

CORPORATE GOVERNANCE STATEMENT



The Board of Directors of Global Iron Limited (**Global Iron**) 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 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.

Global Iron corporate governance practices were in place throughout the year ended 30 June 2009. The current corporate governance policy is posted in a dedicated corporate governance information section of the Company's website at www.globaliron.com.au.

Recommendation	Comply Yes / No	Reference/ Explanation
Principal 1 – Lay solid foundations for management and oversight		
1.1 Formalise and disclose the functions reserved to the Board and those delegated to management.	Yes	Page 39
1.2 Disclose the process for evaluating the performance of senior executives.	Yes	Page 40
1.3 Provide the information indicated in the guide to reporting on Principle 1.	Yes	
Principal 2 – Structure the Board to add value		
2.1 A majority of the Board should be independent directors.	Yes	Page 40
2.2 The chairperson should be an independent director.	No	Page 40
2.3 The roles of chairperson and chief executive officer should not be exercised by the same individual.	No	Page 40
2.4 The Board should establish a nomination committee.	No	Page 41
2.5 Disclose the process for evaluating the performance of the Board, its committees and individual directors.	Yes	Page 40
2.6 Provide the information indicated in the guide to reporting on Principle 2.	Yes	
Principal 3 – Promote ethical and responsible decision-making		
3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to:	Yes	Website
3.1.1 The practices necessary to maintain confidence in the Company's integrity.		
3.1.2 The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders.		
3.1.3 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.		
3.2 Establish and disclose the policy concerning trading in Company securities by directors, senior executives and employees.	Yes	Page 40
3.3 Provide the information indicated in the guide to reporting on Principle 3.	Yes	
Principal 4 – Safeguard integrity in financial reporting		
4.1 The Board should establish an audit committee.	No	Page 41
4.2 The audit committee should be structured so that it:	No	Page 41
• consists only of non-executive directors;		
• consists of a majority of independent directors;		
• is chaired by an independent chairperson, who is not chairperson of the Board; and		
• has at least three members.		
4.3 The audit committee should have a formal charter	Yes	Website
4.4 Provide the information indicated in the guide to reporting on Principle 4.	Yes	

CORPORATE GOVERNANCE STATEMENT

Recommendation	Comply Yes / No	Reference/ Explanation
Principal 5 – Make timely and balanced disclosure		
5.1 Companies should established written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	Website
5.2 Provide the information indicated in the guide to reporting on Principle 5.	Yes	
Principal 6 – Respect the rights of shareholders		
6.1 Companies should design a communication policy for promoting effective communication with shareholders and encourage their participation at general meetings and disclose their policy or a summary of that policy.	Yes	Website
6.2 Provide the information indicated in the guide to reporting on Principle 6.	Yes	
Principal 7 – Recognise and manage risk		
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	Website
7.2 The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	Yes	Page 41
7.3 The Board should disclose whether it has received assurances from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) 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.	Yes	Page 41
7.4 Provide the information indicated in the guide to reporting on Principle 7.	Yes	
Principal 8 – Remunerate fairly and responsibly		
8.1 The Board should establish a remuneration committee.	No	Page 41
8.2 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes	Page 3
8.3 Provide the information indicated in the guide to reporting on Principle 8.	Yes	

Board Functions

The Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations.

To ensure that the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the Board.

The responsibility for the operation and administration of the Company is delegated, by the Board, to the Executive Chairman and senior management team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Executive Chairman and senior management team.

The Board has adopted a formal charter that outlines the functions and responsibilities of the Board. The charter forms part of the Corporate Governance Statement available on the Company's website. The monitoring and ultimate control of the business of the Company is vested in the Board. The Board is responsible for:

- oversight of the Company, including its control and accountability systems;
- appointing and monitoring the performance of directors, including the managing director and senior management and ensuring appropriate resources are available;
- in conjunction with management, development and final approval of the corporate objectives, strategy and operational plans;

CORPORATE GOVERNANCE STATEMENT



- identification of significant areas of potential business risks and ensuring appropriate arrangements are in place to adequately manage those risks;
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestures;
- approving and monitoring financial and other reporting.

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors' Report on page 2. Directors of Global Iron are considered to be independent when they are a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. In accordance with this definition, Mr A.W.P. Sage (Executive Chairman) is not considered to have been independent throughout the year.

Non-Executive Directors, Mr T. Turner and Mr R. Catena, were considered to have been independent throughout the year.

The Board believes that while the Chairman is not independent, the majority of the directors are independent and the current composition of the Board with its combined skills and capability, best serve the interests of the Company and its shareholders.

The Company does not currently have a Chief Executive Officer. The role and responsibilities of the Chief Executive Officer are discharged by the Executive Chairman, Mr A.W.P. Sage. The Board considers relevant industry experience and specific expertise important in providing strategic guidance and oversight of the Company, and it believes, Mr A.W.P. Sage, remains the most appropriate person to fulfil these roles.

There are procedures in place, agreed by the Board, to enable directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

The term in office held by each director in office at the date of this report is as follows:

A.W.P. Sage	2 years	(Executive Chairman)
T. Turner	2 years	(Non-Executive Director)
R. Catena	2 years	(Non-Executive Director)

Performance

The performance of the Executive Chairman is monitored by the non-executive Directors. A formal performance review of the Executive Chairman did not occur during the year.

The performance of senior management is monitored by the Executive Chairman.

The Board have established formal practices to evaluate the performance of the Board, committees, non-executive directors, the Chief Executive Officer, and senior management. Details of these practices are described in the Corporate Governance Statement available on the Company's website. No formal performance evaluation of the Board, individual directors of senior management took place during the year.

Securities Trading Policy

Under the Company's Securities Trading Policy, a Director, executive or other employee must not trade in any securities of the Company at any time when they are in possession of unpublished, price-sensitive information in relation to those securities.

As a matter of course trading in securities of the Company are restricted in the following periods:

- within the period of one month prior to the release of annual or half yearly results;
- within the period of one month prior to the issue of a prospectus; and
- there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception.

Before commencing to trade, a Director, executive or other employee must notify the Chairman or Company Secretary of their intention to do so.

As is required by the ASX Listing Rules, the Company notifies the ASX of any transaction conducted by a Director in the securities of the Company.

Remuneration and Nomination Committee

During the year Global Iron did not have a separately established remuneration and nomination committee. The collective Board serves as a remuneration and nomination committee to undertake the duties and responsibilities typically delegated to such a committee. The Board have in place formal procedures for the selection and appointment of directors. It is the Company's objective to retain high quality Board and senior management by remunerating fairly and appropriately with reference to relevant employment market conditions. For full disclosure of Director and executive remuneration for the period, please refer to the Remuneration Report, which is contained within the Directors' Report. Given the Company's size the Board does not believe that any marked efficiencies or benefit would be achieved by the creation of a separate remuneration and nomination committee.

Audit Committee

During the year Global Iron did not have a separately established audit committee. The collective Board serves as an audit committee to undertake the duties and responsibilities typically delegated to such a committee. Given the size and composition of the Board and individual director expertise the Company is of the view that all significant matters are adequately addressed and actioned. The Board have a formal audit committee charter that forms part of the Corporate Governance Statement available on the Company's website. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors' Report on page 4.

Risk Management

The Board has established a formal risk management program for monitoring and managing material business risks on an ongoing basis. The collective Board govern the risk management program and review the material business risks determined and reported by executive management. Further information regarding the risk management program can be found in the Corporate Governance Statement available on the Company's website.