# 2019 CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as at 27 March 2020 and has been approved by the Board of the Company on that date.

The Board of Directors of Cyprium Metals Limited (ABN 48 002 678 640) is responsible for the corporate governance of the Consolidated Entity. The Board guides and monitors the business and affairs of Cyprium Metals Limited on behalf of the shareholders. This statement reports on Cyprium Metals Limited's key governance principles and practices.

The Company, as a listed entity, must comply with the Corporations Act 2001 and the Australian Securities Exchange (ASX) Listing Rules. The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council. Where a recommendation has not been followed, that fact is disclosed, together with the reasons for the departure.

For further information on corporate governance policies adopted by the Company, refer to the corporate governance section of our website: www.cypriummetals .com

The table below summaries the Company's compliance with the Corporate Governance Council's Principles and Recommendations:

| PRINCIPLE # | ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS | REFERENCE | COMPLY |
|---|---|---|---|
| **Principle 1** | **Lay solid foundations for management and oversight** | | |
| 1.1 | A listed entity should disclose:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management. | 1(a) | Yes |
| 1.2 | A listed entity should:<br>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and<br>(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. | 1(b) | Yes |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | 1(h), 2(b) | Yes |
| 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. | 1(e) | Yes |

| PRINCIPLE # | ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS | REFERENCE | COMPLY |
|---|---|---|---|
| 1.5 | A listed entity should:<br><br>(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;<br><br>(b) disclose that policy or a summary of it; and<br><br>(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:<br><br>(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<br><br>(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. | 6(a) | Yes |
| 1.6 | A listed entity should:<br><br>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and<br><br>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. | 1(k), 2(b), Remuneration Report | Yes |
| 1.7 | A listed entity should:<br><br>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and<br><br>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. | 1(k), 2(b), Remuneration Report | Yes |

| PRINCIPLE # | ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS | REFERENCE | COMPLY |
|---|---|---|---|
| **Principle 2** | **Structure the Board to add value** | | |
| 2.1 | The board of a listed entity should:<br>(a) have a nomination committee which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(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<br>(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. | 2(b) | No |
| 2.2 | A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership. | 1(b), 1(c), 1(d) | Yes |
| 2.3 | A listed entity should disclose:<br>(a) the names of the directors considered by the board to be independent directors;<br>(b) if a director has an interest, position, association or relationship 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<br>(c) the length of service of each director. | 1(c), 1(g) Remuneration Report | Yes |
| 2.4 | A majority of the board of a listed entity should be independent directors. | 1(g) | Yes |
| 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. | 1(c), 1(f), 1(g) | Yes |
| 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. | 2(b) | Yes |

| PRINCIPLE # | ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS | REFERENCE | COMPLY |
|---|---|---|---|
| **Principle 3** | **Act ethically and responsibly** | | |
| 3.1 | A listed entity should:<br><br>(a) have a code of conduct for its directors, senior executives and employees; and<br><br>(b) disclose that code or a summary of it. | 5(a) | Yes |
| **Principle 4** | **Safeguard integrity in corporate reporting** | | |
| 4.1 | The board of a listed entity should:<br><br>(a) have an audit committee which:<br><br>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors;<br><br>and<br><br>(2) is chaired by an independent director, who is not the chair of the board,<br><br>and disclose:<br>(3) the charter of the committee;<br><br>(4) the relevant qualifications and experience of the members of the committee; and<br><br>(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<br><br>(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. | 2(a) | No |
| 4.2 | The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. | 4(c) | Yes |
| 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. | 3(a) | Yes |
| **Principle 5** | **Make timely and balanced disclosure** | | |
| 5.1 | A listed entity should:<br><br>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and<br><br>(b) disclose that policy or a summary of it. | 3(b) | Yes |

| PRINCIPLE # | ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS | REFERENCE | COMPLY |
|---|---|---|---|
| **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. | 3(a), 3(b) | Yes |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | 3(a), 3(b) | Yes |
| 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. | 3(a), 3(b) | Yes |
| 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. | 3(a), 3(b) | Yes |
| **Principle 7** | **Recognise and manage risk** | | |
| 7.1 | The board of a listed entity should:<br>(a) have a committee or committees to oversee risk, each of which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(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<br>(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. | 1(a), 2(a)<br>4(a), 4(b) | No |
| 7.2 | The board or a committee of the board should:<br>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and<br>(b) disclose, in relation to each reporting period, whether such a review has taken place. | 4(a), 4(b), 4(c) | Yes |
| 7.3 | A listed entity should disclose:<br>(a) if it has an internal audit function, how the function is structured and what role it performs; or<br>(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. | 2(a) | No |
| 7.4 | A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. | 4(a), 4(b) | Yes |

| PRINCIPLE # | ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS | REFERENCE | COMPLY |
|---|---|---|---|
| **Principle 8** | **Remunerate fairly and responsibly** | | |
| 8.1 | The board of a listed entity should:<br><br>(a) have a remuneration committee which:<br><br>(1) has at least three members, a majority of whom are independent directors; and<br><br>(2) is chaired by an independent director,<br><br>and disclose:<br><br>(3) the charter of the committee;<br><br>(4) the members of the committee; and<br><br>(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<br><br>(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. | 2(b) | No |
| 8.2 | A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. | 2(b), Remuneration Report | Yes |
| 8.3 | A listed entity which has an equity-based remuneration scheme should:<br><br>(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<br><br>(b) disclose that policy or a summary of it. | 5(b), Remuneration Report | Yes |

## 1. THE BOARD OF DIRECTORS

1(a) Roles and Responsibilities of the Board

The Board is accountable to the shareholders and investors for the overall performance of the Company and takes responsibility for monitoring the Company's business and affairs and setting its strategic direction, establishing and overseeing the Company's financial position.

The Board is responsible for:

- Appointing, evaluating, rewarding and if necessary the removal of the Executive Director and senior management;
- Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- Monitoring actual performance against defined performance expectations and reviewing information to understand at all times the state of the health of the Company;
- Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately;
- Approving and monitoring financial and other reporting;
- Assuring itself that appropriate audit arrangements are in place;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted a Code of Conduct and that the Company practice is consistent with that Code, and other policies; and
- Reporting to and advising shareholders.

Other than as specifically reserved to the Board, responsibility for the day-to-day management of the Company's business activities is delegated to the Executive Director and senior management.

1(b) Board Composition

The Directors determine the composition of the Board employing the following principles:

- the Board, in accordance with the Company's constitution must comprise a minimum of three directors;
- the roles of the Chairman of the Board and of the Executive Director should be exercised by different individuals;
- the majority of the Board should comprise directors who are non-executive;
- the Board should represent a broad range of qualifications, experience and expertise considered of benefit to the Company; and
- the Board must be structured in such a way that it has a proper understanding of, and competency in, the current and emerging issues facing the Company, and can effectively review management's decisions.

The Company's constitution requires one-third of the directors (or the next lowest whole number) to retire by rotation at each Annual General Meeting (AGM). The directors to retire at each AGM are those who have been longest in office since their last election. Where directors have served for equal periods, they may agree

amongst themselves or determine by lot who will retire. A director must retire in any event at the third AGM since he or she was last elected or re-elected. Retiring directors may offer themselves for re-election.

A director appointed as an additional or casual director by the Board will hold office until the next AGM when they may be re-elected. The Executive Director is subject to retirement by rotation. Any director appointed as an additional or casual director, is not to be taken into account in determining the number of directors required to retire by rotation.

1(c) Board Membership

The Board is currently comprised of two non-executive directors and one executive director. Details of the Board member's experience, expertise and qualifications are set out on the Company's website. The following persons who were directors of CYM during the year and up to the date of this report are:

- Gary Comb (Chairman, Non-Executive Director) – appointed 17 June 2019
- Barry Cahill (Executive Director) – appointed 17 June 2019
- Nicholas Rowley (Non-Executive Director) – appointed 31 May 2018

1(d) Board Skills

The Board Skill Matrix set outs the board skills matrix which lists the following areas of knowledge as required by the Board as a whole:

- exploration and production;
- health and safety;
- commercial and finance; and
- legal.

1(e) Company Secretary

- The appointment, performance, review, and where appropriate, the removal of the Company Secretary is a key responsibility of the Board. The Company Secretary is primarily responsible for ensuring that the Board processes and procedures are run efficiently and effectively. All directors have access to the Company Secretary who is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

1(f) Chairman and Executive Director

The roles of the Chairman of the Board and of the Executive Director should be exercised by different individuals.

The Chairman is responsible for:

- leadership of the Board;
- the efficient organisation and conduct of the Board's functions;
- the promotion of constructive and respectful relations between Board members and between the Board and management;
- contributing to the briefing of directors in relation to issues arising at Board meetings;
- facilitating the effective contribution of all Board members; and
- committing the time necessary to effectively discharge the role of the Chairman.

The Executive Director is responsible for:

- implementing the Company's strategies and policies; and
- the day-to-day management of the Consolidated Entity's business activities.

The Board specifies that the roles of the Chairman and the Executive Director are separate roles to be undertaken by separate people. The Chairman of the Company is considered by the Board to be independent.

1(g) Independent Directors

The Company recognises that independent directors are important in assuring shareholders that the Board is properly fulfilling its role and is diligent in holding senior management accountable for its performance. The Board assesses each of the directors against specific criteria to decide whether they are in a position to exercise independent judgment.

Directors of Cyprium Metals Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

In making this assessment, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when assessing independence are whether a director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or any subsidiary, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has a material contractual relationship with the Company or another group member other than as a director; or
- has been a director of the entity for such a period that his or her independence may have been compromised.

The Board notes that the mere fact that a director has served on a Board for a substantial period does not mean that he or she has become too close to management to be considered not independent. The Board will regularly assess the independence of all and any director who serves on the Board.

Family ties and cross-directorships may be relevant in considering interests and relationships which may affect independence, and should be disclosed to the Board.

In recognition of the importance of independent views and the Board's role in supervising the activities of management the Chairman is a non-executive director.

1(h) Terms of appointment

The Company has written agreements with each Director and senior executive of the Company, setting out the terms of their appointment.

1(i) Avoidance of Conflicts of Interest by a Director

In order to ensure that any interests of a director in a particular matter to be considered by the Board are known by each director, each director is required by the Company to disclose any relationships, duties or

interests held that may give rise to a potential conflict. Directors are required to adhere strictly to constraints on their participation and voting in relation to any matters in which they may have an interest.

1(j) Board Access to Information and Independent Advice

Directors are able to access members of the management team at any time to request relevant information. 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.

1(k) Review of Board and Senior Executive Performance

The performance of the Board, each of its committees and senior executives of the Company is reviewed at least annually by the Chairman. Performance evaluations are conducted annually which involve an assessment of each board member or senior executive's performance against specific and measurable qualitative and quantitative performance criteria. The performance criteria against which directors and executives are assessed is aligned with the financial and non-financial objectives of Cyprium Metals Limited. Directors whose performance is consistently unsatisfactory may be asked to retire.

The majority of the Directors were appointed during 2019, consequently a performance evaluation was not conducted during 2019. The Company will undertake performance evaluations during 2020. The performance of a committee is measured against the requirements of its Charter.

## 2. BOARD COMMITTEES

The Board has the ability under the Company's constitution to delegate its powers and responsibilities to committees of the Board. To assist the Board in fulfilling its duties and responsibilities, it has established an Audit Committee.

2(a) Audit Committee

The Board has established an Audit Committee comprising two non-executive directors and both are independent directors. The Audit Committee is governed by its charter, as approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This 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 as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit Committee.

The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in financial report.

The Audit Committee's main responsibilities include reviewing and monitoring:

- financial reporting;
- internal control framework;
- external audit;
- tax and duties control framework;
- compliance with the Corporations Act, ASX Listing Rules and Corporate Governance Principles and Recommendations; and
- any other matters referred to it by the Board.

The Audit Committee is comprised of:

- Gary Comb (Chairman, Non-Executive Director) – appointed 17 June 2019
- Nicholas Rowley (Non-Executive Director) – appointed 31 May 2018

The qualifications of the committee are set out on the Company's website.

The number of times the Audit Committee has formerly met and the number of meetings attended by directors during the financial year are reported in Directors' Report of the Annual Report under the heading "Directors' Meetings".

The Company complies with ASX Recommendation 4.1(a), all of members are non-executive directors and a majority of which are independent directors on the Audit Committee, however due to the number of non-executive directors, the minimum number of members is two directors. In accordance with the definition of independence, the two directors of the Audit Committee are considered to be independent.

External Auditor

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually, taking into consideration assessment of performance, existing value and tender costs.

An analysis of fees paid to the external auditors, including a breakdown of fees for non-audit services, is provided in the notes to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Board.

The external auditor is requested to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Internal Audit

The Company does not currently have a formal internal audit function however the Audit Committee and the Board oversee the effectiveness of risk management and internal control.

The Board works closely with management to identify and manage operational, financial and compliance risks which could prevent the Company from achieving its objectives. The Audit Committee actively encourages the External Auditor to raise internal control issues, and oversees management's timely remediation thereof.

2(b) Remuneration

The Board is responsible for determining and reviewing compensation arrangements for the directors themselves, the Executive Director and executive team. The Board is also responsible for the selection and appointment of directors.

Remuneration

The Board has not maintained a formal Remuneration Committee due to the size of the Company and the nature of its operations. Remuneration matters are dealt with by the full Board of Directors

The remuneration received by directors in the current period is contained in the "Remuneration Report" within the Directors' Report of the Annual Report.

The Company seeks to attract and retain directors and executives with the appropriate expertise and ability to create value for shareholders.

Due to the size of the Company, the remuneration structure for non-executive directors includes performance rights where they are actively involved in the completion of an acquisition and otherwise is not related to performance. Non-executive directors receive fees which reflect their skills, responsibilities and the time commitments required to discharge their duties. The Company does not pay retirement benefits to non-executive directors (other than superannuation contributions in accordance with its statutory superannuation obligations).

The remuneration structure for executive directors and other executives reflects the Company's performance culture: there is a direct correlation between the executive's reward and individual and Company performance so as to seek to ensure that the Company's remuneration policy is aligned with its long term business objectives and the interests of shareholders and other stakeholders.

Nomination

Due to the size of the Company and the number of Board members, the Board does not have a formal nomination committee. Any new Directors will be selected according to the needs of the Company at that particular time, the composition and the balance of experience on the Board as well as the strategic direction of the Company.

The Company has a written agreement in place with each director setting out the terms of their appointment. The committee and the Board consider the composition of the Board at least annually, when assessing the Board's performance and when considering director election and re-election.

A profile of each director is on the Company's website.

Where a vacancy arises or it is considered appropriate to vary the composition of the Board of Directors, the full Board generally participates in any review of the Board's composition and the qualifications and experience of candidates. Directors are selected upon the basis of their specialist skills and business background so as to provide an appropriate mix of skills, perspective and business experience.

In considering whether the Board will support the election or re-election of incumbent directors, the Board considers the skills, experience, expertise, diversity and contribution made to the Board by the director and the contribution that the director is likely to make if elected or re-elected.

When considering appointing new directors, the Board assesses the range of skills, experience, expertise, diversity and other attributes from which the Board would benefit and to the extent to which current directors possess such attributes.

All material information that is relevant to the decision as to whether or not to elect or re-elect a director is provided to shareholders in the explanatory notes accompanying the notice of meeting for the Annual General Meeting at which the election or re-election is to be considered.

**3. TIMELY AND BALANCED DISCLOSURE**

3(a) Shareholder Communication

The Company believes that all shareholders should have equal and timely access to material information about the Company including its financial situation, performance, ownership and governance.

The Board aims to ensure that shareholders are informed of all material information relating to the Company by communicating to shareholders through:

- continuous disclosure reporting to the ASX;
- its annual reports; and
- media releases and other investor relations publications on the Company's website.

The Company provides other information about itself and its governance via its website.

The Board is also mindful of the importance of not only providing information, but also enabling communication both ways between the Company and its shareholders.

The Company encourages direct electronic contact from shareholders – the Company's website has a "Contact Us" section which allows shareholders to submit questions or comments. The Company's website also allows shareholders to register to receive information updates electronically from the Company.

The Company provides shareholder materials directly to shareholders through electronic means. A shareholder may request a hard copy of the Company's annual report to be posted to them. Shareholders may also communicate via electronic means with the Company's Share Registry and may register to access personal shareholding information and receive electronic information.

General Meetings

Shareholders are encouraged to participate in general meetings.

At the meeting the Chairman encourages questions and comments from shareholders and seeks to ensure that shareholders are given ample opportunity to participate.

The Company's external auditor attends the Company's annual general meeting to answer shareholder questions about the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

3(b) Continuous Disclosure Policy

The Company is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive externally available information issued by the Company.

The Company's "Continuous Disclosure Policy" encourages effective communication with its shareholders by requiring that Company announcements:

- be factual and subject to internal vetting and authorisation before issue;
- be made in a timely manner;
- not omit material information;
- be expressed in a clear and objective manner to allow investors to assess the impact of the information when making investment decisions;
- be in compliance with ASX Listing Rules continuous disclosure requirements; and
- be placed on the Company's website promptly following release.

The Company's "Continuous Disclosure Policy" reinforces the Company's commitment to continuous disclosure and outline management's accountabilities and the processes to be followed for ensuring compliance.

The policy also contains guidelines on information that may be price sensitive. The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements with the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX.

## 4. RECOGNISING AND MANAGING RISK

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The Company's policies are designed to ensure strategic, operational, legal, reputation, taxation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives. Considerable importance is placed on maintaining a strong control environment.

The Company has exposure to the following risks:

- Government Charges: The mining industry is the subject to a number of taxes, royalties and charges levied by various Government departments. Changes to rates of taxes, royalties and charges can impact the shareholder returns of the Company. The Company maintains communications with relevant parties to mitigate potential increases.
- Environmental: The Company is subject to, and responsible for, existing environmental liabilities associated with its tenements as well as potential new liabilities through exploration, development and mining activities. The Company will continually monitor its ongoing environmental obligations and risks, together with implementing rehabilitation and corrective actions as appropriate to remain compliant. These risks may be impacted by change in Government policy.

### 4(a) Board Oversight of the Risk Management System

The Board is responsible for approving and overseeing the risk management system. The Board reviews, at least annually, the effectiveness of the implementation of the risk management controls and procedures.

The principle aim of the system of internal control is the management of business risks, with a view to enhancing the value of shareholders' investments and safeguarding assets. Although no system of internal control can provide absolute assurance that the business risks will be fully mitigated, the internal control systems have been designed to meet the Company's specific needs and the risks to which it is exposed.

Annually, the Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level.

Internal control measures currently adopted by the Board include:

- regular reporting to the Board in respect of activities and the Company's financial position, with a comparison of actual results against budget; and
- regular reports to the Board, including risk registers, by appropriate members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.

### 4(b) Risk Management Roles and Responsibilities

The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Senior management is responsible for implementing the Board approved risk management strategy and

developing policies, controls, processes and procedures to identify and manage risks in all of the Company's activities.

The Board and Audit Committee are responsible for ensuring that management has developed and implemented a sound system of risk management and internal control.

4(c) Executive Director and Chief Financial Officer Certification

The Executive Director and Chief Financial Officer provide to the Board written certification that in all material respects:

- the Company's financial statements present a true and fair view of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- the statement given to the Board on the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance and controls which implements the policies adopted by the Board; and
- the Company's risk management an internal compliance and control system is operating efficiently and effectively in all material respects.

**5. ETHICAL AND RESPONSIBLE DECISION MAKING**

5(a) Code of Ethics and Conduct

The Board endeavours to ensure that the directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities. "Our Values" and the "Code of Conduct" sets out the principles, practices, and standards of personal behaviour the Company expects people to adopt in their daily business activities.

All directors, officers and employees are required to comply with Our Values and the Code of Conduct. Senior managers are expected to ensure that employees, contractors, consultants, agents and partners under their supervision are aware of the Company's expectations as set out in Our Values and the Code of Conduct.

All directors, officers and employees are expected to:

- comply with the law;
- act in the best interests of the Company;
- be responsible and accountable for their actions; and
- observe the ethical principles of fairness, honesty and truthfulness, including prompt disclosure of potential conflicts.

5(b) Policy Concerning Trading in Company Securities

The Company's "Securities Trading Policy" applies to all directors, officers and employees. This policy sets out the restrictions on dealing in securities by people who work for, or are associated with the Company and is intended to assist in maintaining market confidence in the integrity of dealings in the Company's securities. The policy stipulates that the only appropriate time for a director, officer or employee to deal in the Company's securities is when they are not in possession of price sensitive information that is not generally available to the market.

As a matter of practice, Company shares may only be dealt with by directors and officers of the Company under the following guidelines:

- no trading is permitted in the period from the end of each quarter to one day after the date of the announcement to the ASX of the Company's quarterly, half year and full year results;

- guidelines are to be considered complementary to and not replace the various sections of the Corporations Act 2001 dealing with insider trading; and
- prior approval of the Executive Director or Company Secretary is required prior to any trading being undertaken.
- Senior management are prohibited from entering into transactions which limit the risk of participating in unvested entitlements under any equity-based remuneration scheme.

## 6. OTHER

6(a) Policy Concerning Diversity

The Company's "Diversity and Inclusion Policy" is available on the Company's website.

The Company considers that diversity refers to all the characteristics that make individuals different from each other. It includes characteristics or factors such as religion, race, ethnicity, language, gender, sexual orientation, disability, age or any other area of potential difference.

Given the size of the Company and the nature of its operations the Company has not established measurable objectives for achieving gender diversity.

At 31 December 2019:

- there were no women on the Board of Cyprium Metals Limited;
- the Company has less than 5 employees and there are no women employed directly by the Company;
- there are several women consultants for legal, database and tenement management.

*Rules 4.7.3 and 4.10.3*[1]

# Appendix 4G

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

**Name of entity:**

Cyprium Metals Limited

**ABN / ARBN:**

48 002 678 640

**Financial year ended:**

31 December 2019

Our corporate governance statement[2] for the above period above can be found at:[3]

☐ These pages of our Annual Report:

☒ This URL on our website: https://cypriummetals.com/about-us/corporate-governance/

The Corporate Governance Statement is accurate and up to date as at 27 March 2020 and has been approved by the board.

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

Date: 27 March 2020



**Wayne Apted**
**Company Secretary**

[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:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management. | … the fact that we follow this recommendation:<br>☒ in our Corporate Governance Statement<br><br>… 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):<br>☒ in our Corporate Governance Statement | ☐ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should:<br>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and<br>(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:<br>☒ in our Corporate Governance Statement<br><br>☒ in 2019 Annual Report at<br>https://cypriummetals.com/investor-centre/financial-reports/annual-reports/ | ☐ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ 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:<br>☒ in our Corporate Governance Statement | ☐ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ 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:<br>☒ in our Corporate Governance Statement | ☐ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ 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] |
|---|---|---|---|
| 1.5 | A listed entity should:<br>(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;<br>(b) disclose that policy or a summary of it; and<br>(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:<br>(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<br>(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. | … the fact that we have a diversity policy that complies with paragraph (a):<br>☒ in our Corporate Governance Statement<br><br>… and a copy of our diversity policy statement or a summary of it:<br>☒ at https://cypriummetals.com/about-us/corporate-governance/<br>…. 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:<br>☒ In our Corporate Governance Statement<br><br>… And the information referred to in paragraphs (c)(1)<br>☒ In our Corporate Governance Statement | ☐ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 1.6 | A listed entity should:<br>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and<br>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. | … the evaluation process referred to in paragraph (a):<br>☒ in Performance Evaluation Statement at<br>https://cypriummetals.com/about-us/corporate-governance/<br>… and the information referred to in paragraph (b):<br>☒ in our Corporate Governance Statement | ☐ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 1.7 | A listed entity should:<br>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and<br>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. | … the evaluation process referred to in paragraph (a):<br>☒ in Performance Evaluation Statement at<br>https://cypriummetals.com/about-us/corporate-governance/<br>… and the information referred to in paragraph (b):<br>☒ in our Corporate Governance Statement | ☐ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed … | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4] |
|---|---|---|---|
| **PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE** | | | |
| 2.1 | The board of a listed entity should:<br>(a) have a nomination committee which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(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<br>(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. | [If the entity complies with paragraph (a):]<br>… the fact that we have a nomination committee that complies with paragraphs (1) and (2):<br>☐ in our Corporate Governance Statement<br>… and a copy of the charter of the committee:<br>☐ at Remuneration and Nomination Charter at<br>… and the information referred to in paragraphs (4) and (5):<br>☐ | ☒ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 2.2 | A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership. | … our board skills matrix:<br>☒ in our Corporate Governance Statement<br>☐ | ☐ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed … | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4] |
|---|---|---|---|
| 2.3 | A listed entity should disclose:<br>(a) the names of the directors considered by the board to be independent directors;<br>(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<br>(c) the length of service of each director. | … the names of the directors considered by the board to be independent directors:<br>☒ in our Corporate Governance Statement<br>… and, where applicable, the information referred to in paragraph (b):<br>☐ in our Corporate Governance Statement<br>… and the length of service of each director:<br>☒ at the Directors' Report in the 2019 Annual Report<br>https://cypriummetals.com/investor-centre/financial-reports/annual-reports/ | ☐ 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:<br>☒ in our Corporate Governance Statement | ☐ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ 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:<br>☒ in our Corporate Governance Statement | ☐ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ 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:<br>☒ in our Corporate Governance Statement | ☐ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ 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:<br>(a) have a code of conduct for its directors, senior executives and employees; and<br>(b) disclose that code or a summary of it. | … our code of conduct or a summary of it:<br>☒ in our Corporate Governance Statement<br>☒ in our Directors Code of Conduct and the Code of Ethics at<br>https://cypriummetals.com/about-us/corporate-governance/ | ☐ 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 | The board of a listed entity should:<br>(a) have an audit committee which:<br>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and<br>(2) is chaired by an independent director, who is not the chair of the board,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the relevant qualifications and experience of the members of the committee; and<br>(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<br>(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. | [If the entity complies with paragraph (a):]<br>… the fact that we have an audit committee that complies with paragraphs (1) and (2):<br>☐ in our Corporate Governance Statement<br>… and a copy of the charter of the committee:<br>☒ at Audit Committee Charter at<br>https://cypriummetals.com/about-us/corporate-governance/<br>… 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:<br>☒ in our Corporate Governance Statement **OR** | ☒ an explanation why that is so in our Corporate Governance Statement |
| 4.2 | The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. | … the fact that we follow this recommendation:<br>☒ in our Corporate Governance Statement<br>☐ | ☐ 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] |
|---|---|---|---|
| 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. | … the fact that we follow this recommendation:<br>☒ in our Corporate Governance Statement | ☐ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable |
| **PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE** | | | |
| 5.1 | A listed entity should:<br>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and<br>(b) disclose that policy or a summary of it. | … our continuous disclosure compliance policy or a summary of it:<br>☒ in our Corporate Governance Statement<br>☒ in our Continuous Disclosure Policy at<br>https://cypriummetals.com/about-us/corporate-governance/ | ☐ an explanation why that is so in our Corporate Governance Statement |
| **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. | … information about us and our governance on our website:<br>☒ at https://cypriummetals.com/about-us/corporate-governance/ | ☐ an explanation why that is so in our Corporate Governance Statement |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | … the fact that we follow this recommendation:<br>☒ in our Corporate Governance Statement<br>☐ in Shareholder Communication Charter at | ☐ an explanation why that is so in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | … our policies and processes for facilitating and encouraging participation at meetings of security holders:<br>☒ in our Corporate Governance Statement | ☐ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable |
| 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. | … the fact that we follow this recommendation:<br>☒ in our Corporate Governance Statement | ☐ 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 7 – RECOGNISE AND MANAGE RISK** | | | |
| 7.1 | The board of a listed entity should:<br>(a) have a committee or committees to oversee risk, each of which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(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<br>(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. | [If the entity complies with paragraph (a):]<br>… the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):<br>☐ in our Corporate Governance Statement<br>☐ in Audit & Risk Management Committee Charter at<br>… and the information referred to in paragraphs (4) and (5):<br>☐ in the Directors' Report in the Annual Report<br>[If the entity complies with paragraph (b):]<br>… 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:<br>☒ in our Corporate Governance Statement | ☒ an explanation why that is so in our Corporate Governance Statement |
| 7.2 | The board or a committee of the board should:<br>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and<br>(b) disclose, in relation to each reporting period, whether such a review has taken place. | … 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:<br>☒ in our Corporate Governance Statement<br>… and disclose whether such a review has taken place:<br>☒ in our Corporate Governance Statement | ☐ 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] |
|---|---|---|---|
| 7.3 | A listed entity should disclose:<br>(a) if it has an internal audit function, how the function is structured and what role it performs; or<br>(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. | [If the entity complies with paragraph (a):]<br>… how our internal audit function is structured and what role it performs:<br>☐ in our Corporate Governance Statement<br>☐ at [*insert location*]<br>[If the entity complies with paragraph (b):]<br>… 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:<br>☒ in our Corporate Governance Statement<br>☐ at [*insert location*] | ☒ an explanation why that is so in our Corporate Governance Statement |
| 7.4 | A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. | … 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:<br>☒ in our Corporate Governance Statement<br>☒ in our Code of Conduct and Anti-bribery and Corruption Policy<br>at https://cypriummetals.com/about-us/corporate-governance/ | ☐ 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 8 – REMUNERATE FAIRLY AND RESPONSIBLY** | | | |
| 8.1 | The board of a listed entity should:<br>(a) have a remuneration committee which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(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<br>(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. | [If the entity complies with paragraph (a):]<br>… the fact that we have a remuneration committee that complies with paragraphs (1) and (2):<br>☐ in our Corporate Governance Statement<br>… and a copy of the charter of the committee:<br>☐ at Remuneration and Nomination Charter at<br>… and the information referred to in paragraphs (4) and (5): | ☒ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 8.2 | A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. | … separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:<br>☒ in our Corporate Governance Statement<br>☒ at the Remuneration Report within the Directors' Report in the 2018 Annual Financial Report<br>https://cypriummetals.com/investor-centre/financial-reports/annual-reports/ | ☐ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 8.3 | A listed entity which has an equity-based remuneration scheme should:<br>(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<br>(b) disclose that policy or a summary of it. | … our policy on this issue or a summary of it:<br>☒ in our Corporate Governance Statement<br>☐ | ☐ an explanation why that is so in our Corporate Governance Statement **OR**<br>☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed … | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4] |
|---|---|---|---|
| **ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES** | | | |
| - | *Alternative to Recommendation 1.1 for externally managed listed entities:*<br>The responsible entity of an externally managed listed entity should disclose:<br>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;<br>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements. | … the information referred to in paragraphs (a) and (b):<br>☐ in our Corporate Governance Statement **OR**<br>☐ at [*insert location*] | ☐ an explanation why that is so in our Corporate Governance Statement |
| - | *Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:*<br>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager. | … the terms governing our remuneration as manager of the entity:<br>☐ in our Corporate Governance Statement **OR**<br>☐ at [*insert location*] | ☐ an explanation why that is so in our Corporate Governance Statement |