

# VENUS METALS

## CORPORATION LIMITED

### CORPORATE GOVERNANCE STATEMENT

The Group has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations *third* edition (**Principles & Recommendations**), the Group has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Group's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Group's corporate governance practices depart from a recommendation, the Board has offered full disclosure and an explanation for the adoption of its own practice.

The ASX Corporate Governance Council released the *fourth* edition of its *Corporate Governance Principles and Recommendations* on 27 February 2019. The Group will be required to measure their governance practices against the recommendations in the fourth edition commencing with the financial year beginning 1 July 2020 and ending 30 June 2021.

Further information about the Group's corporate governance practices may be found on the Group's website at [www.venusmetals.com.au](http://www.venusmetals.com.au), under the section marked "Group - Corporate Governance".

Where, after due consideration, the Group's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for adoption of its own practice, in compliance with the "if not, why not" regime.

This statement was approved by the Board on 24 September 2020.

Principle	ASX Recommendation	Conform (Y/N)	Disclosure
<b>Principal 1</b>	<b>Lay solid foundations for management and oversight</b>		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Y	The Group has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in its Board Charter. The Board Charter is included in the Corporate Governance section in the Group's website at <a href="http://www.venusmetals.com.au/company/corporate-governance">www.venusmetals.com.au/company/corporate-governance</a> .
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Y	The Board undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.  The checks which are undertaken, and the information provided to shareholders are set out in the <i>Group's Policy and Procedure for the Selection and (Re) Appointment of Directors</i> which is disclosed on the Group's website.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Y	The Group has a written agreement with each director and senior executive setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Group has entered into with any director or senior executive has been disclosed in accordance with ASX Listing Rule 3.16.4.
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.	Y	The Group Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board as outlined in the <i>Board Charter</i> .
1.5	A listed entity should: (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; (b) disclose that policy or a summary of it; and (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	N	The Board is responsible for establishing and monitoring on an annual basis the achievement against gender diversity objectives and strategies, including the representation of women at all levels of the organisation.  The proportion of women employees in the whole organisation as at FY 2020 was approximately 38%.  The Board acknowledges the absence of female participation on the Board of Directors. However, the Board has determined that the composition of the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management. The Group has not set or disclosed measurable objectives for achieving gender diversity. Due to the size of the Group, the Board does not deem it practical to limit the Group to specific targets for gender diversity as it operates in a very competitive labour market where positions are sometimes difficult to fill. However, every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity

	<p>policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes); or</p> <p>(2) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>		<p>or cultural background.</p>
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>	Y	<p>The Chair is responsible for the performance evaluation of the Board and, when deemed appropriate, the Board committees and individual directors.</p> <p>Each of the directors (including the Chair) completes a questionnaire and the Chair discusses the responses to the questionnaire with the Board on a round-table basis. The Chair is reviewed on this basis by the rest of the Board.</p> <p>During the Reporting Period, an evaluation of the Board, its committees and individual directors took place in accordance with the process disclosed above.</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>	Y	<p>The Chair is responsible for evaluating the performance of the Group’s senior executives.</p> <p>The evaluation is conducted at the time of the executive’s annual remuneration review and involves an interview with the Chair to discuss performance against the senior executive’s contract with the Group. The Chair also evaluates the performance of the senior executives on an ongoing basis via informal discussions about performance.</p> <p>During the Reporting Period a performance evaluation of the senior executives took place in accordance with the process disclosed above.</p>
<b>Principal 2</b>	<b>Structure the board to add value</b>		
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent</p>	N	<p>The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a nomination committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Group’s Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.</p> <p>The full Board, in its capacity as the Nomination Committee, has not held any meetings during the Reporting Period.</p>

	<p>director, and disclose:</p> <p>(3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>		<p>The Board has adopted a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Nomination Committee. A copy of the Nomination Committee Charter is available on the Group's website.</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>	Y	<p>The mix of skills and diversity for which the Board is looking to achieve in its membership is represented by the Board's current composition.</p> <p>Set out below are details of the members of the Board during the Reporting Period and their specific skills:</p> <p><b>Mr Peter Hawkins (Non-executive Chairman)</b> Corporate finance – experience in strategy and business development, commercial acumen, executive leadership.</p> <p><b>Mr Matthew Hogan (Managing Director)</b> Corporate finance – experience in project identification and acquisition, strategy and business development, commercial acumen.</p> <p><b>Mr Barry Fehlberg (Non- Executive Director)</b> Geologist – experience in planning and managing mineral exploration projects, strategy and business development, commercial acumen.</p> <p><b>Mr Kumar Arunachalam (Executive Director)</b> Geologist – experience in planning and managing mineral exploration projects.</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the</p>	Y	<p>The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles &amp; Recommendations. During the Reporting Period, the two independent directors of the Group were Mr Peter Hawkins and Mr Barry Fehlberg.</p> <p>The Board has considered both Mr Hawkins and Mr Fehlberg's independence that both are sufficiently independent because they are not a member of management, they are free of any business or other relationship that could materially interfere with the independent</p>

	type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.		exercise of their judgement and consistently makes decisions that are in the best interests of the Group. Accordingly, the Board considers both Mr Hawkins and Mr Fehlberg to be independent directors.  The length of service of each director is set out in the Directors' Report section of Annual Report.
2.4	A majority of the board of a listed entity should be independent directors.	N	The Board does not have a majority of directors who are independent. The Board considers that it's composition is appropriate for the Group's circumstances and includes an appropriate mix of skills and expertise relevant to the Group. The Group gives consideration to the balance of independence on the Board and will continue to review its composition.
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.	Y	The Group's independent Chair is Mr Peter Hawkins. The Board believes that Mr Hawkins is the most appropriate person for the position of Chair because of his industry experience and knowledge. The Board believes that Mr Hawkins makes decisions that are in the best interests of the Group.  The Managing Director of the Group is Mr Matthew Hogan.
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.	N	Given the size of the Group there is no formal induction process for new directors. Board considers that if any new director is to be appointed, that new director will be provided with a personalized induction dependent upon the skills, experience and knowledge of the Group that the new director possesses.
<b>Principal 3</b>	<b>Act ethically and responsibly</b>		
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Y	The Group has established a Code of Conduct as to the practices necessary to maintain confidence in the Group's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders, and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.  A summary of the Group's Code of conduct is available on the Group website.
<b>Principal 4</b>	<b>Safeguard integrity in corporate reporting</b>		
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors;	Y	The Board has established an Audit Committee and adopted an Audit Committee Charter which describes the role, composition functions and responsibilities of the Audit Committee.  The members of the Audit Committee are Peter Hawkins (Chair) and Matthew Hogan, and the Company Secretary, Patrick Tan.

	<p>and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p>All members of the Audit Committee consider themselves to be financially literate and have an understanding of the industry in which the Group operates.</p> <p>The Group has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Group through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Group's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.</p> <p>The Group's Audit Committee Charter and the Group's Procedure for Selection, Appointment and Rotation of External Auditor are available on the Group's website.</p>
<b>4.2</b>	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.	Y	The Managing Director and Chief Financial Officer/Company Secretary declared in writing to the Board that the financial records of the Group for the financial year have been properly maintained, the Group's financial reports for the financial year ended 30 June 2020 comply with accounting standards and present a true and fair view of the Group's financial condition and operation results. The statement is required annually.
<b>4.3</b>	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.	Y	A representative of the Group's auditor, Stantons International attended the Group's annual general meeting held on 25 November 2019.
<b>Principal 5</b>	<b>Make timely and balanced disclosure</b>		
<b>5.1</b>	A listed entity should: <p>(a) have a written policy for complying with its continuous disclosure obligations under</p>	Y	The Group has established written policies and procedures for complying with its continuous disclosure obligations under the ASX Listing Rules. A summary of the Group's <i>Policy on Continuous Disclosure</i> is disclosed on the Group's website.



			<p>policies to assist the Group to establish and maintain its governance practices.</p> <p>The Group considers the following categories of risk to have a material effect impact its business and hence are included in the Group's risk profile.</p> <ul style="list-style-type: none"> <li>• Market-related;</li> <li>• Financial reporting;</li> <li>• Operational;</li> <li>• Environmental;</li> <li>• Sustainability;</li> <li>• Occupational Health &amp; Safety;</li> <li>• Ethical conduct;</li> <li>• Reputation; and</li> <li>• Legal and Compliance.</li> </ul>
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>	Y	<p>The Board has required management to design, implement and maintain risk management and internal control systems to manage the Group's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received a report from management as to the effectiveness of the Group's management of its material business risks for the Reporting Period.</p> <p>The Managing Director has provided assurance in writing to the Board that the Group's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.</p> <p>Monthly actual results are reported against budgets approved by the Directors and revised forecasts for the year are prepared regularly.</p> <p>All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.</p> <p>Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. The Board has developed procedures to assist Directors to disclosed potential conflict of interest.</p> <p>Where the Board believes that a significant conflict exists for a Director on a board matter, the Director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.</p> <p>A summary of the Group's <i>Risk Management Policy</i> is available on the Group's website.</p>
7.3	<p>A listed entity should disclose: if it has an internal audit function, how the function is structured and what role it</p>	N	<p>The Group does not have an internal audit function.</p> <p>To evaluate and continually improve the effectiveness of the Group's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the</p>



	performs; or (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.		management of material business risks as outlined in the Group's <i>Risk Management Policy</i> .
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.	Y	Using its risk management framework, the Board has identified the following risk categories – liquidity, strategic risk, operational, environmental, compliance, human capital, workplace, health and safety, financial reporting, market and commodity related.  As the Group is not in production nor has any major operations, the Group has not identified any material exposure to any economic, environmental and/or social sustainability risks.
<b>Principal 8</b>	<b>Remunerate fairly and responsibly</b>		
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	Y	The Board has established a Remuneration Committee. The members of the Remuneration Committee are Peter Hawkins (Chair), Matthew Hogan, Selvakumar Arunachalam and Company Secretary, Patrick Tan.  During the year the Remuneration Committee has met to discuss the remuneration of the Executive Directors.  The Board has adopted a <i>Remuneration Committee Charter</i> which describes the role, composition, functions and responsibilities of the Remuneration Committee, a copy of which is disclosed on the Group's website.
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.	Y	Details of remuneration, including the Group's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report and commences at page 20 of the Group's 2020 Annual Report. The Group has not adopted a policy regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct

			or a material misstatement in the Group's financial statements as it does not currently pay performance based remuneration.
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Y	The Group's <b><i>Policy for Trading in Group Securities</i></b> includes a statement of the Group's policy on prohibiting participants in the Group's Employee Share Option Plan entering into transactions or arrangements which limit the economic risk of participating in the Plan.