

# Cobre Limited (ACN 626 241 067) (“Company”)

## Corporate Governance Statement

Cobre Limited (**Cobre** or **Company**) is committed to conducting its business activities and governing the company in accordance with the ASX Corporate Governance Council’s (**Council**) Corporate Governance Principles and Recommendations (**Recommendations**) to the extent appropriate to the size and nature of the Company’s operations. This Corporate Governance Statement (**Statement**) details the extent to which the Company will follow, as at the date of its admission to the official list of the ASX, the Council’s Recommendations.

For the purposes of this Statement submitted pursuant to the Company’s pre quotation disclosure obligations, the Company’s corporate governance practices are structured with reference to the third edition of the Recommendations released on 27 March 2014 including the 8 principles and 29 specific recommendations included therein. The Company anticipates that commencing from reporting for the financial year ended 30 June 2020, it will report against the 4th edition of the Recommendations even though they are not due to come into effect until the Company’s financial year ending 30 June 2021.

While listed entities are entitled not to adopt the Recommendations in whole or in part, the ASX requires that entities explain why it has not adopted any particular recommendation on an “if not, why not” basis. The table set out below identifies which Recommendations the Company follows and which it does not, and provides reasons for not following those Recommendations as well as alternate governance practices (if any) the Company intends to adopt instead of those Recommendations.

The Company’s corporate governance policies together with a copy of this Corporate Governance Statement are all available on the Investor section of the Company’s website at [www.cobre.com.au](http://www.cobre.com.au) (**Website**). This Statement was approved by a resolution of the Board of the Company dated 6 December 2019 and is effective as at the same date.

All corporate governance policies have been adopted by the Company. All references to “the **Board**” below are references to the board of the Company. All references to “**Shareholders**” below are references to shareholders of the Company.

Principles and Recommendations	Compliance by the Company
<b>Principle 1 – Lay solid foundations for management and oversight</b> <i>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.</i>	
<b>Recommendation 1.1</b> A listed entity should disclose:  (a) the respective roles and responsibilities of its board and management; and  (b) those matters expressly reserved to the board and those delegated to management.	The Company complies with this recommendation.  (a) The Company’s Corporate Governance Plan includes a Board Charter which sets out the principles for the operation of the Board and describes the functions of the Board and the functions delegated to management of the Company.  (b) Clause 3 of the Board Charter sets out the responsibilities and functions of the Board including those functions

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	<p>which the Board delegates to the Managing Director (<b>MD</b>) under clause 8.</p> <p>Clause 8 sets out the responsibilities delegated to the MD and management and clause 5.2 sets out the responsibilities delegated to the company secretary.</p>
<p><b>Recommendation 1.2</b></p> <p>A listed entity should</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director; and</p> <p>(b) provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>The Company complies with this recommendation.</p> <p>(a) All of the Company's current directors have undergone bankruptcy and police checks as part of the Company's due diligence process prior to its Admission to the ASX. Prior to the appointment of any future directors, the Board will also ensure that bankruptcy and insolvency checks as well as any other checks the Board considers relevant (such as with respect to character, experience and education), will be undertaken prior to the appointment of that person as required under clause 4.3 of the Board Charter .</p> <p>(b) Clause 4.3 states that the Board will ensure that the Company provides shareholders with all material information relevant to enable shareholders to make an informed decision on whether or not to elect or re-elect a director. Clause 4.3 of the Board Charter provides that the names of candidates submitted for election or re-election as a director should be accompanied by all, material information including, in part:</p> <ul style="list-style-type: none"> <li>- "... biographical details (including relevant qualifications, skills and experience)";</li> <li>- "... a statement whether the board does or does not support the election or re-election of the individual";</li> <li>- "... details of other material directorships held by the individual"; and</li> <li>- "... a statement whether the Board considers the individual is an independent director".</li> </ul>
<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The Company complies with this recommendation.</p> <p>The Company has a written agreement in place with each director setting out the terms of their appointment, as required under clause 4.5 of the Board Charter.</p>
<p><b>Recommendation 1.4</b></p> <p>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.</p>	<p>The Company complies with this recommendation.</p> <p>Clause 5.2 of the Board Charter provides that the secretary is accountable to the Board on all matters to do with the proper functioning of the Board and any committee. The Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board. The Secretary holds primary responsibility for ensuring that the Board processes,</p>

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	procedures and policies run efficiently and effectively.
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</li> <li>(b) disclose that policy or a summary of it; and</li> <li>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: <ul style="list-style-type: none"> <li>(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</li> <li>(ii) 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 the Act.</li> </ul> </li> </ul>	<p>The Company complies with this recommendation.</p> <ul style="list-style-type: none"> <li>(a) The Company has a Diversity Policy which applies to the directors of the Company. Clause 2.2 of the Diversity Policy provides that the Board is responsible for setting measurable objectives to promote gender diversity and the Company's progress in achieving them. The Diversity Policy's effectiveness is measured at least annually.</li> <li>(b) The Diversity Policy is disclosed on the Company's website.</li> <li>(c) Clause 2.4 of the Diversity Policy provides that the Objectives set for a reporting period and the progress towards achievement of those Objectives will be disclosed annually in the Group's annual report. This will include disclosure of (i) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce of the Company and (ii) where the entity is a "<i>relevant employer</i>", the additional information required thereunder.</li> </ul>
<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a process for periodically</li> </ul>	<p>The Company complies with this recommendation.</p> <ul style="list-style-type: none"> <li>(a) Clause 3.4 of the Board Charter provides that the Board will regularly carry out a formal review of its performance,</li> </ul>

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<p>evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>its committees and each director.</p> <p>(b) The Board will disclose in relation to each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Company complies with this recommendation.</p> <p>(a) Clause 3.4 of the Board Charter provides that the Board will regularly carry out a formal review of the performance of its senior executives as required.</p> <p>(b) Each year the Board will disclose confirmation that this review has taken place in the reporting period in accordance with that process.</p>
<p><b>Principle 2 – Structure the board to add value</b></p> <p><i>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</i></p>	
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director; and disclose</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee;</p>	<p>The Company does not currently comply with this recommendation.</p> <p>As per (b), the Board does not have a nomination committee at present and will consider establishing such a committee when the Company's Board, size, complexity and operations warrant the establishment of a committee. As part of its annual review of its performance, the Board will review and assess the skill set on the Board and whether the skill set at that time is appropriate for the company or whether there are any gaps in skill sets that need to be filled to enable the Board to discharge its operations more effectively.</p>

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<p>(v) 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><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>The Company complies with this recommendation.</p> <p>Clause 3.4 (a) of the Board Charter sets out the aim of the Board to have an appropriate mix of skills, experience, expertise and diversity relevant to the Company's business and the Board's duties and responsibilities.</p> <p>The Company's board skills matrix will be disclosed in the Company's future annual Corporate Governance Statements and on the Company's website which contains the biography of each director.</p>

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<p><b>Recommendation 2.3</b></p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p>	<p>The Company complies with this recommendation.</p> <p>(a) The Board currently considers Michael Addison to be the only independent director;</p> <p>(b) The Board does not consider that Mr Addison has an interest, position, association or relationship of the type described in Box 2.3 but, will disclose in future annual corporate governance statements any circumstances which the board is of the opinion compromise the independence of any director including the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) Mr Holland and Mr Sissian were appointed to the Board on 18 May 2018, Mr McNeilly on 6 November 2019 and Mr Addison on 25 November 2019.</p>
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>The Company does not comply with this recommendation at present as Mr Addison is the only independent director of the Company's 4 directors.</p>
<p><b>Recommendation 2.5</b></p> <p>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.</p>	<p>The Company does not comply with this recommendation as MR Holland is the Managing Director and Executive Chairman.</p>
<p><b>Recommendation 2.6</b></p> <p>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.</p>	<p>The Company complies with this recommendation.</p> <p>Clause 4.5 of the Board Charter provides directors are expected to participate in induction or orientation programs upon their election or appointment, and any continuing education or training arranged by the Company for them from time to time.</p>
<p><b>Principle 3 – Promote ethical and responsible decision making</b></p>	

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<i>A listed entity should act ethically and responsibly</i>	
<p><b>Recommendation 3.1</b></p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>The Company complies with this recommendation.</p> <p>(a) The Company has a Code of Conduct which applies to directors, advisors, officers, employees, consultants and contractors of the Company.</p> <p>(b) A copy of the Company's Code of Conduct is disclosed on its website.</p>
<p><b>Principle 4 – Safeguard integrity in corporate reporting</b></p> <p><i>A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting</i></p>	
<p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) 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</p>	<p>The Company does not currently comply with this recommendation.</p> <p>As per (b), the Board does not have an audit committee at present and will consider establishing such a committee when the Company's Board, size, complexity and operations warrant the establishment of a committee. The Company has a Finance Director as well as an independent Chief Financial Officer and a also an external book keeper as well, all of whom will be involved to independently verify and safeguard the integrity of the Company's corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner with recommendations to the Board. The Board will also consider the engagement of an external consultant to advise upon the appointment and removal of the external auditor and the rotation of the audit engagement partner at the appropriate time.</p>

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<p>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><b>Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>The Company will comply with this recommendation.</p> <p>The Board will review the Company's financial statements with management and its external auditor before approving the statements. The Board is responsible for ensuring that appropriate processes are in place to form the basis upon which the Finance Director and Chief Financial Officer provide the recommended declarations in relation to the Company's financial statements. The Board will also ensure that it receives the appropriate declarations and assurances including a declaration from the Finance Director and Chief Financial Officer that the Company's accounts have been kept in accordance with section 295A of the <i>Corporations Act 2001</i> for the financial year.</p>
<p><b>Recommendation 4.3</b></p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>The Company will comply with this recommendation.</p> <p>The notice of meeting will be sent to the Company's auditor in relation to each general meeting and the Company will ensure the auditor attends its AGM and is available to answer any questions regarding the conduct of and any issues arising from the audit or the preparation and content of the auditor's report.</p>
<p><b>Principle 5 – Make timely and balanced disclosure</b></p> <p><i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i></p>	
<p><b>Recommendation 5.1</b></p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the</p>	<p>The Company complies with this recommendation.</p> <p>(a) The Company has in place a Continuous Disclosure Policy designed to ensure compliance with the ASX Listing Rules on continuous disclosure and to ensure accountability at a Board and, where appropriate, senior executive level for compliance and factual presentation of the Company's position; and</p>



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<p>Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>(b) a copy of the Continuous Disclosure Policy is disclosed on the Company's website.</p>
<p><b>Principle 6 – Respect the rights of security holders</b></p> <p><i>A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.</i></p>	
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>The Company complies with this recommendation.</p> <p>The Company provides the necessary information about itself and its governance on its website pursuant to its Shareholder Communication Policy.</p>
<p><b>Recommendation 6.2</b></p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>The Company complies with this recommendation.</p> <p>The Company's Shareholder Communication Policy provides for an investor relations program which actively encourages two-way communication:</p> <ul style="list-style-type: none"> <li>• through the Company's AGM, where shareholder participation is actively encouraged and facilitated; and</li> <li>• by providing shareholders with information via the investor section of the Company's website and the option to receive email communications and send email communications directly to the Company and to the Company's share registry.</li> </ul>
<p><b>Recommendation 6.3</b></p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>The Company complies with this recommendation.</p> <p>The Company has in place a Shareholder Communication Policy, a copy of which is disclosed on its website.</p>
<p><b>Recommendation 6.4</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>The Company complies with this recommendation.</p> <p>The Company's Shareholder Communication Policy provides securityholders the option to receive and send electronic communications directly to the Company and to the Company's share registry.</p>

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<p><b>Principle 7 - Recognise and manage risk</b></p> <p><i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework</i></p>	
<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) 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</li> </ul> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>The Company does not currently comply with this recommendation.</p> <p>As per (b), the Board does not have a risk committee at present and will consider establishing such a committee when the Company's Board, size, complexity and operations warrant the establishment of a committee. The Company has established a risk management framework to enable it to identify and manage risk on a continual basis. This Board has established this Policy to ensure the Company has appropriate processes in place to manage risk and establish the Board's responsibility for managing risk.</p>
<p><b>Recommendation 7.2</b></p> <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,</p>	<p>The Company will comply with this recommendation. The Company recognises that risks may change over time and effective risk management requires ongoing attention. The Company will, twice annually, review the Risk Management Framework to ensure it continues to be sound, and will disclose, in relation to each reporting period, whether such a review has taken place.</p>

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whether such a review has taken place.	
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>The Company does not comply with this recommendation. In addition to a Finance Director, the Company also has an outsourced Chief Financial officer and a separate book keeper as well. These 3 people are responsible for the review and reporting to the Board (twice annually) on the effectiveness of the Company's risk management and internal control processes.</p>
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether it has any material exposure to economic environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>The Company will comply with this recommendation.</p> <p>The Company will disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>
<p><b>Principle 8 – Remunerate fairly and responsibly</b></p> <p><i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retrain and motivate high quality senior executives and to align their interests with the creation of value for security holders.</i></p>	
<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director.</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p>	<p>The Company does not currently comply with this recommendation.</p> <p>As per (b), the Board does not have a remuneration committee at present and will consider establishing such a committee when the Company's Board, size, complexity and operations warrant the establishment of a committee. As part of its annual review of its performance, the Board will review the processes it employs for setting the level and composition of remuneration for directors and, where applicable, senior executives and ensuring that such remuneration is appropriate and not excessive.</p>

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<ul style="list-style-type: none"> <li>(iv) the members of the committee; and</li> <li>(v) 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</li> <li>(a) 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.</li> </ul>	
<p><b>Recommendation 8.2</b></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>The Company complies with this recommendation.</p> <p>Details of the Company's remuneration policies and practices for non-executive directors, executive directors and senior management is disclosed in the Company's prospectus and will be included in the Company's remuneration report contained within its future annual reports.</p>
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> <li>(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</li> <li>(b) disclose that policy or a summary of it.</li> </ul>	<p>The Company does not currently have a formal equity-based remuneration scheme.</p>