



## CORPORATE GOVERNANCE STATEMENT

### 1. INTRODUCTION

This Corporate Governance Statement has been approved by the Board and is effective as at 30 March 2021. In framing its Corporate Governance Statement, Genmin Limited (**Company** or **Genmin**) notes that it was unlisted during the reporting period. The Company was admitted to the ASX official list on 9 March 2021 and quotation of its securities commenced trading on 10 March 2021.

The Board recognises the importance of good corporate governance and establishing the accountability of the Board and management. To the extent relevant and practical, taking into account factors such as the size of the Company, the Board, resources available and activities of the Company, the Company has adopted from the date of listing a corporate governance framework that is consistent with the *Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition)* published by ASX Corporate Governance Council (**Recommendations**).

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration

### 2. POLICIES

#### *Governance Recommendation No. 6.1*

The Board has adopted the following suite of corporate governance policies, which are available on the Company's website at [genmingroup.com](http://genmingroup.com) under the 'Corporate' tab.

- Board Charter
- Board Performance Evaluation Policy
- Code of Conduct
- Code of Conduct for Directors
- Audit & Risk Management Committee Charter
- Remuneration & Nomination Committee Charter
- Securities Dealing Policy
- Continuous Disclosure Policy
- Communications Policy
- Donations & Community Investments Policy
- Anti-Bribery and Corruption Policy
- External Auditor Policy
- Privacy Policy
- Whistleblower Policy

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### **3. BOARD OF DIRECTORS**

#### **Role of the Board**

*Governance Recommendation No. 1.1 & 1.3*

Under its charter, the Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for oversight of the management and the overall corporate governance of the Company including its strategic direction, establishing goals for management, implementation and monitoring the achievement of these goals.

The Board is responsible for appointing and removing the Managing Director and Chief Executive Officer, providing leadership and supervision of senior management, business strategy, Company's values and standards, stakeholder relationships, reviewing and monitoring systems of health & safety, risk management and internal controls and approves and monitors major operating and capital expenditure and financial reporting.

Management, on the other hand is, responsible for the implementation of these objectives and for the day-to-day operations of the Company, including:

- (a) responsible for implementing strategic objectives, plans and budgets approved by the Board;
- (b) accountable to the Board for matters within its delegated authority and for complying with any limits on that authority, including complying with the law and company policies; and
- (c) responsible for supplying the Board with material information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.

Further details on 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) are set out in the Board Charter that can be found on the Company website.

Director's individual responsibilities are set out in an appointment letter, while the Chief Executive Office and senior executives are engaged under an employment agreement, which include formal job descriptions.

### **4. COMPOSITION OF THE BOARD**

#### **4.1 Board structure**

*Governance Recommendation No. 1.1, 1.2 & 2.4*

The Board currently comprises of 1 Executive and 4 Non-Executive Directors.



The composition of the Company’s Board is not in line with the recommendations of the ASX Corporate Governance Council as a majority of its members are not independent Directors, as Mr Hodder represents a substantial shareholder, Mr Amico completes executive government consultation and liaison tasks from time to time, on behalf of the Company and Mr Ariti is an executive director. The Company has at this stage decided to select directors with the expertise and experience to support the Company’s business strategy rather than strictly adhere with this recommendation. The Company will consider ways of restructuring its Board in the future to ensure that a majority of its members are independent.

Details of the Directors in office at the date of this report, including their qualifications and experience are set out in the Directors' Report in the 2020 Annual Report.

The Board Charter provides that the structure of the Board is subject to the following parameters:

- the Board must comprise at least 3 Directors with a broad range of relevant business expertise; and
- Directors should bring characteristics that allow a mix of qualifications, skills and experience.

The Board is and has been responsible for reviewing directors prior to appointment and ensuring the Board is comprised of directors with the appropriate skill sets and experience. For future appointments, the Board will select and appoint directors with the assistance of the Remuneration & Nomination Committee. The Company will provide all relevant information in the Notice of Meeting for all appointed directors seeking re-election by the shareholders at each Annual General Meeting.

#### 4.2 Director independence

##### *Governance Recommendation No. 2.3*

In accordance with the Board Charter, the Board considers an independent Director to be a Non-Executive Director who is not, or representing a substantial shareholder, advisor or 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 that Director’s judgment.

At the date of this report, the Board includes two (2) independent Non-Executive Directors.

<b>Name</b>	<b>First Appointed</b>	<b>Tenure</b>	<b>Non-Executive</b>	<b>Independent</b>
Mr M Arnett	10 March 2021	(1 month)	Yes	Yes
Mr G Ariti	11 January 2010	(254 months)	No	No
Mr S Amico	1 May 2019	(22 months)	Yes	No
Mr J Hodder	22 May 2014	(82 months)	Yes	No
Mr B van Rooyen	10 March 2021	(1 month)	Yes	Yes

Messrs Arnett and van Rooyen as independent directors do not have an interest, position, association or relationship described in Box 2.3 of the Recommendations.



### **4.3 The Chairman**

*Governance Recommendations No. 2.5*

On 10 March 2021, following a resolution of shareholders and the listing of the Company, Mr Michael Arnett became the Chairman. Mr Arnett is an Independent, Non-Executive Director.

As Chairman, Mr Arnett is responsible for leadership of the Board and for the efficient organisation, integrity, engagement and conduct of the Board.

### **4.4 The Managing Director & Chief Executive Officer**

*Governance Recommendation No. 2.5*

Mr Giuseppe Ariti is the Managing Director and Chief Executive Officer of the Company and is responsible for running the Company on a day-to-day basis pursuant to authority delegated by the Board and is responsible for the implementation of Board and corporate policy and planning in accordance with approved programs and budgets. The Managing Director reports to the Board regularly and is required to make sure that all reports, which he presents, give a true and fair view of the Company's operational, exploration and other activities and its current financial status.

The roles of Chairman and the Managing Director & CEO are not exercised by the same individual. The Company is in the final stages of appointing a CFO and until the appointment of the CFO the Managing Director & CEO also fulfils the CFO function for the Company.

### **4.5 The Company Secretary**

*Governance Recommendation No. 1.4*

On 3 August 2019, the Board appointed Mr Patrick McCole as the Company Secretary. The Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

### **4.6 Performance evaluation**

*Governance Recommendation No. 1.6 & 1.7*

The Company has adopted a Board Performance Evaluation Policy to ensure individual directors and the Board of Directors as a whole work efficiently and effectively in achieving their functions.

Each year the Board intends to undertake the following activities:

- (a) the Chairperson will meet with each non-executive director separately to discuss individual performance and ideas for improvement;
- (b) each individual Director's performance is appraised in a meeting that is led by the Chairman that is held with another Director. In a meeting led by the Chair of the Audit & Risk Management Committee and held with another Director, the Chairman's performance is assessed; and



- (c) the Board as a whole will discuss and analyse its own performance during the year including suggestions for change or improvement.

While the Board intends to undertake performance evaluations during 2021, no performance evaluations were conducted during the reporting period as the Company was not listed.

A review will also be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.

It is the intention of the Board and the Remuneration & Nomination Committee to put into place annual performance appraisals of each senior executive to assess and provide feedback of the performance of the Company's executives.

No formal reviews of executive performance were conducted during the year as the Company was not listed.

## 5. Board Committees

### 5.1 Audit & Risk Management Committee

*Governance Recommendations No. 4.1, 4.3 & 7.1*

On 10 March 2021, the Audit & Risk Management Committee (**ARMC**) was constituted and the following members were elected, so that it consisted of 3 directors, with a majority of independent directors and that is not chaired by the Chairman of the Board:

- Mr Brian van Rooyen (Chairman) (appointed 10 March 2021);
- Mr Michael Arnett (appointed 10 March 2021); and
- Mr John Hodder (appointed 10 March 2021).

All members of the ARMC are non-executive directors. Details of the Directors including their qualifications and experience are set out in the Directors' Report in the 2020 Annual Report.

The Managing Director, Company Secretary and external auditors are normally invited to attend each ARMC meeting.

Under the Audit Limb of its charter, the ARMC assists the Board to discharge its responsibilities in the areas of:

- financial and other periodic corporate reporting;
- relationship with the external auditor and the external audit function generally;
- processes for identifying and managing risk;
- internal controls and systems;
- performance in the areas of health, safety, environment, social responsibility and sustainability; and
- processes for monitoring compliance with laws and regulations.

As part of its role in financial reporting, the Audit & Risk Management Committee seeks to enhance the credibility and objectivity of the external reporting for shareholder and other



stakeholder needs. The ARMC must review and approve all periodic reports (audited and unaudited) that are released to the market.

Additionally, on an annual basis, the ARMC will review the appointment of the external auditor. Any rotation requirement of the lead audit partner will occur in accordance with the External Auditor Policy and appropriate legislation and regulations.

Information regarding the Risk Limb functions of this Committee is dealt with in item 9 below.

The ARMC Charter can be found on the Company's website.

## **5.2 Remuneration and Nomination Committee**

*Governance Recommendations No. 2.1 & 8.1*

On 10 March 2021, the Remuneration & Nomination Committee (RNC) was constituted and elected the following Directors as member of the Committee:

- Mr Michael Arnett (Chairman) (appointed 10 March 2021);
- Mr Brian van Rooyen (appointed 10 March 2021); and
- Mr John Hodder (appointed 10 March 2021).

Mr Michael Arnett is an independent non-executive director and is the Chairman of the Committee in accordance Governance Recommendations 2.1 and 8.1.

The RNC assists the board in the Nomination function as its duties are to:

- review and recommend to the Board the size and composition of the Board including reviewing Board succession plans and the succession of the Chair and Managing Director and Chief Executive Officer;
- review and recommend to the Board the criteria for nomination as a Director and the membership of the Board more generally;
- assist the Board in relation to the performance evaluation of the Board, its committees and individual Directors;
- monitor that processes are in place to support Director induction and ongoing education; and
- report to the Board on gender diversity matters.

Remuneration functions of this Committee is dealt with in item 12 below.

The RNC Charter can be found on the Company's website.

## **5.3 Committee Memberships**

*Governance Recommendations No. 2.1, 4.1, 7.1 & 8.1*

There were no Committee Members during the reporting period as the Company was not listed. Subsequent to the end of the reporting period, the Committee Members are:



Name	ARMC	RNC
Mr M Arnett	X	X
Mr B van Rooyen	X	X
Mr J Hodder	X	X

No committee meetings were held during the reporting period, as the committees were constituted on 10 March 2021. Subsequent to the end of the reporting period, one ARMC meeting was held on 18 March 2021 at which all 3 members, Messer's van Rooyen, Arnett and Hodder were present for the meeting.

## 6. ETHICAL AND RESPONSIBLE DECISION MAKING

### 6.1 Code of Conduct

*Governance Recommendation No. 3.1 and 3.2*

Genmin is committed to a high level of integrity and ethical standards in all business practices. Accordingly, the Board has adopted a Code of Conduct that outlines Genmin's values and guiding principles for its employees and Directors behaviour and conduct in the workplace, community and host nations it works in on a range of issues.

The Code is designed to:

- provide a benchmark for professional behaviour;
- support Genmin's business reputation and corporate image within the community; and
- make Directors and employees aware of the consequences of breaching the policy.

The Board has adopted a formal Code of Conduct to be followed by Directors of the Company and its subsidiaries. The objective of the Code is to promote ethical and responsible decision-making by Directors.

The Code of Conduct for Directors:

- articulates the high standards of honesty, integrity and ethical and law-abiding behaviour expected of Directors;
- encourages the observance of those standards to protect and promote the interests of the Company's stakeholders; and
- provides guidance as to the practices thought necessary to maintain confidence in the Company's integrity.

One of the Board's key aims is to appropriately deal with all matters arising from the Company's activities, to ensure that all Board issues receive proper and diligent consideration, with the appropriate level of skill and decision making with the highest of professional standards.



The Code of Conduct provides guidance as to the standards of behaviour to be observed in pursuing the business objectives of the Company so as to ensure that Company and personnel act with integrity, professionalism and fairness at all times, comply with all laws and regulations and act ethically at all times.

All employees are required to report any breach (or grounds to suspect a breach) of the Code of Conduct to the Board and the reporting of that information in accordance with the Company's Whistleblower Policy.

The Code of Conduct and separate Code of Conduct for Directors can be found on the Company's website.

## **6.2 Policy on share trading**

### *Governance Recommendation No. 8.3*

The Board has adopted a Securities Dealings Policy that prohibits directors, officers and employees from dealing in the Company's shares when they possess price sensitive information. In addition to the general prohibition to securities trading, Directors, employees and contractors are prohibited from trading, except in exceptional circumstance, in the period commencing on:

- the period from the close of trading on each financial quarter until the day following the market release of the quarter's results;
- the period from 31 December each year until the day following the market release of the full-year results;
- the period from 30 June each year until the day following the market release of the half-year results; and
- any other period that the Board specifies from time to time.

#### **(Blackout Periods).**

Any person who, due to exceptional circumstances needs to trade during any Blackout Period, must obtain written consent providing evidence of the exceptional circumstances.

Additionally, during any period that is not a trading Blackout Period, restricted persons must, prior to any proposed dealing (purchase or sell), seek approval for the proposed dealing in the Company's securities.

The Company policy also prohibits equity based incentive holders from hedging their securities prior to their vesting.

The Board is to be notified when trading of shares in the Company by any director of the Company occurs.

The Securities Dealing Policy can be found on the Company's website.



## **7. TIMELY AND BALANCED DISCLOSURE**

*Governance Recommendation No. 5.1, & 5.2*

The Company has adopted a Continuous Disclosure Policy to ensure timely and balanced disclosure of information in line with ASX Listing Rule disclosure requirements, the ASX Continuous Disclosure Guidelines and the Corporations Act. The Continuous Disclosure framework provides communication protocols for the administration for all continuous disclosure procedures and structure to consider all matters that potentially requires disclosure to the ASX and to ensure that all appropriate and price sensitive information is brought before the Board or the disclosure committee for discussion to ensure that the Company meets its obligations under the Continuous Disclosure regime.

All directors receive notification and a copy of all announcements to the Market.

The Continuous Disclosure Policy can be found on the Company's website.

## **8. COMMUNICATION WITH AND PARTICIPATION OF SHAREHOLDERS AND THE MARKET**

*Governance Recommendations No. 5.3, 6.1, 6.2, 6.3, 6.4 & 6.5*

The Company keeps shareholders and the market regularly informed through the annual, half year and quarterly reports. The releases include exploration activity and other required statutory information. The Company discloses material developments to the ASX and the media as required. The Company's default position is that all shareholders receive the annual report and communications from the Company and Registry electronically. Shareholders have the option to request communications and the annual report through the mail.

From time to time, the Company will provide briefings to give analysts and others who advise shareholders an understanding of the Company's activities. In conducting briefings the Company, in accordance with its Continuous Disclosure Policy, takes care to ensure that no undisclosed price sensitive information will be disclosed at the briefings. All materials used or provided at the briefing will have been previously released and made available to all shareholders (institutional and private) or released to the market at the same time. These announcements and investor presentations are lodged with the ASX and then posted on the Company's website.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategies and goals. The Company also invites the external auditor to attend its Annual General Meeting to be available to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report. All resolutions at Shareholder Meetings held during the period were voted on by way of a poll.

The Communications Policy can be found on the Company's website.



## 9. INTERNAL CONTROL AND RISK MANAGEMENT

*Governance Recommendations No. 7.1, 7.2 & 7.3*

During the reporting period risk management was fulfilled by the full Board. Subsequent to the end of the period, the ARMC has been allocated responsibility for overseeing the risk management process. Under the risk management Policy:

- (a) The ARMC is responsible for the oversight of the Company's risk management and control framework; and
- (b) Management is responsible for efficient and effective risk management across the activities of the group. This will include ensuring the implementation of the risk management plans and procedures that address risk identification and control, training and reporting.

The ARMC has been given the responsibility to develop and maintain a risk register and management plans, with the top 20 risks and achievement of the management plans to be reported to the Board on a quarterly basis.

In a departure from Recommendation 7.3, the Company does not have, and does not intend to establish, an internal audit function due to its current size. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board ensures that the Company has an integrated framework of controls and policy, based on formal reporting procedures and appropriate delegation of financial and other authorities and the segregation of duties (where possible). The Board also relies on procedures and reporting and the ongoing communication and discussion on the management and monitoring of material business risks in accordance with the Company's risk register and management plans.

The Company's risk management framework is to safeguard the Company's assets and interests and ensure that business risks are identified and properly managed, which includes approval and reporting procedures to limit and manage financial risk. To assist in discharging this responsibility the Board has in place a control framework, which includes the following:

- Annual business plan, approved by the Board, incorporating financial and non-financial key performance indicators;
- regular reporting to the Board on a number of key areas including safety, health, environment, financial, taxation, insurance and legal matters;
- the adoption of clear guidelines for operating and capital expenditure, including annual budgets, detailed review procedures, and levels of authority;
- the segregation of duties (where possible); and
- a comprehensive insurance program.

## 10. INTEGRITY IN FINANCIAL REPORTING

*Governance Recommendation No. 4.2*

Before the Board approves the entity's financial statements for a financial period, the Board requires the Managing Director/CEO and CFO to state in writing that, in respect to the section



295A declaration, it is in their opinion that:

- the Company's financial reports are founded on a sound system of risk management and internal control and that system is operating effectively in all material respects in relation to financial reporting risks; and
- the Company's risk management and internal control system to manage the Company's material risks are operating effectively and are being managed effectively in all material respects.

In accordance with Recommendation 4.2, the Managing Director reported to the Board in his capacity fulfilling the CEO and CFO functions as to the effectiveness of the Company's risk management and internal control system to manage the Company's material risks is operating effectively and is being managed effectively in all material respects.

## **11. CORPORATE RESPONSIBILITY**

### *Governance Recommendation No. 7.4*

The Company and its activities under the exploration licences are subject to various conditions, which include environmental requirements that are monitored and overseen by the Ministry of Mines and Ministry of Environment in Gabon.

Genmin acknowledges that the very nature of the Company's operations means the business will have impacts on the environment. Genmin aims to avoid or, where this is not possible, minimise its impacts, while contributing to lasting environmental and social benefits across the regions where we operate.

The Company is committed to complying with all legislative and common law requirements which affect its business, particularly environmental regulations, health & safety and cultural & community development and laws. The Company engages with its communities and stakeholders to develop a mutual understanding of environmental issues and take their perspectives and knowledge into account in our decision-making.

### **11.1 Donations & Community Investments**

The Company recognises that intangible benefits are derived from the Company being perceived by the public as a good corporate citizen through corporate giving. To this end, the Company's Donations and Community Investments Policy sets clear guidelines on the making of charitable and political donations by the Company.

The Donations and Community Investments Policy provides that:

- political donations, if any must be approved by the Board;
- per diem allowances payable to government officials in connection with project control visits, which are permitted under local law, must be approved by the Managing Director and Chief Executive Officer, paid by bank transfer on presentation of an invoice and appropriately recorded in the Company's accounts; and
- the quantum of charitable donations will be determined annually by the Board.

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## 11.2 Anti-Bribery & Corruption

### *Governance Recommendation No. 3.4*

Genmin is committed to conducting its business and activities with integrity and prohibits bribery and corruption in any form and has developed an Anti-Bribery and Corruption Policy.

The Anti-Bribery and Corruption Policy applies to all operations of the Company, including the Company's vendors, suppliers, representatives, contractors and agents, acting anywhere in the world.

The Anti-Bribery and Corruption Policy provides that parties representing Genmin must:

- not offer, promise, pay, give or authorise any financial or other advantage or anything else of value to any person or organisation with improper intent or for improper purposes;
- not request, agree to receive or accept anything of value from any other person as an improper inducement or reward or in exchange for an improper benefit;
- not give or receive gifts or entertainment in a manner contrary to the Anti- Bribery and Corruption Policy; and
- keep and maintain books, records and accounts in reasonable detail that accurately reflect transactions in or related to the Company's business, including the purpose of any payment received or made.

The Company prohibits bribery and corruption in all business dealings and has a "zero tolerance" approach to such activities.

All employees are required to report any breach (or grounds to suspect a breach) of Anti-Bribery & Corruption Policy to the Board and the reporting of that information in accordance with the Company's Whistleblower Policy.

The Anti-Bribery and Corruption Policy can be found on the Company's website.

## 11.3 Whistle Blower

### *Governance Recommendation No. 3.3*

The Company is committed to the highest standards of conduct and ethical behaviour in all business activities, and to promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance.

Genmin encourages the reporting of any instances of suspected unethical, illegal, fraudulent or undesirable conduct involving Genmin's businesses, and will ensure that those persons who make a report shall do so without fear of intimidation, disadvantage or reprisal. Genmin is committed to ensuring that such persons will not suffer detriment for making a report under the Whistle Blower Policy or assisting in an investigation into the conduct or personnel or the Company.

Under the Policy Whistleblowers may make a Report if they believe that a Group director, officer, employee, contractor, supplier, tenderer or other person who has business dealings with a Group member has engaged in conduct (Reportable Conduct) which:



- is dishonest, fraudulent or corrupt activity, including bribery or other activity in breach of the Genmin Anti-Bribery & Corruption Policy;
- is illegal activity (such as theft, drug sale or use, violence, harassment or intimidation, criminal damage to property or other breaches of state or federal law);
- is unethical or in breach of any Company policies (such as dishonestly altering company records or data, adopting questionable accounting practices or wilfully breaching Genmin's Code of Conduct or other policies or procedures of any Group member);
- is potentially damaging to any Group member or an employee, consultant or officer of a Group member or a third party, such as unsafe work practices, environmental damage, health risks or abuse of Group property or resources;
- amounts to an abuse of authority;
- may cause financial loss to any Group member or damage its reputation or be otherwise detrimental to any Group member's interests;
- involves harassment, discrimination, victimisation or bullying;
- involves any other kind of serious impropriety; or
- constitutes an offence against, or a contravention of, a provision of any Acts (or an instrument made under any Acts) applicable to the activities of Group.

The Board is to be notified of any material incidents reported under the Whistleblower Policy.

The Whistleblower Policy can be found on the Company's website.

## 12. REMUNERATION ARRANGEMENTS

*Governance Recommendation No. 8.2*

The Company's remuneration framework is to:

- Provide reasonable and not excessive compensation to employees for the services they provide to the Company;
- Attract and retain employees with the skills required to effectively manage the operations and growth of the business;
- Motivate employees to perform in the best interests of the Company and its stakeholders;
- Provide an appropriate level of transparency and meet all ASX and ASIC requirements; and
- Ensure a level of equity and consistency across the Company.

Subsequent to the end of the Period, the RNC has been allocated responsibility for overseeing the remuneration process. Under its Charter, the RNC assists the Board to discharge its remuneration responsibilities by:

- reviewing and recommending to the Board remuneration arrangements for the Managing Director and Chief Executive Officer and other members of the senior executive team to:
  - align remuneration levels to the market and to ensure that senior executives are being rewarded commensurate with their responsibilities;
  - support the Company's strategic objectives and long-term financial soundness; and
  - align with the Company's risk management framework and risk envelope,

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- recommending to the Board whether offers are to be made under any or all of Genmin's employee incentive plans and whether major changes should be made to the employee equity incentive plans;
- approving major changes and developments in Genmin's policies and procedures related to remuneration;
- approving the appointment of remuneration consultants for the purposes of the Corporations Act;
- reviewing and recommending to the Board the Company's remuneration report; and
- reviewing and facilitating Shareholder and other stakeholder engagement in relation to Genmin's remuneration policies and practices.

While the Board continuously monitored the performance of executive throughout the year, as the Company was not listed, no formal performance evaluations were conducted during the reporting period. The Board intends to conduct performance evaluation of each executive during the year.

### **12.1 Non-Executive Directors**

The remuneration of Non-Executive Directors is determined by the Board as a whole having regard to the level of fees paid to Non-Executive Directors by other companies of similar size in the industry, and the responsibilities and workloads of the Directors.

The aggregate amount payable to the Company's Non-Executive Directors must not exceed the maximum annual amount as may be approved by the Company's shareholders, which is presently USD300,000 per annum.

Details of remuneration paid to Directors is outlined in the Directors' Report in the 2020 Annual Report.

### **12.2 Chief Executive Officer and Senior Executives**

The Board is responsible for determining the remuneration policies for the consolidated entity, including those affecting the senior executives. The Board is of the view that the remuneration packages of senior executives are in line with market standards.

The remuneration policy for senior executives comprises both fixed remuneration and performance based (at risk) remuneration. The proportion of an employee's total remuneration that is at risk will increase with seniority and with the individual's ability to impact the performance of the Company. At risk elements of total remuneration comprise of long term incentives under the Company's Performance Rights Plan that align medium and long term shareholder interests.

#### **(i) Fixed Remuneration**

Senior executives received fixed base salary remuneration (exclusive of superannuation).

Fixed remuneration is set having regard to the levels paid in comparable organisations at the time of recruitment to the position, recognising the need to maintain flexibility to take into account an individual's experience, specialist skills and performance and market demand for particular roles.



(ii) Performance Based (at Risk) Remuneration

Senior employees may be entitled to performance-based remuneration, which will be paid to reward superior (as opposed to satisfactory) performance. Performance based remuneration comprise of long term (3 - 7 year) incentives under the Company’s Performance Rights Plan to reward creation of shareholder value, and provide incentives to create further value.

Participant performance is measured annually and subject to the achievement of the performance hurdles, Performance Rights vest at the completion of the annual review.

The Company intends to undertake a review of Performance Based (at Risk) Remuneration and consider the implementation of short term incentives.

**13. EXPLANATION FOR DEPARTURES FROM BEST PRACTICE RECOMMENDATIONS**

The Company is required to separately report any departures from the Recommendations. At the date of this Report, the Company complies with the Recommendations other than to the extent set out below.

No.	Recommendation	Explanation for non-compliance
<b>1.</b>	<b>Lay a solid foundation for management and oversight</b>	
1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(b) disclose that policy or a summary of it; and</li> <li>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity’s diversity policy and its progress towards achieving them, and either: <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul> </li> </ul>	<p>Having only just been listed, the Board has not adopted a Diversity Policy, and does not consider it appropriate to set quantitative objectives regarding gender diversity at this time.</p> <p>As the Company and operations grow, the Board will give consideration to the setting of gender diversity objectives and their achievement through the appointment of appropriate candidates to the Board and senior executive positions as they become available.</p>

No.	Recommendation	Explanation for non-compliance
1.6	<p>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 Board has a Board Performance Evaluation Policy to review and assess the performance of the Board and each of its Committees.</p> <p>However, as the Company listed and the Board expanded on 10 March 2021, the Board did not conduct any performance review during the Period.</p> <p>Board intends to undertake an annual performance review going forward.</p>
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>No formal reviews of executive performance were conducted during the year.</p> <p>However, it is the intention of the Board and the Remuneration &amp; Nomination Committee to put into place arrangements to introduce annual performance appraisals.</p>
<p><b>2. Structure the Board to add value</b></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>As it only listed in early March, the Company does not have and does not disclose a formal board skill matrix setting out the mix of skills and diversity for the Board composition. In accordance with the Board Charter, the Board will from time to time review the skills, experience, expertise and diversity represented by Directors on the Board and determine whether the composition and mix remain appropriate for the Company's strategy and cover the skills needed to address existing and emerging business and governance issues relevant to the Company.</p> <p>Additionally, the Remuneration and Nomination Committee will assist the Board with the review and assessment of the Board composition in accordance with Remuneration and Nomination Committee Charter</p>
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	<p>During the reporting period the Company departed from Recommendation 2.4 that recommends that a majority of the Board be independent Directors as the Board was of the view that, as an unlisted public company, the Board was constituted with the appropriate range of skills, knowledge and experience necessary to effectively govern the Company and understand the commodity and economic sectors in which the Company operates.</p> <p>On 10 March 2021, two independent directors were appointed to the Board.</p>

No.	Recommendation	Explanation for non-compliance
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	In accordance with the Board Charter, the Company intends to provide directors with an induction process, but no specific inductions were provided during the period. The assessment for the provision of professional development opportunities for directors or executive officers of the Company will be undertaken as part of the annual performance review.
<b>7. Recognise and manage risk</b>		
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 Board did not undertake a review of the entity’s risk management framework during the period to satisfy itself that it continues to be sound.</p> <p>However, whilst a formal annual review was not undertaken, the Board has on a continuous and ongoing basis assessed the inherent risks associated with or related to the Company’s business activities and has implemented procedures and practices to ensure that these risks are mitigated and are continuously monitored, reviewed and reported to the Board for evaluation to ensure that all material risks of the business are being appropriately controlled and, or mitigated.</p> <p>The Audit &amp; Risk Management Committee has been given the responsibility to develop and maintain a risk register and management plans, with the top 20 risks and management plans to be reported to the Board on a quarterly basis.</p>
7.3	<p>A listed entity should disclose:</p> <p>(c) if it has an internal Audit function, how the function is structured and what role it performs; or</p> <p>(d) 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>Due to its size, the Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company’s risk management and internal control processes, the Board ensures that the Company has an integrated framework of controls and policy, based on formal reporting procedures and appropriate delegation of financial and other authorities and the segregation of duties (where possible). The Board also relies on procedures and reporting and the ongoing communication and discussion on the management and monitoring of material business risks in accordance with the Company’s risk register and risk management plan.</p>