



NKWE PLATINUM LIMITED

ARBN 105 979 646

Corporate Governance Statement for the year ended 30 June 2015

The board of directors of Nkwe Platinum Limited (Nkwe Platinum) (the Company) and its controlled entities (the Group) is responsible for establishing the corporate governance framework of the Company having regard to the ASX Corporate Governance Council's (CGC) Corporate Governance Principles and Recommendations (Recommendations) and CGC published guidelines.

In accordance with ASX Listing Rule 4.10.3, this Corporate Governance Statement (Statement) discloses the extent to which the Company has followed the Recommendations by detailing the Recommendations that have not been adopted by the Company and the reasons why they have not been adopted. In the areas where the Company does not follow the Recommendations, the Company is working toward compliance or does not consider that the practices are appropriate for the current size and scale of operations.

This Statement was approved by the board of directors and is current as at 30 September 2015.

Lay solid foundations for management and oversight

The board's role is to govern the Group rather than to manage it. In governing the Group, the directors must act in the best interests of the Group as a whole. It is the role of senior management to manage the Group in accordance with the direction and delegations of the board and the responsibility of the board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the board is to drive the performance of the Group. The board must also ensure that the Group complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The board has the final responsibility for the successful operations of the Group.

The board has also adopted a Board Charter which details the functions and responsibilities of the board and those delegated to management. A copy of the Board Charter has been placed on the Company's website.

The Company undertakes reference checks prior to appointing a director, or putting that person forward as a candidate to ensure that person is competent, experienced and would not be impaired in any way from undertaking the duties of a director. The Group provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the board supports the appointment or re-election.

The terms of appointment of non-executive directors, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

The Company Secretary is accountable directly to the board on all matters to do with the proper functioning of the board, including agendas, board papers and minutes, advising the board and its Committees (as applicable) on governance matters, monitoring that the board and committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

The Company has adopted a diversity policy which provides a framework for the Company to achieve:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- improved employment and career development opportunities for women;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

The board is primarily responsible for setting achievable objectives on gender diversity and monitoring the progress of the Company towards them on an annual basis. Due to the size and scale of operations of the Company, the board has determined that a long term gender diversity objective is more appropriate.

Given the size of the Company, the Company has not yet set measurable objectives for achieving gender diversity.

The board will review progress against any objectives identified on an annual basis.

It is the policy of the board to conduct evaluation of its performance. The objective of this evaluation is to provide best practice corporate governance to the Group.

The board has established formal practices to evaluate the performance of the board, committees (when put in place) and individual directors. No formal performance evaluation of the board and individual directors took place during the year. In order to achieve continuing improvement in board performance, all directors are encouraged to undergo continual professional development. Specifically, directors are provided with the resources and training to address skill gaps where they are identified.

Structure the board to add value

The board has been structured so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The names and qualifications of the directors are stated in the 2015 Annual Report in the Directors' Report. Each director is entitled to receive independent professional advice at the Company's expense.

The Group recognises the importance of non-executive directors and the external perspectives and advice that non-executive directors can offer. Messrs Sharif Pandor, Dianmin Chen, Robin Wang and Ms Mokganyentsi Sithole are all non-executive directors. Messrs Dianmin Chen, Robin Wang and Ms Mokganyentsi Sithole are independent directors.

An independent director is a non-executive director and:

- is not a substantial shareholder of the Group or an officer of, or otherwise associated directly with, a substantial shareholder of the Group;
- has not been employed in an executive capacity by the Group or another group member since incorporation;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Group or another group member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Group or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Group or other group member other than as a Director of the Group.
- their role is to advise the Group on matters pertaining to their expertise and provide governance in the best interests of the Group. Independent directors do not participate in day to day operations or management of the Group and its affairs.
- are remunerated based on a set scale relating to the risks undertaken within their roles as non-executive directors. Additional work engagements may be undertaken by independent directors at commercial rates, however the Group and the independent directors must ensure that materiality thresholds are not breached.
- There remains a departure from the recommendation in relation to a majority of independent directors due to the small scale nature of the Group and its limited financial resources to attract appropriately skilled yet independent directors. The board is continually reviewing the status of independent directors with a view to engaging further independent directors when financial resources allow.

The board believes that it is able to exercise independence and judgement and does possess the necessary skills, expertise and experience required to effectively discharge its duties. The focus has been on the ability of the board to add value by effectively exercising independence and discharging their duties, rather than on meeting the independence test in the guidelines.

The board considers that given its current size, a separate Remuneration and Nomination Committee has not been established. These functions are effectively achieved with full board participation and are governed by the Remuneration and Nomination Committee Charter which outlines the appointment of directors and the procedures for selection and appointment of new directors. Copies of the Remuneration and Nomination Committee have been placed on the Company's website.

The Group's Chairman, Mr Sharif Pandor, is not an independent director. The board values the insight and advice provided by Mr Pandor and considers that the materiality of his relationship is such that it does not interfere with his capacity to bring an independent judgement on issues before the board and to act in the best interests of Nkwe Platinum and its security holders generally.

It is the policy of the Group that new directors undergo an induction process in which they are given a full briefing on the Group. Where possible this includes meetings with key executives, an induction package and presentations. Information conveyed to new directors includes:

- details of the roles and responsibilities of a director;
- formal policies on director appointment as well as conduct and contribution expectations;
- access to a copy of the Board Charter;
- guidelines on how the board processes function;
- details of past, recent and likely future developments relating to the board;
- background information on and contact information for key people in the organisation;
- an analysis of the Group;
- a synopsis of the current strategic direction of the Group; and
- a copy of the Constitution of the Group.

In order to achieve continuing improvement in board performance, all directors are encouraged to undergo continual professional development. Specifically, directors are provided with the resources and training to address skills gaps where they are identified.

Act ethically and responsibly

The Group has implemented a Code of Conduct, which provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Company.

A copy of the Code of Conduct of integrity, responsibility and accountability for reporting and investigating reports of unethical behaviour has been placed on the Company's website.

Safeguard integrity in corporate reporting

The integrity of the Group's financial reporting is a critical aspect of Nkwe Platinum's corporate governance and structures have been implemented during the financial year to verify and safeguard the integrity of the Group's financial reporting.

It is the policy of the board that the Group's financial statements be reviewed or audited, at a minimum, each half year. The board considers that given its current size, a separate Audit Committee has not been established. This function is effectively achieved with full board participation and is governed by the Audit Committee Charter. A copy of this Charter has been placed on the Company's website.

It is the board's policy, that the Chief Executive Officer (or equivalent) makes the attestations recommended by the CGC as to the Company's financial condition prior to the board signing the Annual Report. The role of Chief Executive Officer was discharged by the Managing Director, Mr Zhilin (Abraham) Li during the year ended 30 June 2015. The certification required in accordance with section 295A of the Corporations Act 2001 is provided by Mr Zhilin (Abraham) Li prior to acceptance by the board as a whole. The board has received assurance that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Company is committed to requesting the external auditor to attend annual general meetings and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Make timely and balanced disclosure

The board promotes timely and balanced disclosure of all material matters concerning the Group.

The Group has formalised its policy to promote a culture whereby all senior management understand the processes in relation to the timely disclosure of information.

A copy of the Reporting Policy has been placed on the Company's website.

Respect the rights of security holders

The board respects the rights of its shareholders and to facilitate the effective exercise of those rights, the Group is committed to effective communication with shareholders. This occurs by electronic ASX releases to the market, through Nkwe Platinum's e-list email communications (registration is available via the Company's website) and by the provision to shareholders of balanced and understandable information in relation to corporate proposals.

The Company's general meetings are held at the Company's registered office in Bermuda. Shareholders generally participate in these meetings through the appointment of a proxy. The Company's external auditor (based in Australia and South Africa) has been invited to attend these meetings.

Recognise and manage risk

The Group recognises the importance of managing risk and has established systems to assess, monitor and manage risk based on the Group's size, history and strategy. The exploration and development of natural resources is a speculative activity that involves a high degree of financial risk. Given the size, history and business of the Group, it was not considered by the board to be a business priority to prepare a risk management policy during the financial year.

The Managing Director and the Company Secretary are responsible for the identification and management of business risks. The board has obtained a written confirmation from the Managing Director and the Company Secretary that the statement in relation to principle 4 above is founded on a sound system of risk management and internal compliance and control. The board has obtained a statement confirming that the systems are operating efficiently and effectively in all material respects.

Remunerate fairly and responsibly

The board is committed to ensuring that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.

Executive Remuneration Policy

The Group remunerates its senior executives in a manner that is market competitive, consistent with best practice and aligned to the interests of shareholders. Remuneration comprises a fixed salary, determined from a market review, to reflect core performance requirements and expectations of the relevant position, statutory superannuation, and participation in the Company's employee share option plan as approved by shareholders. The Board is considering the adoption of a bonus plan for senior executives which will be designed to reward actual achievement against specific performance objectives.

Non-Executive Remuneration Policy

Non-executive directors are paid a fixed fee out of the maximum aggregate amount which has been approved by shareholders. Non-executive directors are entitled to statutory superannuation but do not participate in the employee share option plan. They may be issued options subject to shareholder approval.

Director remuneration has been disclosed in the 2015 Annual Report. There are no schemes for retirement benefits, other than statutory superannuation, for any non-executive director.

Remuneration Committee

The board considers that given its current size, a separate Remuneration Committee has not been established. This function is effectively achieved with full board participation and is governed by the Remuneration, Nomination and Succession Committee Charter. A copy of the terms of reference of the Remuneration Committee has been placed on the Company's website.

As at the date of this report, the Company has no employees and no incentive schemes.