



**ACN 082 593 235**

**Corporate Governance Statement  
for the year ended 30 June 2021**

The board of directors of Caeneus Minerals Ltd (Caeneus Minerals) (the Company) is responsible for establishing the corporate governance framework of the Company having regard to the ASX Corporate Governance Council's (CGC) Corporate Governance Principles and Recommendations (Recommendations) and CGC published guidelines.

In accordance with ASX Listing Rule 4.10.3, this Corporate Governance Statement (Statement) discloses the extent to which the Company has followed the Recommendations by detailing the Recommendations that have not been adopted by the Company and the reasons why they have not been adopted. In the areas where the Company does not follow the Recommendations, the Company is working toward compliance or does not consider that the practices are appropriate for the current size and scale of operations.

This Statement was approved by the board of directors and is current as at 8 October 2021.

## **Principle 1: Lay Solid Foundations for Management and Oversight**

### **Recommendation 1.1**

*A listed entity should have and disclose a board charter setting out:*

- (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 Board has adopted the Board Charter set out in Appendix A of the Corporate Governance Policies setting out the respective roles and responsibilities of its Board and management and those matters expressly reserved to the Board and those delegated to management.

### **Recommendation 1.2**

*A listed entity should:*

- (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward 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.*

The Company shall ensure that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the person's character, experience, education, criminal record and bankruptcy history.

The following information about a candidate standing for election or re-election as a director should be provided to security holders to enable them to make an informed decision on whether or not to elect or re-elect the candidate:

1. biographical details, including their relevant qualifications and experience and the skills they bring to the Board;
2. details of any other material directorships currently held by the candidate;
3. in the case of a candidate standing for election as a director for the first time:
  - a. any material adverse information revealed by the checks the entity has performed about the director;
  - b. details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally; and
  - c. if the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect;
4. in the case of a candidate standing for re-election as a director:
  - a. the term of office currently served by the director; and
  - b. if the Board considers the director to be an independent director, a statement to that effect; and
5. a statement by the Board as to whether it supports the election or re-election of the candidate.

### **Recommendation 1.3**

*A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

The Company shall enter into a written service contract with each of its executive directors and senior executives which sets out at a minimum a description of their:

1. position;
2. duties;
3. responsibilities;
4. to whom they report;
5. circumstances in which their service contract may be terminated; and
6. any entitlement upon termination.

The Company shall provide each non-executive director a letter of appointment which sets out at a minimum:

1. their term of appointment;
2. expected commitments;
3. remuneration;
4. requirements to disclose directors' interests which may affect the director's independence;
5. requirements to comply with Company policies;
6. the Company's policy on when directors may seek independent advice;
7. the circumstances in which the director's office becomes vacant;
8. indemnity and insurance arrangements;
9. ongoing rights of access to corporate information; and
10. confidentiality obligations.

#### **Recommendation 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 Company Secretary is charged with facilitating the Company's corporate governance processes and so holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively. The Company Secretary is accountable to the Board, through the Chairman, on all governance matters and reports directly to the Chairman as the representative of the Board. The Company Secretary is appointed and dismissed by the Board and all Directors have as of right access to the Company Secretary.

#### **Recommendation 1.5**

*A listed entity should:*

- (a) *have and disclose a diversity policy;*
- (b) *through its board and committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and*
- (c) *disclose in relation to each reporting period:*
  - (1) *the measurable objectives set for that period to achieve gender diversity;*
  - (2) *the entity's progress towards achieving those objectives; and*
  - (3) *either:*
    - (A) *the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or*
    - (B) *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.*

*If the entity was in the S&P / ASX300 Index at the Commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specific period.*

The Board has adopted a policy on achieving gender, age and ethnic diversity in the Company's Board and employees as set out in Appendix B of the Corporate Governance Policies.

The Board shall set measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce generally.

The Chief Executive Officer and the Company Secretary are responsible for ensuring the policy is brought to the attention of all affected persons and for monitoring compliance with the policy.

The Company reviews its gender diversity at board level annually, currently the board of directors has 4 males and 0 females however the company uses the services of female contractors.

#### **Recommendation 1.6**

*A listed entity should:*

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and*
- (b) disclose, for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.*

The Chairperson shall review the performance of the Chief Executive Officer, each Director and each Board committee at least once every calendar year and the Chief Executive Officer shall review the performance of executive management at least once every calendar year with reference to the terms of their employment contract. This was completed during the year.

#### **Recommendation 1.7**

*A listed entity should:*

- (a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and*
- (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.*

The Chairperson shall review the performance of the Chief Executive Officer, each Director and each Board committee at least once every calendar year and the Chief Executive Officer shall review the performance of executive management at least once every calendar year with reference to the terms of their employment contract. This was completed during the year.

### **Principle 2: Structure the Board to Add Value**

#### **Recommendation 2.1**

*The board of a listed entity should:*

- (a) have a nomination 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**

*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.*

The Company believes it is not of a size to justify having a Nomination Committee. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board believes corporate performance is enhanced when the Board has an appropriate mix of skills, experience, expertise and diversity.

#### **Recommendation 2.2**

*A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.*

The Board shall adopt and disclose a Board skill matrix. The composition of the Board should be reviewed regularly against the Company's board skills matrix to ensure the appropriate mix of skills and expertise is present.

#### **Recommendation 2.3**

*A listed entity should disclose*

- (a) the names of the directors considered by the board to be independent directors;*
- (b) if a director has an interest, position, affiliation 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,*

*or relationship in question and an explanation of why the board is of that opinion; and*  
(c) *the length of service of each director.*

The Company will regularly review whether each non-executive director is independent and each non-executive director should provide to the Board all information that may be relevant to this assessment. The Company should disclose:

1. the names of the directors considered by the Board to be independent directors;
2. if a director has an interest, position, association or relationship of the type that might cause doubts about the independence of the director 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
3. the length of service of each director.

#### **Recommendation 2.4**

*A majority of the board of a listed entity should be independent directors*

The Company will endeavour to ensure that the majority of its directors are independent at all times, subject to the right of security holders in general meeting to elect and remove directors.

#### **Recommendation 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.*

In the event that the Company has a non-executive Chairperson, that person should be an independent director. In the event that the Company has an executive Chairperson, the deputy Chairperson should be an independent director. The Chairperson will not be the Chief Executive Officer of the Company. The Chairperson's other positions should not be such that they are likely to hinder the effective performance of their role of Chairperson of the Company.

#### **Recommendation 2.6**

*A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.*

The Board will implement an induction program to enable new directors to gain an understanding of:

1. the Company's financial, strategic, operational and risk management position;
2. the culture and values of the Company;
3. the rights, duties and responsibilities of the directors;
4. the roles and responsibilities of senior executives;
5. the role of any Board committees in operation;
6. meeting arrangements; and
7. director interaction with each other, senior executives and other stakeholders.

Directors will have reasonable access to continuing education to update and enhance their skills and knowledge, including education concerning key developments in the Company and the relevant industry sector.

The Board shall review at least annually the professional development needs of its existing directors.

### **Principle 3: Instil a Culture of Acting Lawfully, Ethically and Responsibly**

#### **Recommendation 3.1**

*A listed entity should articulate and disclose its values.*

The Board shall approve the Company's statement of values for publication on the Company's website.

The Chief Executive Officer is responsible for inculcating the Company's values across the organization including ensuring all employees receive appropriate training on the values and senior executives continually reference and reinforce those values and interactions with staff.

### **Recommendation 3.2**

*A listed entity should:*

- (a) have and disclose a code of conduct for its Directors, senior executives and employees; and*
- (b) ensure that the Board or a committee of the Board is informed of any material breaches of that code.*

The Board has adopted a Code of Conduct set out in Appendix C of the Corporate Governance Policies to promote ethical and responsible decision making by directors, management and employees. The Code embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of stakeholder opportunity.

The Chief Executive Officer is responsible for ensuring that training on the Code of Conduct is provided to staff and officers of the Company.

The Chief Executive Officer and the Company Secretary are responsible for making advisers, consultants and contractors aware of and accountable to the Company's expectations set out in the Code of Conduct.

Material breaches of the Code of Conduct must be reported to the Board.

### **Recommendation 3.3**

*A listed entity should:*

- (a) have and disclose a whistleblower policy; and*
- (b) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.*

The Company has adopted a Whistleblower Policy set out in Appendix D of the Corporate Governance Policies.

Material incidents under the Whistleblower Policy must be reported to the Board.

### **Recommendation 3.4**

*A listed entity should:*

- (a) have and disclose an anti-bribery and corruption policy; and*
- (b) ensure that the Board or committee of the Board is informed of any material breaches of that policy.*

The Company has adopted an Anti-Bribery and Anti-Corruption Policy set out in Appendix E of the Corporate Governance Policies.

Material breaches of the Anti-Bribery and Anti-Corruption Policy must be reported to the Board.

## **Principle 4: Safeguard the Integrity of Corporate Reports**

### **Recommendation 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; and*
  - (2) is chaired by an independent director, who is not the chair of the board, and disclose;*
  - (3) the charter of the committee;*
  - (4) the relevant qualifications and experience of the members of the committee; and*
  - (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*
- (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.*

The Company believes it is not of the size to justify having an Audit and Risk Management Committee. Accordingly, the Board will comprise the Audit and Risk Management Committee pursuant to the Audit and Risk Management Committee Charter set out in Appendix F of the Corporate Governance Policies until such time as the size of the

Company and the number of Directors increases, upon which the Company will establish a separate Audit and Risk Management Committee accordingly.

#### **Recommendation 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 Chief Executive Officer and Chief Financial Officer (or equivalent) are required to state the following in writing prior to the Board approving the Company's financial statements for a financial period:

1. that in their opinion the Company's financial reports have been properly maintained and contain a true and fair view, in all material respects, of the financial condition and operating performance of the Company and comply with relevant accounting standards; and
2. that the opinion is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.

#### **Recommendation 4.3**

*A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.*

The Chief Executive Officer and Chief Financial Officer (or equivalent) shall review each periodic corporate report released to ASX that is not audited or reviewed by an external audit to verify the accuracy of those reports before they are released to ASX.

### **Principle 5: Make Timely and Balanced Disclosure**

#### **Recommendation 5.1**

*A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.*

The Board has adopted a Disclosure Policy for ensuring timely and accurate disclosure of price-sensitive information to security holders through the ASX set out in Appendix G of the Corporate Governance Policies.

The Disclosure Policy ensures that:

1. all investors have equal and timely access to material information concerning the Company including its financial position, performance, ownership and governance; and
2. Company announcements are subjected to a vetting and authorisation process designed to ensure they:
  - (a) are released in a timely manner;
  - (b) are factual and balanced;
  - (c) do not omit material information; and
  - (d) are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

#### **Recommendation 5.2**

*A listed entity should ensure that its board received copies of all material market announcements promptly after they have been made.*

Under the Company's Disclosure Policy, the Board receives copies of all material market announcements promptly after they have been made.

#### **Recommendation 5.3**

*A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.*

Under the Company's Disclosure Policy, a copy of any new and substantive investor or analyst presentation must be released to ASX ahead of the presentation.

## **Principle 6: Respect the Rights of Security Holders**

### **Recommendation 6.1**

*A listed entity should provide information about itself and its governance to investors via its website.*

The Company's website will also be used to provide the following relevant information to security holders:

1. the names, photographs and brief biographical information for each of its directors and senior executives;
2. its Constitution;
3. the Corporate Governance Policies and other Corporate Governance materials;
4. copies of its annual reports and other financial statements;
5. copies of its announcements to ASX;
6. copies of notices of meetings of security holders and any accompanying documents;
7. if it keeps them, webcasts and/or transcripts of meetings of security holders and copies of any documents tabled or otherwise made available at those meetings;
8. if it keeps them, webcasts and/or transcripts of investor or analyst presentations and copies of materials distributed at those presentations; and
9. such other information as is required by the ASX Listing Rules or recommended by the ASX Corporate Governance Council.

### **Recommendation 6.2**

*A listed entity should have an investor relations program that facilitates two-way communication with investors.*

The Company is currently not of a sufficient size and does not have sufficient human resources to implement such a program and relies on its Company Secretary to perform this role.

### **Recommendation 6.3**

*A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.*

The Company is committed to improving shareholder participation in general meetings. In order to achieve that objective, the Company has adopted guidelines of the ASX Corporate Governance Council for improving shareholder participation through the design and content of notices and through the conduct of the meeting itself.

### **Recommendation 6.4**

*A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.*

The Company shall ensure all substantive resolutions at a meeting of shareholders are decided on a poll rather than by a show of hands.

### **Recommendation 6.5**

*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 Board is committed to open and accessible communication with holders of the Company's shares. Disclosure of information and other communication will be made as appropriate by mail or email. Security holders shall be given the option to receive communication from, and send communications to, the Board and its security registry electronically.

## **Principle 7: Recognise and Manage Risk**

### **Recommendation 7.1**

*The board of a listed entity should:*

- (a) *have a committee or committees to oversee risk, each of 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 risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Company believes it is not of the size to justify having an Audit and Risk Management Committee. Accordingly, the Board will comprise the Audit and Risk Management Committee pursuant to the Audit and Risk Management Committee Charter set out at Appendix F until such time as the size of the Company and the number of Directors increases, upon which the Company will establish a separate Audit and Risk Management Committee.

The risk management review has taken place within the year.

#### **Recommendation 7.2**

*The board or a committee of the board should:*

- (a) *review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and*
- (b) *disclose, in relation to each reporting period, whether such a review has taken place.*

The Board must review the effectiveness of implementation of the risk management system at least annually.

When reviewing the risk management system, the Board should take into account the Company's legal obligations and the risk appetite set by the Board and should also consider the reasonable expectations of the Company's stakeholders, including security holders, employees, customers, suppliers, creditors, consumers and the community.

The Chief Executive Officer is required annually to state in writing to the Board that the Company has a sound system of risk management, that internal compliance and control systems are in place to ensure the implementation of Board policies, and that those systems are operating efficiently and effectively in all material respects.

#### **Recommendation 7.3**

*A listed entity should disclose:*

- (a) *if it has an internal audit function, how the function is structured and what role it 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.*

The Board believes it is not of a size to justify having an internal audit function for efficiency purposes.

The Board as a whole is ultimately responsible for establishing and reviewing the Company's policies on risk profile, oversight and management and satisfying itself that management has developed and implemented a sound system of governance, risk management and internal control.

#### **Recommendation 7.4**

*A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.*

Risk management policies and procedures shall be adopted to identify, assess and minimise material risks affecting the Company including the following categories:

1. operational;
2. environmental;
3. sustainability;
4. social;
5. compliance;
6. strategic;
7. ethical conduct;
8. reputation or brand;
9. technological;
10. product or service quality;
11. human capital;
12. financial reporting; and

13. market-related risks.

The risk management policies and procedures shall include a procedure to determine whether the Company has a material exposure to environmental or social risks and if it does, a policy to manage those risks.

#### **Principle 8: Remunerate Fairly and Responsibly**

##### **Recommendation 8.1**

*The board of a listed entity should:*

- (a) *have 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.*

The Company believes it is not of a size to justify having a Remuneration Committee.

The Company's remuneration policy is structured for the purpose of:

1. motivating executive directors and senior management to pursue the long-term growth and success of the Company; and
2. demonstrating a clear relationship between executive directors' and senior management's performance and remuneration.

The Board's responsibility is to set the level and structure of remuneration for executive directors and senior management, for the purpose of balancing the Company's competing interests of:

1. attracting and retaining executive directors and senior management; and
2. not paying excessive remuneration.

Executive directors' remuneration should be structured to reflect short and long-term performance objectives appropriate to the Company's circumstances and goals.

Executive directors' and senior management's remuneration packages should involve a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.

##### **Recommendation 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.*

Non-executive directors' remuneration should be formulated with regard to the following guidelines:

1. non-executive directors should normally be remunerated by way of fees, in the form of cash fees, superannuation contributions and non-cash benefit in lieu of fees (such as salary sacrifice into superannuation or equity);
2. the level of a non-executive director's fixed remuneration should reflect the time commitment and responsibilities of the role;
3. non-executive directors should not generally receive performance based remuneration as it may lead to bias in their decision making, and compromise their objective;
4. non-executive directors are able to receive equity based remuneration if the Board believe that the participation is in the interests of security holders but should generally not receive equity based remuneration with performance hurdles that may lead to bias in decision making and compromise objectivity; and
5. non-executive directors should not be provided with retirement benefits other than superannuation.

**Recommendation 8.3**

*A listed entity which has an equity-based remuneration scheme should:*

- (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*
- (b) disclose that policy or a summary of it.*

If the Company offers any equity-based remuneration scheme, participants will not be permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme unless specifically approved by the Board.