

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Western Areas Ltd

ABN / ARBN:

68 091 049 357

Financial year ended:

30 June 2016

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

- These pages of our annual report:
- This URL on our website: <http://www.westernareas.com.au/about-us/corporate-governance.html>

The Corporate Governance Statement is accurate and up to date as at 21 October 2016 and has been approved by the board.

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

Date: 21.10.2016

Name of Director or Secretary authorising lodgement:



Company Secretary
Joseph Belladonna

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

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

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

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

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. 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 ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... 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 checked="" type="checkbox"/> refer to the Board Charter located at http://www.westernareas.com.au/about-us/corporate-governance.html – see Board Charter	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> refer to the Board Charter located at http://www.westernareas.com.au/about-us/corporate-governance.html – see Board Charter	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> refer to the Board Charter located at http://www.westernareas.com.au/about-us/corporate-governance.html – see Board Charter	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ 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 ... ⁴
<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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> located at http://www.westernareas.com.au/about-us/corporate-governance.html – see Diversity Policy</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 checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</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 OR</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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> refer to the Board Charter located at http://www.westernareas.com.au/about-us/corporate-governance.html – see Board Charter</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; 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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.westernareas.com.au/about-us/corporate-governance.html – see Nomination Charter.</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at our 2016 Annual Report</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 OR</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 OR</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 OR</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 OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> located in the Directors Report contained in the 2016 Annual Report. ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> in our 2016 Annual Report	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> refer to the Board Charter located at http://www.westernareas.com.au/about-us/corporate-governance.html – see Board Charter	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> located at http://www.westernareas.com.au/about-us/corporate-governance.html – see Code of Conduct	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
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 checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> located at http://www.westernareas.com.au/about-us/corporate-governance.html – see Audit and Risk Management Committee Charter</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> located in the Directors Report contained in the 2016 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input 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 OR</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 ... ⁴
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> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> refer to the Board Charter located at http://www.westernareas.com.au/about-us/corporate-governance.html – see Board Charter</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> located at http://www.westernareas.com.au/about-us/corporate-governance.html – see Continuous Disclosure Policy</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <p><input checked="" type="checkbox"/> located at http://www.westernareas.com.au/about-us.html</p> <p>located at http://www.westernareas.com.au/about-us/corporate-governance.html</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
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> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at http://www.westernareas.com.au/investor-centre.html</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> located at http://www.westernareas.com.au/about-us/corporate-governance.html – see Shareholder Communications Policy</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable</p>
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> located at http://www.westernareas.com.au/about-us/corporate-governance.html – see Shareholder Communications Policy</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

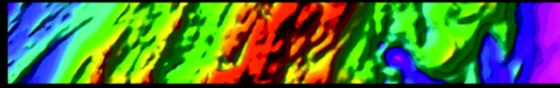
Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> located at http://www.westernareas.com.au/about-us/corporate-governance.html – see Audit and Risk Management Committee Charter</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> located in the Directors Report contained in the 2016 Annual Report.</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</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>
7.2	<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 OR</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 OR</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 ... ⁴
7.3	<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):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</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>
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>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <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 ... ⁴	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> located at http://www.westernareas.com.au/about-us/corporate-governance.html – see Remuneration Committee Charter</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> located in the Directors Report contained in the 2016 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</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 OR</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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> located in the Remuneration Report contained in the 2016 Annual Report.</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> Located in the Remuneration Report contained in the 2016 Annual Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<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><input type="checkbox"/> in our Corporate Governance Statement OR</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><input type="checkbox"/> in our Corporate Governance Statement OR</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>

WESTERN AREAS LTD



Western Areas Limited

ABN 68 091 049 357

Corporate Governance Statement

2016

CORPORATE GOVERNANCE STATEMENT

This report outlines the Corporate Governance arrangements in place at Western Areas Ltd as at 21 October 2016. The Company believes it currently complies with all the Recommendations.

Key Changes/Events

- Retirement of Mr Julian Hanna on 15 June 2016. Enhancing the overall percentage of independent directors on the Board.
- Independent Non-Executive Director Mr Craig Readhead is no longer affiliated with Allion Legal.
- 10% base salary reduction implemented for all Directors and Executives in response to the multiyear low nickel price.

Corporate Governance Overview

Western Areas is committed to high standards of corporate governance in which the senior executives and Board are accountable to its stakeholders. We believe that corporate governance is an essential component of sustained value creation and sound corporate governance practices be reflected in our decision making and our culture. The Board has developed policies to ensure that an appropriate level of corporate governance is in place. The corporate governance system is reviewed regularly by the Board to ensure that it fulfils the needs of our stakeholders and most importantly our shareholders.

The Board's approach in applying the Australian Stock Exchange ("ASX") Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" ("the Recommendations") is to ensure that Western Areas corporate governance policies and principles are established, implemented and monitored in such a way so as not to compromise or distract the Board and management from their key goals and to enable the organisation to conduct its business in an efficient and effective manner. In establishing its approach to corporate governance, the Board has taken into consideration the nature of the governance matter, the impact of immediate or accelerated change to comply on the Company and the issues (particularly risks) associated with deferred implementation. In accordance with the Recommendations, this Corporate Governance Statement contains disclosures to the extent to which the Company has followed the guidelines during the period.

The Company's corporate governance policies, procedures and guidelines can be found in the Corporate Governance section of our website: www.westernareas.com.au

PRINCIPLE 1: Lay solid foundations for management and oversight

The Board guides and monitors the business and affairs of Western Areas on behalf of the shareholders by whom they are elected and to whom they are accountable. The role and structure of the Board is defined in the Board Charter (Refer to the Corporate Governance section on our website: www.westernareas.com.au). The Board has responsibility for, and has the authority to determine all matters relating to policies, practices, management, and operations. The Board is required to do all things necessary to determine the objectives and the strategy, and to ensure that the strategy is effectively implemented. Procedures are in place to enable Directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

The performance of the Board and senior executives is reviewed against both measurable and qualitative indicators. The performance criteria against which Directors and senior executives are assessed is aligned with the financial and non-financial objectives of the Company. The functions reserved to the Board, delegations to senior executives and the process for evaluating the performance of senior executives are in the Western Areas Corporate Governance Policies (Refer to the Corporate Governance page on our website: www.westernareas.com.au).

The Company Secretary is accountable directly to the Board on all matters related to the proper

CORPORATE GOVERNANCE STATEMENT

functioning of the Board. All Directors have direct access to the Company Secretary at any time.

PRINCIPLE 2: Structure the Board to add value

The membership of the Board is considered by the full Board from time to time, having regard for the ongoing needs of the Company. The Board is structured to ensure that it has a proper understanding of, and competence to deal with current and emerging issues of the business, exercise independent judgement, and facilitate enhanced company performance. The skills, experience and expertise relevant to the position held by each Director in office at the date of the Financial Report is included in the Directors' Report contained in the Annual Financial Statements.

Independence

The Board contains an independent majority of Directors.

Directors of Western Areas are considered to be independent when they are independent of management and free from any material business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgement.

In the context of Director independence, "materiality" is considered from both the Company and individual Director's perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the Director in question to influence the direction of the Company.

The Western Areas Board composition continued to evolve during the financial year, with the retirement of Mr Julian Hanna from the Board on 15 June 2016.

In accordance with the above definitions of independence and materiality, the following Directors of Western Areas are considered to be independent:

Name	Position
I Macliver	Non-Executive Chairman
R Yeates	Non-Executive Director
C Readhead	Non-Executive Director
T Netscher	Non-Executive Director

Independent Director, Mr Craig Readhead, has advised he no longer has any affiliation with Allion Legal, this further reinforcing the Company's view that Mr Readhead is an Independent Director.

The Board of Western Areas always considered Mr Readhead independent due to the legal services Allion provided to the Company being limited to contract preparation for contractor and supplier agreements, human resources matters and exploration joint venture agreements. Furthermore, Allion Legal is not the largest supplier of legal services to the Company, with Ashurst Australia providing advice on corporate actions and capital management initiatives. The Western Areas fees paid to Allion Legal were not material in the overall Allion revenue fee pool.

CORPORATE GOVERNANCE STATEMENT

The Board has a Nomination Committee to assess the necessary and desirable competencies of a Board member and to evaluate the Board's performance. The Nomination Committee also reviews Board succession plans and makes recommendations for the appointment and removal of Directors. The Nomination Committee operates under a charter approved by the Board (Refer to the Corporate Governance section on our website www.westernareas.com.au). The charter details the role, rights, responsibilities and membership requirements for the Committee. The Nomination Committee has an independent Chair. For further details of the members of the Nomination Committee and their attendance at meetings of the Committee, refer to The Directors' Report contained in the Annual Financial Statements.

A skills matrix is maintained as part of the Board performance review, and assessed against the Company's strategic direction and business objectives. The overall principle of the skills matrix assessment is to ensure that the Board has an appropriate balance between technical mining skills (Engineering, metallurgy and geology), corporate acumen, entrepreneurial, financial and legal skills. As the Company operates entirely in the resources and exploration sector, resources related skills, experience and expertise are seen as an essential pre-requisite. Prior to the nomination of the most recently appointed Board member, the skills matrix was overlaid across the candidates to assist in the evaluation process.

The appointment date and length of service for each Director as at the date of this report is below.

Name	Date Appointed	Service
I Macliver	October 2011	~5 years
D Lougher	May 2008	~8.5 years
D Southam	November 2010	~6 years
R Yeates	October 2009	~7 years
C Readhead	June 2014	~2.5 years
T Netscher	August 2014	~2 years

In line with the Company's Board Performance Evaluation policy (Refer to the Corporate Governance section on our website www.westernareas.com.au) the Nomination Committee conducted one Board performance evaluation for the period. The Board performance evaluations generally require each member of the Board to rate the Board's performance against specific qualitative and quantitative criteria, with each year rotating through a different assessment process. The Company uses, on a rotational basis, group discussions, questionnaires and individual assessments. Assessments are conducted by the Nomination Committee and evaluated by the Board Chairman. The current year performance assessment involves one on one Board performance discussions with the Chairman and the Board members.

Executive director and senior executive performance evaluations are conducted on an annual basis with ratings assigned against specific qualitative and quantitative criteria. Individual executives are also assigned a set of unique key performance indicators (KPI) for each financial year with performance toward meeting or achievement of the KPI tracked and recorded.

CORPORATE GOVERNANCE STATEMENT***Diversity***

The Company's Diversity policy (Refer to the Corporate Governance section our website www.westernareas.com.au) includes, but is not limited to, gender, age, ethnicity and cultural background. The policy ensures that roles and positions are filled by the best possible candidate available without discrimination.

The Diversity policy outlines the requirements of the Board to develop measurable objectives for achieving diversity, and annually assesses both the objectives and the progress in achieving those objectives. Over the next few years, the Company aims to increase diversity in senior appointments as positions become available. All appointments will be based on merit and expertise required to discharge the duties of such roles.

	<i>30 June 2016</i>	<i>%</i>	<i>30 June 2015</i>	<i>%</i>
<i>Women on the Board</i>	-	-	-	-
<i>Women in Senior Management</i>	1	5	1	5
<i>Women employees in total</i>	25	17	27	18

To assist in fostering diversity, the policy includes the requirement for a least one female candidate to be shortlisted for all senior appointments (including Director appointments), should a suitably qualified candidate exist for the role.

Since 2009, the Company has co-funded scholarships for outstanding students studying a mining related discipline each year. The inaugural winners of this award were both female undergraduate Geology students, with three of the eight scholarship winners to date being women. Scholarship students are offered mentorship and participation in student vocational training programmes at Western Areas operations.

The Company believes that providing opportunities to the next generation of mining professionals today, we develop the leaders who will enhance and grow our business and our industry into the future.

PRINCIPLE 3: Promote ethical and responsible decision making

The Board demand the Company maintain the highest levels of ethical conduct, and has put in place a Code of Conduct to support and promote ethical behaviour by its personnel and contractors (Refer to the Corporate Governance section on our website www.westernareas.com.au). The key provisions of the Code of Conduct are to:

- Act honestly and with integrity;
- Act in the best interests of the Company and shareholders;
- Avoid and disclose any conflicts of interest both real and perceived;
- Comply with the law;
- Keep all material information confidential, until released to the wider market;
- Not use their position for personal gain; and
- Ensure compliance with the Code of Conduct.

CORPORATE GOVERNANCE STATEMENT**PRINCIPLE 4: Safeguard integrity in financial reporting**

The Board is responsible for ensuring that an effective internal control framework exists. The Audit and Risk Management Committee operates under a charter approved by the Board (Refer to the Corporate Governance section on our website www.westernareas.com.au). The charter includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information. It also deals with non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated the responsibility for the establishment, maintenance and monitoring of the framework for internal control and ethical standards to the Audit and Risk Management Committee.

The Audit and Risk Management Committee provides the Board with additional assurance regarding the reliability of financial information included in the financial reports and the independence of the Company's Auditor. The majority of the members of the Audit and Risk Committee and the Committee Chair are Independent Non-Executive Directors. The Committee members, their qualifications and the number of meetings of the Audit and Risk Management Committee that they attended throughout the year can be found in The Directors' Report contained in the Annual Financial Statements.

The Western Areas Chief Executive Officer and Chief Financial Officer provide the Audit & Risk Management Committee signed certification that the financial records of the Company are properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the Company's financial position and performance.

PRINCIPLE 5: Make timely and balanced disclosure

The Company's Continuous Disclosure policy (Refer to the Corporate Governance section on our website www.westernareas.com.au) provides effective support for compliance with the ASX Listing Rules regarding continuous disclosure. The aim of this policy is to ensure that the Company releases price-sensitive information in a timely manner. The policy is based on the premise that Western Areas will immediately notify the market by announcement to the ASX of any information concerning the business of Western Areas that a reasonable person would expect to have a material effect on the price or value of its securities. Generally, the Board is responsible for overseeing Western Area's disclosure practices and procedures. The Board's specific areas of responsibilities are:

- Fulfilling the Company's continuous disclosure obligations;
- Communications with the ASX;
- Making decisions on what should be disclosed publicly;
- Promoting awareness of the Continuous Disclosure policy within Western Areas ;
- Overseeing, reviewing and updating the Continuous Disclosure policy, as required, to ensure continuing compliance with changing legal and regulatory compliance; and
- Implementing reporting processes and controls.

The Board has the power to delegate aspects of the administration of this policy to senior management. To this end the practical application of the policy is the responsibility of the Company Secretary.

The Board makes decisions on the disclosure of material information pursuant to legal and regulatory requirements, and advises the Audit and Risk Committee with respect to disclosure issues relating to financial information.

CORPORATE GOVERNANCE STATEMENT**PRINCIPLE 6: Respect the rights of shareholders**

The Board, under the Company's Shareholder Communications policy (Refer to the Corporate Governance section on our website www.westernareas.com.au), is responsible for ensuring shareholder communications are adequate, appropriate, transparent and based on sound corporate governance principles. These principles form the basis of the policy which has the objective of providing shareholders with important information in a timely manner through written and electronic communication.

Western Areas promotes direct communications with shareholders. In addition to the opportunity presented by the Annual General Meeting, to which shareholders are encouraged to attend and question directly the Directors and external auditors, shareholders may at any time direct questions to, or request information from, the directors or management through the Company Secretary or Investor Relations Representative. Full contact details are available on our website www.westernareas.com.au.

The Annual Report is made easily available to shareholders and other stakeholders in a timely manner in both print and on-line versions. The Company's financial reports and presentations can be freely downloaded from our website which also includes information released to the ASX.

PRINCIPLE 7: Recognise and manage risk

The Western Areas Risk Management and Compliance policy (Refer to the Corporate Governance section on our website www.westernareas.com.au), defines our commitment to maintaining a risk management culture to effectively manage risk and provide sustained long term shareholder value. Western Areas' Risk Management Program (RMP) provides a comprehensive, integrated risk management approach, enabling management to minimise potential risks to achieving our objectives. The RMP supports the identification, evaluation and management of material risks within all areas of the business.

Management is responsible for the development and implementation of risk management strategies. All material business activities and decisions include careful consideration of the internal and external risks to the Company. The integration of a standard approach to risk management across the business is designed to facilitate the capture of all significant risks and to ensure senior management and the Board are made aware of all (potential) material risks.

The Audit and Risk Management Committee formally reviews the effectiveness of the RMP on an annual basis (completed in February 2016), which is the subject of ongoing development and enhancement to ensure it continues to meet the needs of the Company. The Audit and Risk Management Committee Charter further outlines their roles, duties, composition, activities and authorities (Refer to the Corporate Governance section on our website www.westernareas.com.au).

Western Areas does not believe it is of a size that warrants an internal audit function. To ensure that the required assurance is provided over the effectiveness of internal controls a control assurance standard has been developed and implemented. In line with performance requirements outlined in the standard, there are structured processes to prioritise and complete control assurance reviews of material risks. We utilise risk assessment workshops to identify and assess the Company's material risks (prioritise). We then apply the control assurance review process to analyse our internal control design and implementation. The results of risk assessment workshops and control assurance reviews are reported to the Audit and Risk Committee.

CORPORATE GOVERNANCE STATEMENT***Reporting on material risks***

The Board is kept fully informed of material risks that have the potential to impact objectives, along with the effectiveness their controls. There is an established process of formally reporting material risks and controls to the Board on a regular basis, including any changes to risks, and whether or not risk control improvements are required to better manage material risks. The Board also receive status reports of progress against the RMP annual work plan.

Activity

In addition to regular RMP activities, the Company is continuing to develop the following initiatives:

- Development of a Corporate Social Responsibility program that includes identification and assessment of environmental, social and economic sustainability risks (initial assessment does not indicate a material exposure); and
- Development and implementation of a standard approach to internal control assurance and a control assurance work plan to critically review the adequacy of control effectiveness over material risks; and

The Company engages MYR Consulting Pty Ltd to assist in development of the risk management framework, activities and policies.

PRINCIPLE 8: Remunerate fairly and responsibly

The Board has established a Remuneration Committee, which operates under a charter approved by the Board (Refer to the Corporate Governance section on our website www.westernareas.com.au). The majority of its members and the Committee Chair are Independent Non-Executive Directors. The Committee members, their qualifications and the number of meetings of the Remuneration Committee that they attended throughout the year can be found in the Directors' Report contained in the Annual Financial Statements.

It is the Company's objective to provide maximum stakeholder benefit through the retention of a high quality Board and senior executive team. To achieve this it seeks to remunerate Directors and key executives fairly and appropriately with reference to relevant employment market conditions and the review of independent employment statistics. The Remuneration Committee engages independent remuneration consultants to provide impartial advice in respect of remuneration trends and executive employment contracts.

The Remuneration Committee establishes the principles and policies with respect to remuneration of Directors and senior executives. The Remuneration Committee links the nature and amount of Executive Directors' and Officers' emoluments to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

- Retention and motivation of key executives;
- Attraction of quality management to the Company; and
- Performance incentives which allow executives to share the rewards of the success of the Company.

Further details on the Company's remuneration philosophy and framework along with details on the amount of remuneration received by Directors and senior executives during the year is provided in the Remuneration Report contained in the Annual Financial Statements.