that is built on the Company’s values. The Board has implemented a Diversity Policy but given the limited operational activities and size of the Company has not seen the need to establish measurable objectives which reflect Kalium Lake’s commitment to ensuring that there are no impediments to diversity at any level of the Company.</p> <p>The Board will review its position and over time will develop measurable objectives as the Company establishes its operations.</p> <p>The Diversity Policy can be accessed through the Corporate Governance section of the Company’s website.</p> <table border="1" data-bbox="767 1787 1501 1872"> <thead> <tr> <th>Gender</th> <th>Directors</th> <th>Permanent</th> <th>Casual</th> <th>Contractor</th> </tr> </thead> <tbody> <tr> <td>Female</td> <td>-</td> <td>3</td> <td>2</td> <td>2</td> </tr> <tr> <td>Male</td> <td>4</td> <td>5</td> <td>6</td> <td>3</td> </tr> </tbody> </table>	Gender	Directors	Permanent	Casual	Contractor	Female	-	3	2	2	Male	4	5	6	3
Gender	Directors	Permanent	Casual	Contractor													
Female	-	3	2	2													
Male	4	5	6	3													



Recommendation	Requirement	Comply Yes/No and Explanation
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.	Yes  The Board and each of its three primary Committees have established a process to evaluate their performance annually as set out in the Performance Evaluation Practices Policy. The Chairman is responsible for evaluating the Board and a formal Board Performance Review Questionnaire, was completed by all Directors during the financial year. As the Company grows and develops, it will continue to consider the efficiencies and merits of different methods for performance evaluation for the Board, its committees and individual directors as set out in the Performance Evaluation Practices Policy.
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.	Yes.  The Board, through the Remuneration and Nomination Committees, periodically reviews the performance of senior executives. A review was performed in FY19 and the results have been incorporated into remuneration results.  Details of the remuneration policies and the remuneration paid to directors (executive and non-executive) and executives are set out in the Remuneration Report section of the 2019 Annual Report.

## Principle 2 – Structure the Board to add value

Recommendation	Requirement	Comply Yes/No and Explanation
2.1	The board of a listed entity should: (a) Have a nomination committee which: 1) Has at least three members, a majority of whom are independent directors; and 2) Is chaired by an independent director, and disclose 3) The charter of the committee; 4) The members of the committee; and 5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; 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.	Yes  The role of the Nomination Committee(NC) is to assist the Board in its oversight of Board member nominations. The NC considers a diverse range of matters related to its role, including: <ul style="list-style-type: none"> <li>Annual Performance Review of CEO.</li> <li>Succession planning.</li> <li>Diversity Strategy.</li> <li>Recruitment, retention and termination policies.</li> <li>Nominations and review of applicants for the Board of Director position.</li> <li>Board Committee appointments.</li> </ul> The Nomination Committee is currently comprised of Mr. Malcolm Randall (Chair and Non-Executive Director - Independent), Stephen Dennis (Non-Executive Director appointed 26 April 2019 - Independent) and Mr. Brett Hazelden (Executive Director). Mr. Brendan O’Hara was part of the committee until his resignation on 26 April 2019 (Non-Executive Director - Independent).  Refer to Table of Meeting Attendance (above).
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.	Yes Refer to Board Skills Matrix below.
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 describe 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.	Yes Mr Malcolm Randall (Appointed 14 July 2016) – Chairman - Independent. Length of Service: Kalium Lakes Limited: 3 years 3 months  Mr Brendan O’Hara (Appointed 14 July 2016 – and resigned 26 April 2019) Independent, Non-Executive Director.  Brett Hazelden (Appointed 14 July 2016) – Executive Director – Chief Executive Officer. Length of Service: Kalium Lakes Limited: 3 years 3 months (Kalium Lakes Potash Pty Ltd: 4 years 8 months)  Rudolph van Niekerk – (Appointed 14 July 2016) – Formerly Independent director but appointed as Chief Development Officer of the Company in March 2017 and therefore became Executive Director at that time. Length of Service: Kalium Lakes Limited 3 years 3 months (Kalium Lakes Potash Pty Ltd: 4 years 8 months)




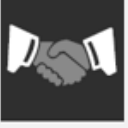

Recommendation	Requirement	Comply Yes/No and Explanation
		<p>Stephen Dennis (Appointed 26 April 2019) – Independent Non-Executive Director. Length of Service: Kalium Lakes Limited: 5 months.</p> <p>Stephens appointment to the board as an independent director, followed the recommendation by Greenstone Resources. The recommendation was based on his experience and reputation. Stephen is not associated with Greenstone Resources. Stephens appointment to the board was solely at the board’s discretion and the Kalium board unanimously approved Stephen’s appointment.</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>No.</p> <p>Currently two(2) Non-Executive Independent Directors and two(2) Executive Directors – i.e. equal representation.</p> <p>The Board believes that its composition represents an appropriate balance of executive and non-executive directors to achieve the promotion of shareholder interests and effective governance of the business, given the Company’s current size and stage of development. The Board also has access to, and ability to engage with, senior executives who may also attend Board and Board Committee meetings by invitation.</p>
2.5	The Chair of the board of a listed entity should be independent director and, in particular, should not be the same person as the CEO/Managing Director of the entity.	<p>Yes.</p> <p>Mr Malcolm Randall (Appointed 14 July 2016) – Chairman/Non-executive and Independent Director.</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>Yes</p> <p>Following appointment, directors are supported through a formal induction program to familiarise them with the operations of the business. This typically involves a combination of meetings with senior management, site visits and briefings on specific issues. This process continues throughout the director’s tenure.</p>

## Kalium Lakes Limited Skills Matrix



<p><b>Executive Leadership</b></p>		<p>Successful career as a senior executive or CEO and <i>Public listed company experience</i></p>	<p><b>All Directors possess advanced competency.</b></p>
<p><b>Health, safety and Environment</b></p>		<p>Experience related to workplace health, safety and environmental in a large organisation</p>	<p><b>All Directors possess advanced competency.</b></p>
<p><b>Mining, Resources and Infrastructure</b></p>		<p>Large mining or project engineering and infrastructure organisation experience</p>	<p><b>All Directors possess advanced competency.</b></p>
<p><b>Capital Projects</b></p>		<p>Experience in the delivery of large-scale capital projects including experience in project governance and risk management</p>	<p><b>All Directors possess advanced competency.</b></p>
<p><b>Strategy</b></p>		<p>Experience in developing and implementing successful strategy; ability to provide oversight of management for the delivery of strategic objectives</p>	<p><b>All Directors possess advanced competency.</b></p>
<p><b>Financial Acumen</b></p>		<p>Accounting and reporting, corporate finance and internal controls, including assessing quality of financial controls and experience in business analysis and financial forecasting</p>	<p><b>All Directors possess advanced competency.</b></p>

## Kalium Lakes Limited Skills Matrix

<p><b>Risk and Compliance</b></p>		<p>Forward-looking, able to identify the key risks to the organisation and monitor effectiveness of risk management frameworks and practices</p>	<p><b>All Directors possess advanced competency.</b></p>
<p><b>Public Policy and Regulation</b></p>		<p>Experience in managing how organisations adapt and respond to changing public policy settings and overseeing the management of regulatory framework and processes designed to ensure that all regulatory obligations are met</p>	<p><b>All Directors possess advanced competency.</b></p>
<p><b>Business Development/Sales and Marketing</b></p>		<p>Commercial and business experience, including development of product, service or customer management strategies, and innovation</p>	<p><b>All Directors possess advanced competency.</b></p>
<p><b>Stakeholder Management</b></p>		<p>Experience with community relations, government affairs and human resources management including executive experience with industrial relations</p>	<p><b>All Directors possess advanced competency.</b></p>
<p><b>Corporate Governance</b></p>		<p>Knowledge, experience and commitment to the highest standards of governance, directors' duties and legal requirements.</p>	<p><b>All Directors possess advanced competency</b></p>

### Principle 3 – Act ethically and responsibly

Recommendation	Requirement	Comply Yes/No and Explanation
3.1	A listed entity should: <ol style="list-style-type: none"> <li>(a) Have a code of conduct for its directors, senior executives and employees; and</li> <li>(b) Disclose that code or a summary of it.</li> </ol>	Yes Refer Company's Code of Conduct Policy on its website. <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>

### Principle 4 – Safeguard integrity in corporate reporting

Recommendation	Requirement	Comply Yes/No and Explanation
4.1	The board of a listed entity should: <ol style="list-style-type: none"> <li>(a) Have an audit committee which:               <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, and disclose;</li> <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; or</li> </ol> </li> </ol> <p>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>	Partial. The Company has established an Audit and Risk Committee (ARC) which contains the two independent directors (with the board consisting of two Independent Directors). During the reporting period, the Audit and Risk Committee comprised of Mr. Malcolm Randall (Non-Executive Director and Independent), Mr. Rudolph van Niekerk (Executive Director), Mr. Stephen Dennis (Non-Executive Director and Independent) – appointed on 26 April 2019. Until his resignation, Brendan O'Hara was (Chair and Non-Executive – Independent), resigned on 26 April 2019. Brendan chaired both meetings during the reporting period. Refer to Table of Meeting Attendance (above). The role of the ARC is to assist the Board in ensuring that there is effective oversight of published financial information, there are sound systems of internal control and effective management of risk. The ARC considers a diverse range of matters related to its role including: <ul style="list-style-type: none"> <li>• Assisting the Board in its oversight responsibilities for all matters related to corporate governance and sustainability, financial management, tax governance, risk management and reporting of the Company.</li> <li>• Understanding and endorsing the Company's risk appetite</li> <li>• Reviews the extent to which management has established an effective system of risk management and internal control.</li> <li>• Reviews the Company's risk profile by comparison to its risk appetite.</li> <li>• Undertakes periodic review of the Company's most significant risks and whether risk management strategies are appropriate.</li> <li>• Oversight and monitoring the activities of the corporate internal audit function and the external auditors.</li> </ul>
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.	Yes Prior to the approval of the Company's annual financial statements, the Board obtains a declaration from its Chief Executive Officer and Chief Financial Officer that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, 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 does not receive declarations from the CEO (or equivalent) and CFO (or equivalent) in respect to the quarterly cash flow reports prepared and lodged in compliance with Appendix 5B of the Listing Rules, as these quarterly cash flow reports are considered by the Board: <ul style="list-style-type: none"> <li>• Not to be a financial report or interim financial report as defined under Australian Accounting Standards and/or;</li> <li>• Not to be capable, as a standalone report, of giving a true and fair view of the financial position and performance of the Company, only its cash flows for the relevant reporting period.</li> </ul>
4.3	A listed entity should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes RSM Australia (RSM) is the current external auditor of the Group. It is RSM's policy to rotate audit engagement partners every five years in accordance with the Corporations Act 2001. The Company's external auditor attends every Annual General Meeting as required by the Corporations Act 2001, and members are allowed a reasonable opportunity at the meeting to ask the auditor questions relevant to the audit, their report and independence, and the accounting policies adopted by the Company.

## Principle 5 – Make timely and balanced disclosure

Recommendation	Requirement	Comply Yes/No and Explanation
5.1	A listed entity should: <ul style="list-style-type: none"> <li>(a) Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>(b) Disclose that code or a summary of it.</li> </ul>	Yes The Board understands the importance of keeping shareholders and other stakeholders fully informed of material information in relation to the Company's activities on a timely basis. For this purpose, the Company has established a Shareholders Communication Policy and Continuous Disclosure Policy, copies of which is available on the Corporate Governance section of the Company's website.

## Principle 6 – Respect the rights of security holders

Recommendation	Requirement	Comply Yes/No and Explanation
6.1	A listed entity should provide information about itself and its governance to investors via a website.	Yes Refer to <a href="http://www.kaliumlakes.com.au">http://www.kaliumlakes.com.au</a>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes Shareholders are encouraged to attend the Annual General Meeting, which is the forum for shareholders to vote on key business issues, including election of directors, changes to the Company's Constitution, adoption of the Company's annual financial report and incentive arrangements.  Shareholders are advised of the locations to access the Company's Annual Report and if requested, receive a printed copy of the Report. Documents relating to each General Meeting, being the Notice of Meeting, any Explanatory Memorandum and a Proxy Form are mailed to shareholders together with an invitation to attend these meetings. Shareholders may elect to receive communications electronically.  With regard to general disclosures at media briefings or public presentations, only the Chairman, the CEO, the Company Secretary and / or their delegated persons are authorised to issue public comments on behalf of the Company or provide journalists and members of the investment community with information.  Copies of announcements to the ASX, investor briefings, half yearly financial report, quarterly production results, the Annual Report and other relevant information are posted to the Company's website at <a href="http://www.kaliumlakes.com.au">www.kaliumlakes.com.au</a>
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of its security holders.	Yes Refer to <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>
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.	Yes Via the Computershare Investor Centre online facility <a href="http://www.investorcentre.com">www.investorcentre.com</a>

## Principle 7 – Recognise and manage risk

Recommendation	Requirement	Comply Yes/No and Explanation
7.1	<p>The board of a listed entity should:</p> <p>(a) Have a committee or committees to oversee risk, each of 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> <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; or</li> </ol> <p>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>Yes</p> <p>The Company has established an Audit and Risk Committee (ARC) which contains the two independent directors (with the board consisting of two Independent Directors).</p> <p>During the reporting period, the Audit and Risk Committee comprised of Mr. Malcolm Randall (Non-Executive Director and Independent), Mr. Rudolph van Niekerk (Executive Director) and Mr. Stephen Dennis (Non-Executive Director and Independent) – appointed on 26 April 2019. Until his resignation, Brendan O'Hara was (Chair and Non-Executive – Independent), resigned on 26 April 2019. Brendan chaired both meetings during the reporting period.</p> <p>Refer to Table of Meeting Attendance (above).</p> <p>The role of the ARC is to assist the Board in ensuring that there is effective oversight of published financial information, there are sound systems of internal control and effective management of risk. The ARC considers a diverse range of matters related to its role including: Refer to Table of Meeting Attendance (above).</p> <p>The role of the ARC is to assist the Board in ensuring that there is effective oversight of published financial information, there are sound systems of internal control and effective management of risk. The ARC considers a diverse range of matters related to its role including:</p> <ul style="list-style-type: none"> <li>• Assisting the Board in its oversight responsibilities for all matters related to corporate governance and sustainability, financial management, tax governance, risk management and reporting of the Company.</li> <li>• Understanding and endorsing the Company's risk appetite</li> <li>• Reviews the extent to which management has established an effective system of risk management and internal control.</li> <li>• Reviews the Company's risk profile by comparison to its risk appetite.</li> <li>• Undertakes periodic review of the Company's most significant risks and whether risk management strategies are appropriate.</li> <li>• Oversight and monitoring the activities of the corporate internal audit function and the external auditors.</li> </ul>
7.2	<p>The board or a committee of the board should;</p> <ol style="list-style-type: none"> <li>(a) Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>(b) Disclose, in relation to each reporting period, whether such review has taken place.</li> </ol>	<p>Yes.</p> <p>For the 2019 year, management provided the Board the Company's Risk Register summarising the significance of each risk as well as actions taken by the management to mitigate the risks. Management also provided to the Board a report on the effectiveness of the Company's management of its material business risks throughout the 2018/19 year.</p>
7.3	<p>A listed entity should disclose:</p> <ol style="list-style-type: none"> <li>(a) If it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(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.</li> </ol>	<p>No.</p> <p>The Board has not established an internal audit function at this time. The Board as a whole oversees the effectiveness of risk management and internal control processes.</p> <p>Refer the Company's Risk Management, Internal Compliance and Control Policy available on the Company's website.</p> <p><a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a></p> <p>The Board believes that the Company is not of a size to justify having an internal audit function for efficiency purposes. The Company evaluates its risk management and internal control processes in consultation with its external auditor with a view to continually improving its effectiveness.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Yes</p> <p>The material risks faced by the Company that could have an effect on the Company's future prospects include:</p> <ol style="list-style-type: none"> <li>(a) Development of the Beyondie Potash Project</li> <li>(b) Resource and reserve estimates and classification</li> <li>(c) Purification facility design, operation, recovery and product specification</li> <li>(d) Project delays and cost overruns</li> <li>(e) Inability to abstract brine volume</li> <li>(f) Variability in brine</li> <li>(g) Evaporation pond design</li> <li>(h) Commodity price volatility</li> <li>(i) Currency volatility</li> <li>(j) Dependence on key personnel</li> <li>(k) New commodity and lack of operational experience</li> <li>(l) Inclement weather and Natural Disasters</li> <li>(m) Environmental and other statutory approvals</li> <li>(n) Title Risk</li> </ol>

Recommendation	Requirement	Comply Yes/No and Explanation
		(o) Exploitation, exploration and mining licenses (p) Change in regulations (q) Environmental risk (r) Insurance (s) Contractual disputes (t) Third party risk (u) Competition (v) Operational risk (w) Offtake risk; Further details of these risks and how the Company manages or intends to manage these risks are set out in the Directors Report of the Company's Annual Report.

## Principle 8 – Remunerate fairly and responsibly

Recommendation	Requirement	Comply Yes/No and Explanation
8.1	The board of a listed entity should: (a) Have a remuneration committee which: 1) Has at least three members, a majority of whom are independent directors; and 2) Is chaired by an independent director, and disclose 3) The charter of the committee; 4) The members of the committee; and 5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; 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.	Yes The role of the Remuneration Committee (RC) is to assist the Board in its oversight of remuneration policy and practice.  During the reporting period, the Remuneration Committee comprised of Mr. Malcolm Randall (Chair from 26 April 2019, Non-Executive Director and Independent), Mr. Brett Hazelden (Executive Director), Mr. Stephen Dennis – appointed 26 April 2019 (Non-Executive Director and Independent). Mr. Brendan O'Hara who resigned on 26 April 2019, was (Chair and Non-Executive Director) prior to his resignation. Refer to Table of Meeting Attendance (above).  The RC considers a diverse range of matters related to its role, including: <ul style="list-style-type: none"> <li>• Remuneration Strategy.</li> <li>• Non-executive Director remuneration.</li> <li>• Chief Executive Officer and executive director remuneration policy.</li> <li>• Senior executive remuneration policy.</li> <li>• Short term and long-term incentive plans.</li> </ul> Full details of the Committee's activities on behalf of the Board related to remuneration matters are set out in the Remuneration Report.
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.	Yes The Board, through the Remuneration and Nomination Committees, periodically reviews the performance of senior executives. A review was performed in FY19 and the results have been incorporated into remuneration results. Details of the remuneration policies and the remuneration paid to directors (executive and non-executive) and executives are set out in the Remuneration Report section of the 2019 Annual Report.
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.	Yes The Company's Directors and Executives must not enter into any hedge arrangement in relation to any performance rights or options they may be granted or otherwise entitled to under an incentive scheme or plan, prior to exercising those rights, or once exercised, while the securities are subject to a transfer restriction. Further details regarding the Company's hedging policy are set out in the Company's Securities Trading Policy which are available on the Company's website. <a href="http://www.kaliumlakes.com.au/corporate-governance">http://www.kaliumlakes.com.au/corporate-governance</a>