

# CORPORATE GOVERNANCE STATEMENT

## 1. INTRODUCTION

The Board recognises the importance of good corporate governance and establishing the accountability of the Board and management. To the extent relevant and practical, taking into account factors such as the size of the Company, the Board, resources available and activities of the Company, the Company has adopted a corporate governance framework that is consistent with the *Corporate Governance Principles and Recommendations (3<sup>rd</sup> Edition)* published by ASX Corporate Governance Council (**Recommendations**).

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

This Corporate Governance Statement has been approved by the Board and is effective as at 29 March 2018

## 2. POLICIES

*Governance Recommendation No. 6.1*

The Board has adopted the following suite of corporate governance policies which are available on Symbol Mining's website at [www.symbolmining.com.au](http://www.symbolmining.com.au) under the 'Corporate – Corporate Governance' tab.

- Board Charter
- Board Performance Evaluation Policy
- Code of Conduct
- Audit & Risk Management Committee Charter
- Remuneration & Nomination Committee Charter
- Security Trading Policy
- Diversity Policy
- Continuous Disclosure Policy
- Shareholder Communications Strategy
- Donations & Community Investments Policy
- Anti-Corruption Compliance Policy

## 3. BOARD OF DIRECTORS

### Role of the Board

*Governance Recommendation No. 1.1 & 1.3*

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

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

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

- (a) the executive management of the Company's operations;
- (b) policy direction of the operations of the Company;
- (c) the efficient and effective operation of the Company; and
- (d) ensuring all material matters affecting the Company are brought to the Board's attention.

Further details on information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management) are set out in the Board Charter that can be found on the Company website.

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

## 4. COMPOSITION OF THE BOARD

### 4.1 Board structure

*Governance Recommendation No. 1.1, 1.2 & 2.4*

The Board currently comprises of 2 Executive and 2 Non-Executive Directors (including the Executive Chairman).

The composition of the Company's Board is not in line with the recommendations of the ASX Corporate Governance Council as a majority of its members are not independent Directors, as Messers Simpson and Bolitho are substantial shareholders and act in executive roles. The Company has at this stage decided to select directors with the expertise and experience to support the Company's business strategy rather than strictly adhere with this recommendation. The Company will consider ways of restructuring its Board in the future to ensure that a majority of its members are independent.

Details of the Directors in office at the date of this report, including their qualifications and experience are set out in the Directors' Report in the 2017 Annual Report.

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

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

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

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## 4.2 Director independence

### *Governance Recommendation No. 2.3*

In accordance with the Board Charter, the Board considers an independent Director to be a Non-Executive Director who is not a substantial shareholder, advisor or a member of management and who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of that Director's judgment.

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

<b>Name</b>	<b>First Appointed</b>	<b>Tenure</b>	<b>Non-Executive</b>	<b>Independent</b>
Mr A Simpson	18 December 2017	(3months)	No	No
Mr B Bolitho	18 December 2017	(3months)	No	No
Mr I McCubbing	18 December 2017	(3months)	Yes	Yes
Mr A McIntosh	30 January 2018	(2months)	Yes	Yes

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

## 4.3 The Chairman

### *Governance Recommendations No. 2.5*

On 18 December 2017, the Board appointed Mr Andrew Simpson as the Chairman. Mr Simpson is a Non-Executive Director, but has taken on an interim executive role until the commencement of the Mr Withers as the CEO on 23 April 2018. As Chairman, Mr Simpson is responsible for leadership of the Board and for the efficient organisation, integrity, engagement and conduct of the Board.

Mr Simpson is a substantial shareholder and is a currently an executive director and accordingly, the Company has departed from Recommendation 2.5 that recommends that the Chairman be an independent director. In order to ensure appropriate corporate governance processes in this area the Board appoints an independent director to preside over meetings in the event of any or any perceived conflict of interest.

## 4.4 The Chief Executive Officer

### *Governance Recommendation No. 2.5*

On 29 January 2018, the Board appointed Mr Tim Wither as the Chief Executive Officer. Mr Wither's appointment will commence on 23 April 2018 and in the interim the Board has appointed Mr Barry Bolitho to act as the Executive Technical Director and Interim CEO.

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

The roles of Chairman, Interim CEO and CEO are not exercised by the same individual.

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## 4.5 The Company Secretary

*Governance Recommendation No. 1.4*

On 18 December 2017, the Board appointed Mr Patrick McCole as the Company Secretary. The Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

## 4.6 Performance evaluation

*Governance Recommendation No. 1.6 & 1.7*

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

Each year the Board intends to undertake the following activities:

- (a) the Chairperson will meet with each non-executive director separately to discuss individual performance and ideas for improvement;
- (b) each individual Directors performance is appraised in a meeting that is led by the Chairman that is held with another Director. In a meeting led by the Managing Director and held with another Directors, the Chairman's performance is assessed; and
- (c) the Board as a whole will discuss and analyse its own performance during the year including suggestions for change or improvement.

While the Board intends to undertake performance evaluations during 2018, no performance evaluations were conducted during the reporting period.

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

It is the intention of the Board and the Remuneration & Nomination Committee to put into place arrangements to introduce annual performance appraisals of each senior executive against pre-determined Key Performance Indicators as part of the annual review to better monitor and assess the performance of the Company's executives

No formal reviews of executive performance were conducted on individual executive officer's performance during the year.

## 5. Board Committees

### 5.1 Audit & Risk Management Committee

*Governance Recommendations No. 4.1 & 7.1*

During the reporting period the Audit & Risk Management Committee function was fulfilled by the full Board. Subsequent to the end of the period, on 29 January 2018, the Audit & Risk Management Committee (ARC) was constituted and the following members were elected, so that it consisted of 3 directors, with a majority of independent directors and that is not chaired by the Chairman of the Board:

- Mr Ian McCubbing (Chairman) (appointed 29 January 2018);

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- Mr Anthony McIntosh (appointed 30 January 2018); and
- Mr Barry Bolitho (appointed 29 January 2018)

Mr Bilotho is an executive director and not considered to be an independent director which is a departure from Recommendation 4.1(a)(1). The Board is of the view that given the number of independent directors on the Board and in light of the charter and functions of the ARC, it was considered appropriate to appoint Mr Bolitho to be a member of the ARC.

Details of the Directors including their qualifications and experience are set out in the Directors' Report in the 2017 Annual Report.

The Managing Director, Chief Financial Officer, Company Secretary and external auditors are normally invited to attend each Audit & Risk Management Committee meeting.

Under the Audit Limb of its charter, the Audit & Risk Management Committee assists the Board to discharge its responsibilities in the areas of:

- financial reporting;
- related party transactions;
- external audit;
- internal controls & oversight of risk management; and
- adequacy and effectiveness of the Company's administrative, operating and accounting policies.

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

Additionally, on an annual basis, the Audit & Risk Management Committee will review the appointment of the external auditor. Any rotation requirement of the lead audit partner will occur in accordance with the appropriate legislation and regulations. The Company does not have a formal policy on the selection, appointment and rotation of the external auditor as the Board is of the view that, given the size and the affairs of the Company, and the length of tenure of the auditor, a formal policy is not warranted.

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

The Audit & Risk Management Committee Charter can be found on the Company's website.

## **5.2 Remuneration and Nomination Committee**

### *Governance Recommendations No. 2.1 & 8.1*

During the reporting period the Remuneration and Nomination Committee function was fulfilled by the full Board. Subsequent to the end of the reporting period, on 29 January 2018, the Remuneration & Nomination Committee (RNC) was constituted and elected the following Directors as member of the Committee:

- Mr Andrew Simpson (Chairman) (appointed 29 January 2018);
- Mr Barry Bolitho (appointed 29 January 2018); and
- Mr Anthony McIntosh (appointed 28 February 2018)

Mr Simpson is an executive director who is not considered independent which, as the Chairman of the Committee is a departure from Governance Recommendations 2.1 and 8.1 however the Board is of

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the view that Mr Simpson's knowledge, skills and experience make him a suitably qualified and appropriate member and Chairman of the Committee.

Mr Bolitho is also not considered to be an independent director of the Company and therefore the RNC was not comprised of a majority of independent directors, which is a departure from Governance Recommendations 2.1 and 8.1. The Board is of the view that given the number of independent directors on the Board and in light of the charter and functions of the RNC, it was considered appropriate to appoint Mr Simpson and Mr Bolitho as members of the RNC.

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

- Develop and regularly review a policy on Board structure;
- Develop criteria for Board membership;
- Identify and screen specific candidates for nomination;
- Ensure there is an appropriate induction and orientation program in place;
- Make recommendations to the Board for Committee membership;
- Ensure there is an appropriate Board succession plan in place;
- Ensure the regular review of performance of the Board and its members;
- Develop with Directors an appropriate training and development program;
- Oversee management's succession planning including the Managing Director and his or her direct reports;
- Assist the Chairman in advising Directors about their performance and possible retirement; and
- Review the policy in respect of tenure, remuneration and retirement of Directors.

Further information regarding the Remuneration functions of this Committee is dealt with in item 12 below.

The Remuneration and Nomination Committee Charter can be found on the Company's website.

## 5.3 Committee Memberships

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

There were no Committee Members during the reporting period. Subsequent to the end of the reporting period, the Committee Members are:

Name	ARC	RNC
Mr A Simpson		X
Mr B Bolitho	X	X
Mr I McCubbing	X	
Mr A McIntosh	X	

No committees meeting were held during the reporting period, as the functions were performed by the full Board. Subsequent to the end of the reporting period, one ARC meeting was held on 29 March 2018 at which all 3 members, Messer's McCubbing, McIntosh and Bolitho were present by teleconference for the meeting.

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## 6. ETHICAL AND RESPONSIBLE DECISION MAKING

### 6.1 Code of Conduct

*Governance Recommendation No. 3.1*

The Board has adopted a Code of Conduct that deals with:

- obligations and discharge of duties under legislation;
- relationships and personal behaviour;
- compliance with laws and ethics;
- conflicts of interest;
- related party transactions;
- confidentiality;
- use of company assets;
- competition; and
- environment, Health and Safety.

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

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

The Code of Conduct can be found on the Company's website.

### 6.2 Policy on share trading

*Governance Recommendation No. 8.3*

The Board has adopted a Share Trading Policy that prohibits directors, officers and employees from dealing in the Company's shares when they possess price sensitive information. In addition to the general prohibition to security trading, Directors, employees and contractors are prohibited from trading, except in exceptional circumstance, in the period commencing on the fifteenth (15th) day of the month in which the Company is required to release its Quarterly Activities Report and Quarterly Cashflow Report to the Australian Securities Exchange (ASX) (Quarterly Reports) in accordance with the ASX Listing Rules, and ending on the close of the day following the date of release of the Quarterly Reports (Blackout Periods). Any person who, due to exceptional circumstances needs to trade during any Blackout Period, must seek the Chairman's written consent and must not possess price sensitive information before trading in Securities.

The Company policy also prohibits equity based incentive (option or performance rights) holders from hedging their options prior to their vesting. The hedging of options that have vested is permitted provided that such transactions occur outside the Blackout Periods.

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

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

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## 7. TIMELY AND BALANCED DISCLOSURE

*Governance Recommendation No. 5.1*

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

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

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

*Governance Recommendations No. 4.3, 6.1, 6.2, 6.3 & 6.4*

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

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

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategies and goals. The Company also invites the external auditor to attend its Annual General Meeting to be available to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.

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

## 9. INTERNAL CONTROL AND RISK MANAGEMENT

*Governance Recommendations No. 7.1, 7.2 & 7.3*

During the reporting period, the Company adopted risk management policy as part of the Risk Limb of the Audit & Risk Management Committee Charter that can be found on the Company's website.

During the reporting period, risk management was fulfilled by the full Board. Subsequent to the end of the period, the Audit & Risk Management Committee has been allocated responsibility for overseeing the risk management process. Under the risk management policy:

- (a) The Audit and Risk Management Committee is responsible for the oversight of the Company's risk management and control framework;

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- (b) Management is responsible for efficient and effective risk management across the activities of the group. This will include ensuring the implementation of policies and procedures that address risk identification, controls, training and reporting.
- (c) The Interim CEO will be responsible for ensuring the process for managing risks is integrated within divisional business planning and management activities.

The Company intends to review and develop the overall policy framework and a risk management model is to be developed to comply with the Standards Australia Risk Management Standard (AS/NZS ISO 31000:2009) to provide a framework for systematically understanding and identifying the types of business risks of the Company as a whole, or specific business activities within the Company.

The Board has overall responsibility for the Company's internal control system, and ensures that the Company has an integrated framework of control, based on formal reporting procedures and appropriate delegation of financial and other authorities.

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

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

## 10. INTEGRITY IN FINANCIAL REPORTING

### *Governance Recommendation No. 4.2*

Before the Board approves the entity's financial statements for a financial period, the Board requires the Managing Director/CEO and CFO to state in writing that, in respect to the section 295A declaration, it is in their opinion that:

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

In a departure from Recommendation 4.2, Management has not formally reported to the Board as to the effectiveness of the Company's risk management and internal control systems, to manage the Company's material risks, is operating effectively and is being managed effectively in all material respects because the risk management system is still under review and development. The Board has retained and maintained the overall responsibility for ensuring that the Company's internal control systems and the risk management framework to manage the Company's financial reporting and material risks are operating effectively and are being managed effectively in all material respects.

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## 11. CORPORATE RESPONSIBILITY

*Governance Recommendation No. 7.4*

The Company and its activities under the mining leases and exploration licences granted to the Group pursuant to the Nigerian Minerals and Mining Act 2017 are subject to various conditions which include environmental requirements that are monitored and overseen by the Nigerian Federal Ministry of Environment. The Company complies with all legislative and common law requirements that affect its business and operations, particularly environmental regulations, health & safety and cultural & community development laws.

### 11.1 Donations & Community Investments

The Company's objective is to maximise shareholder value. Whilst this will primarily result in the pursuit of higher profits, the Board of the Company recognises that intangible benefits are derived from the Company being perceived by the public as a good corporate citizen through the undertaking of community projects and corporate giving.

The Company has adopted a Donations & Community Investments Policy to govern all charitable and political donations and to put into place a control framework, which includes the following:

- All political donations must be reviewed and approved by the Board;
- Set appropriate funding and budget level for charitable donations and individual donation limits;
- Assess possible recipients of the Company's charitable donations, the community need and involvement and the social and political ramifications associated with potential donations.
- review on the Company's community involvement on an annual basis.

### 11.2 Anti-Corruption & Bribery

The Company is aware that due to the nature of the industry sector and the region in which the Company operates, the Company may be exposed to accusations of poor practice regarding compliance with the requirements of the Bribery Act 2010 (UK). Violations of the Bribery Act 2010 (UK) may result in criminal action being brought against the Company, its subsidiaries or any of its personnel, leading to reputational damage, possible imprisonment and fines.

The Company has adopted an Anti-Corruption Compliance Policy in accordance with the UK Bribery Act 2010 and intends to develop and adhere to the six guidance principals issued by the UK Ministry of Justice to foster an anti-bribery culture within the group and to ensure that it has appropriate procedures in place to mitigate the risk of bribery and that all employees, agents and other associated person are made fully aware of the Company's policies and procedures with regard to ethical behaviour, business conduct and transparency.

All Directors and Executive Management will be fully trained and committed to the highest ethical standards in line with the UK Anti-Bribery Code <https://www.gov.uk/anti-bribery-policy> . The Company prohibits bribery and corruption in all business dealings and has a "zero tolerance" approach to such activities.

## 12. REMUNERATION ARRANGEMENTS

*Governance Recommendation No. 8.2*

The Company's remuneration policy is to:

- Provide reasonable and not excessive compensation to employees for the services they provide to the Company;

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- Attract and retain employees with the skills required to effectively manage the operations and growth of the business;
- Motivate employees to perform in the best interests of the Company and its stakeholders;
- Provide an appropriate level of transparency and meet all ASX and ASIC requirements; and
- Ensure a level of equity and consistency across the Company.

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

- Assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and policies including incentive policies for Directors and senior executives;
- assess the market to ensure that senior executives are being rewarded commensurate with their responsibilities;
- obtain the best possible advice in establishing salary levels;
- set policies for senior executives' remuneration;
- review the salary levels of senior executives and make recommendations to the Board on any proposed increases;
- propose, for full Board approval, the terms and conditions of employment for the CEO;
- review the Company's recruitment, retention and termination policies and procedures for senior management;
- review and make recommendations to the Board on the Company's incentive schemes; and
- review and make recommendations to the Board on the Company's superannuation arrangements.

## 12.1 Non-Executive Directors

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

The aggregate amount payable to the Company's Non-Executive Directors must not exceed the maximum annual amount as may be approved by the Company's shareholders which is presently \$500,000 per annum (pursuant to the Company's prospectus dated 12 March 2013).

## 12.2 Executive Directors

Subsequent to the end of the Period, the Board approved the appointment of Mr Simpson as Executive Chairman and Mr Bolitho as Executive Technical Director and Interim CEO until the commencement of Mr Wither as the Company's newly appointed CEO. The Board is of the view, after obtaining the independent remuneration advice, the remuneration was reasonable and appropriate in the circumstances.

Details of remuneration paid to Directors is outlined in the Directors' Report in the 2017 Annual Report.

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## 12.3 Chief Executive Officer and Senior Executives

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

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

### (i) Fixed Remuneration

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

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

A review of fixed remuneration is to be conducted on an annual basis by conducting an analysis of market surveys supported by data information gathered from a number of sources. Any increases in fixed remuneration will be based on market movements, Company performance (including ability to pay) and individual performance.

### (ii) Performance Based (at Risk) Remuneration

Senior employees may be entitled to performance based remuneration which will be paid to reward superior (as opposed to satisfactory) performance.

Performance based remuneration will initially be calculated against predetermined and challenging targets, but the outcomes of the formula calculation will be capped as a percentage of the relevant executive's package, and reviewed by the Board to guard against anomalous or unequitable outcomes.

Performance based remuneration can comprise both short term (usually annual) and long term (3 year) incentives.

#### (a) Short Term Incentives

Short term incentive plans will be based on meeting both Company and individual objectives against pre-determined Key Performance Indicators (KPI's), comprising both financial and non-financial indicators, but the outcomes of the formula calculation will be capped and reviewed by the Board to guard against anomalous or unequitable outcomes, and the ultimate decision on any payment will be at the Board's discretion.

Short term incentives will be offered to the CEO, and senior executives when they support and are consistent with the Company's long term goals.

The Board has introduced a Short Term Incentive Plan (STIP) for the 2018 financial year in which the CEO, CFO and GM Legal & Commercial will be entitled to receive up to 50% of base salary upon meeting both Company and individual objectives against pre-determined Key Performance Indicators (KPI's), comprising both financial and non-financial indicators and the ultimate decision on any payment will be at the Board's discretion.

The decision to offer short term incentives will be re-considered on an annual basis.

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## (b) Long Term Incentives

Long term incentives may be provided to certain senior executives to reward creation of shareholder value, and provide incentives to create further value.

The Company intends to implement a Long Term Incentive Plan (LTIP). The Board is of the opinion that the most significant value that can be created for shareholders will occur by way of transition from exploration into mining operations to realise the opportunities from the current robust market conditions. As a result, the long term incentives will focus on the following long term objectives and aspirations of the Company:

- Transition into mining and achieve a consistent annualize production rate within forecast budget, with no major or material OSH and environmental incidents
- The Company is operating profitably and by developing a reputable and market accepted Zinc product (and develop 3 customers);
- Explore, develop and maintain sufficient resources and minable inventory to maintain production for 3 years, either by exploration success or through the achievement of a successful project acquisition; and
- Achieving total shareholder return (TSR) of greater than 25%.

LTI performance will be measured annually and subject to the achievement of the performance hurdles will vest on a pro-rata basis each year over a 3 year period.

## 13. EXPLANATION FOR DEPARTURES FROM BEST PRACTICE RECOMMENDATIONS

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

No.	Recommendation	Explanation for non-compliance
<b>1.</b>	<b>Lay a solid foundation for management and oversight</b>	
1.5	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 policy and its progress towards achieving them, and either: (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"	The Board has adopted a Diversity Policy that seeks to promote a range of Diversity initiatives including, but is not limited to, gender, age, ethnicity and cultural background throughout the Company.  However, during the period Board did not consider it appropriate to set quantitative objectives regarding gender diversity at this time. As the Company and operations grow, the Board will give consideration to the setting of such objectives and their achievement through the appointment of appropriate candidates to the Board and senior executive positions as they become available.

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No.	Recommendation	Explanation for non-compliance
	<p>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>	
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Board has a Board Performance Evaluation Policy to review and assess the performance of the Board and each of its Committees.</p> <p>However, as the Board was restructured on 18 December 2018, the Board did not conduct any performance review during the Period.</p> <p>Board intends to undertake an annual performance going forward.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>No formal reviews of executive performance were conducted on individual executive officer’s performance during the year.</p> <p>However, it is the intention of the Board and the Remuneration &amp; Nomination Committee to put into place arrangements to introduce annual performance appraisals of each individual against pre-determined Key Performance Indicators as part of the annual review to better monitor and assess the performance of the Company’s executives.</p>
<h2>2. Structure the Board to add value</h2>		
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 director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p>	<p>During the reporting period, the Company did not have a separate Nomination Committee. The roles and responsibilities of a nomination committee were undertaken by the Board as separate agenda items and in accordance with the Company’s Remuneration and Nomination Committee Charter.</p> <p>The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed at <a href="http://www.symbolmining.com.au">www.symbolmining.com.au</a>.</p> <p>Subsequent to the end of the reporting period, the following directors were elected members of the Remuneration &amp; Nomination Committee (RNC):</p> <ul style="list-style-type: none"> <li>• Mr Andrew Simpson (Chairman) (appointed 29 January 2018);</li> <li>• Mr Barry Bolitho (appointed 29 January 2018); and</li> <li>• Mr Anthony McIntosh (appointed 28 February 2018)</li> </ul> <p>Mr Simpson is an executive director who is not considered independent which, as the Chairman of</p>

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No.	Recommendation	Explanation for non-compliance
	responsibilities effectively	<p>the Committee is a departure from Governance Recommendation 2.1. However, the Board is of the view that Mr Simpson's knowledge, skills and experience make him a suitably qualified and appropriate member and Chairman of the Committee.</p> <p>Mr Bolitho is not considered to be an Independent director of the Company and therefore the RNC was not comprised of a majority of independent directors which is a departure from Governance Recommendation 2.1.</p> <p>The Board is of the view that given the number of independent directors on the Board and in light of the charter and functions of the RNC, it was considered appropriate to appoint Mr Simpson and Mr Bolitho as members of the RNC.</p>
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.	<p>The Company does not have and does not disclose a formal board skill matrix setting out the mix of skills and diversity for the Board composition. The Board does not consider it appropriate to develop or publish the skill matrix at this time, but will consider the need as the Company evolves. In accordance with the Board Charter, the Board, reviews each director candidate prior to the appointment to ensure that each director brings characteristics to provide a Board composition with an appropriate mix of qualifications, skills and experience.</p> <p>Additionally, The Board has constituted the Remuneration and Nomination Committee that will assist the Board with the review and assessment of the Board composition in accordance with Remuneration and Nomination Committee Charter.</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>During the reporting period the Company departed from Recommendation 2.4 that recommends that a majority of the Board be independent Directors as the Board was of the view that, given the state of affairs of the Company, the Board was constituted with the appropriate range of skills, knowledge and experience necessary to effectively govern the Company and understand the commodity and economic sectors in which the Company operates.</p>
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.	<p>The Company has departed from Recommendation 2.5 that recommends that the Chairman be an independent director. In order to ensure appropriate corporate governance processes in this area the Board appoints an Independent Director to preside over meetings in the event of any, or any perceived conflict of interest.</p> <p>The Chairman and the CEO of the Company is not the one and same person.</p>

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No.	Recommendation	Explanation for non-compliance
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively	To ensure the prudent financial management of the Company finances, the Company does not have a separate induction process for directors at this time and does not provide professional development opportunities for directors or executive officers of the Company.
<b>4.</b>	<b>Safeguard integrity in financial reporting</b>	
4.1	The board of a listed entity should: (a) have an audit committee which: (i) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (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 (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 financial reporting, including the processes for the appointment and removal of the external Auditor and the rotation of the Audit engagement partner.	<p>During the reporting period, the Company did not have a separate Audit Committee. The roles and responsibilities of an audit committee were undertaken by the full Board as separate agenda items and in accordance with the Company's Audit &amp; Risk Management Committee Charter.</p> <p>The Board has adopted an Audit &amp; Risk Management Committee Charter which describes the role, composition, functions and responsibilities of an Audit Committee and is disclosed at <a href="http://www.symbolmining.com.au">www.symbolmining.com.au</a>.</p> <p>Subsequent to the end of the reporting period, the following directors were elected members of the Audit &amp; Risk Management Committee (ARC):</p> <ul style="list-style-type: none"><li>• Mr Ian McCubbing (Chairman) (appointed 29 January 2018);</li><li>• Mr Anthony McIntosh (appointed 30 January 2018); and</li><li>• Mr Barry Bolitho (appointed 29 January 2018)</li></ul> <p>The ARC has 3 members, with a majority of independent directors and is not chaired by the Chairman of the Board.</p> <p>However, Mr Bolitho is an executive director and not considered to be an Independent director which is a departure from Recommendation 4.1(a)(1). The Board is of the view that given the number of independent directors on the Board and in light of the charter and functions of the ARC, it was considered appropriate to appoint Mr Bolitho to be a member of the ARC.</p>

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No.	Recommendation	Explanation for non-compliance
4.2	<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>In a departure from Recommendation 4.2, Management has not formally reported to the Board as to the effectiveness of the Company's risk management and internal control system to manage the Company's material risks and that it is operating effectively and is being managed effectively in all material respects because the risk management system is still under review and development. The Board has maintained the overall responsibility for ensuring that the Company's internal control systems and the risk management framework to manage the Company's financial reporting and material risks are operating effectively and are being managed effectively in all material respects.</p>
<h2>7. Recognise and manage risk</h2>		
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least 3 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; and</p> <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 risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	<p>During the reporting period, the Company did not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control frameworks. The roles and responsibilities of a Risk Committee were undertaken by the Board as separate agenda items and in accordance with the Company's Audit &amp; Risk Management Committee Charter.</p> <p>The Board has adopted an Audit &amp; Risk Management Committee Charter which describes the role, composition, functions and responsibilities of the Risk Management Committee and is disclosed at <a href="http://www.symbolmining.com.au">www.symbolmining.com.au</a>.</p> <p>Subsequent to the end of the reporting period, the following directors were elected members of the Audit &amp; Risk Management Committee:</p> <ul style="list-style-type: none"> <li>• Mr Ian McCubbing (Chairman) (appointed 29 January 2018);</li> <li>• Mr Anthony McIntosh (appointed 30 January 2018); and</li> <li>• Mr Barry Bolitho (appointed 29 January 2018)</li> </ul> <p>In accordance with the recommendation, the ARC has 3 members, with a majority of independent directors and is not chaired by the Chairman of the Board.</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Board restructure was completed on 18 December 2018, and the restructured Board did not undertake a review the entity's risk management framework during the period to satisfy itself that it continues to be sound.</p> <p>However, whilst a formal annual review was not undertaken, the Board has since its appointment, on a</p>

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No.	Recommendation	Explanation for non-compliance
		<p>continuous and ongoing basis assessed the inherent risks associated with or related to the Company's business activities and has implemented procedures and practices to ensure that these risks are mitigated and are continuously monitored, reviewed and reported to the Board for evaluation to ensure that the all material risks of the business are being appropriately controlled and or mitigated.</p>
7.3	<p>A listed entity should disclose:</p> <p>(c) if it has an internal Audit function, how the function is structured and what role it performs; or</p> <p>(d) if it does not have an internal Audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>The Company does not have, and does not intend to establish, an internal audit function.</p> <p>To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on procedures and reporting and the ongoing communication and discussion on the management and monitoring of material business risks in accordance with the Oversight of the Risk Management Framework as outlined in the Audit and Risk Management Committee Charter.</p>
<h2>8. Remunerate fairly and responsibly</h2>		
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least 3 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; and</p> <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 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.</p>	<p>During the period, the Company did not have a separate remuneration committee. The roles and responsibilities of a remuneration committee were undertaken by the Board as separate agenda items in accordance with the Remuneration and Nomination Committee Charter.</p> <p>The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed at <a href="http://www.symbolmining.com.au">www.symbolmining.com.au</a>.</p> <p>Subsequent to the end of the reporting period, the following directors were elected members of the Remuneration &amp; Nomination Committee (RNC):</p> <ul style="list-style-type: none"> <li>• Mr Andrew Simpson (Chairman) (appointed 29 January 2018);</li> <li>• Mr Barry Bolitho (appointed 29 January 2018); and</li> <li>• Mr Anthony McIntosh (appointed 28 February 2018).</li> </ul> <p>Mr Simpson is an executive director who is not considered independent which, as the Chairman of the Committee is a departure from Governance Recommendation 8.1 however the Board is of the view that Mr Simpson's knowledge, skills and experience make him a suitably qualified and appropriate member and Chairman of the Committee.</p> <p>Mr Bolitho is not considered to be an Independent director of the Company and therefore the RNC was</p>

# CORPORATE GOVERNANCE STATEMENT

No.	Recommendation	Explanation for non-compliance
		<p data-bbox="852 327 1418 412">not comprised of a majority of independent directors which is a departure from Governance Recommendations 8.1.</p> <p data-bbox="852 439 1430 577">The Board is of the view that given the number of independent directors on the Board and in light of the charter and functions of the RNC, it was considered appropriate to appoint Mr Simpson and Mr Bolitho as members of the RNC.</p>

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