

CENTREX METALS LIMITED

ABN 97 096 298 752

2020 CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement discloses the extent to which Centrex Metals Limited ("Company") follows the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (4th Edition) (Recommendations). This Corporate Governance Statement should be read in conjunction with the 2020 Annual Report which is available at www.centrexmetals.com.au.

Recommendations	Comply	Explanation
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should disclose: <ul style="list-style-type: none">(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.	Yes	The Company has a Board Charter that sets out the specific roles and responsibilities of the Board, the Chairman, Company Secretary and management and includes a description of those matters expressly reserved to the Board and those delegated to management. A copy of the Company's Board Charter is available on the Company's website. See www.centrexmetals.com.au/governance .
Recommendation 1.2 A listed entity should: <ul style="list-style-type: none">(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.	Yes	The Company has guidelines for the appointment and selection of members of the Board, as documented in the Director Selection & Appointment Process, which is available on the Company's website at www.centrexmetals.com.au/governance . This policy requires that appropriate checks of director candidates are required before their appointment, or putting them forward to security holders for election. The policy confirms that shareholders will be provided with relevant information to consider a candidate for election. The Company's Remuneration and Nomination Committee Charter (see www.centrexmetals.com.au/governance) outlines the Committee's role in oversight of selection and appointment practices for non-executive directors.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company has written agreements with each of its Directors and senior executives.

[illegible]

Recommendations	Comply	Explanation
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	Yes	<p>The Company's Remuneration and Nomination Committee is responsible for establishing processes for the review of the performance of the Board, its committees and individual Directors and for ensuring that the review is undertaken at appropriate times in accordance with the established processes. The Board Charter specifies the Chairman's and individual directors' roles in the Board and director performance evaluation process. The approach to performance evaluations of individual directors, the board and senior executives is also documented in the Performance Evaluation Process.</p> <p>Copies of the Board Charter, Remuneration and Nomination Committee Charter and the Performance Evaluation Process are available at www.centrexmetals.com.au/governance.</p> <p>A Board performance evaluation was undertaken during FY2020</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	Yes	<p>The Company's Remuneration and Nomination Committee is responsible for establishing processes for the review of the performance of the Chief Executive Officer ("CEO") and for reviewing the performance targets of senior executives. The approach to performance evaluations senior executives is also documented in the Performance Evaluation Process. The Remuneration and Nomination Committee Charter and the Performance Evaluation Process are both available at www.centrexmetals.com.au/governance.</p> <p>Key Performance Indicators ("KPIs") were set by the Board in the reporting period for the outgoing Managing Director and incoming CEO, who commenced in April 2020. The Remuneration Report section of the Directors' Report forming part of the 2020 financial statements provides further details of KPIs and performance assessments linked to remuneration in the reporting period. A copy is available at www.centrexmetals.com.au/reports-annual.</p>

Recommendations	Comply	Explanation														
Principle 2: Structure the Board to be effective add value																
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>a. has at least three members, a majority of whom are independent directors; and</p> <p>b. is chaired by an independent director,</p> <p>and disclose:</p> <p>c. the charter of the committee;</p> <p>d. the members of the committee; and</p> <p>e. 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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	Yes	<p>The Company's Remuneration and Nomination Committee has three members, the majority of whom are independent Directors. The Committee is chaired by an independent Director.</p> <p>The Remuneration and Nomination Committee membership is as follows:</p> <table><tr><td>Dr John Parker, Chairman</td><td>Independent non-executive director</td></tr><tr><td>Mr Peter Cox</td><td>Independent non-executive director</td></tr><tr><td>Mr Graham Chrisp</td><td>Executive Director</td></tr></table> <p>Details of the number of meetings and individual attendances are included in the Directors' Report in the 2020 annual financial report</p> <p>The Remuneration and Nomination Committee Charter is available at www.centrexmetals.com.au/governance.</p>	Dr John Parker, Chairman	Independent non-executive director	Mr Peter Cox	Independent non-executive director	Mr Graham Chrisp	Executive Director								
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<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	Yes	<p>Each year, the Board undertakes a review of the skills of existing directors in order to assess the appropriate balance of skills, experience, independence and knowledge necessary for the Board to discharge its duties and responsibilities effectively. The matrix includes the following skills:</p> <table><tr><td>Leadership</td><td>Communication</td></tr><tr><td>Public company experience</td><td>Interpersonal Skills</td></tr><tr><td>Strategy</td><td>Engineering</td></tr><tr><td>Mining</td><td>Processing</td></tr><tr><td>Logistics</td><td>Finance</td></tr><tr><td>Information Systems</td><td>Legal</td></tr><tr><td>Accounting</td><td></td></tr></table>	Leadership	Communication	Public company experience	Interpersonal Skills	Strategy	Engineering	Mining	Processing	Logistics	Finance	Information Systems	Legal	Accounting	
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Recommendation 2.3 A listed entity should disclose: <ul style="list-style-type: none"> (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director 	Yes	Details of the independence status of Directors and their length of service are included in the Directors' Report in the 2020 Annual Report (see www.centrexmetals.com.au/reports-annual/).
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	Yes	The Company's Board Charter requires that the Board must consist of a majority of non-executive directors who satisfy the criteria for independence adopted by the Board. Those independence criteria are also documented in the Board Charter, available at www.centrexmetals.com.au/governance . During FY2020, the Board comprised a majority of independent non-executive 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.	No	The Chairman, Mr Graham Chrisp, is not an independent Director nor is he non-executive, being the Executive Chairman, and the Company does not have a separate CEO. The Company is small and cognoscent of the need to conserve funds and Mr Chrisp has the experience and knowledge to assist the Company through difficult financial times. Accordingly, the Company has elected to put this recommendation to one side for the time being.
Recommendation 2.6 A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively	Yes	The Board Charter outlines the induction process for new directors and the provision of ongoing professional development opportunities to enhance directors' skills and knowledge. The Board Charter is available at www.centrexmetals.com.au/governance .
Principle 3: Instil a culture of acting lawfully, ethically and responsibly		
Recommendation 3.1 A listed entity should articulate and disclose its values.	Yes	The Company's values are disclosed in its Corporate Code of Conduct which is available on the Company's website at www.centrexmetals.com.au/governance .

Recommendations	Comply	Explanation
Recommendation 3.2 A listed entity should: <ul style="list-style-type: none"> (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. 	Yes	<p>The Company has a Corporate Code of Conduct that applies to its Directors, officers and employees.</p> <p>The Company's Corporate Code of Conduct is available on the Company's website at www.centrexmetals.com.au/governance.</p>
Recommendation 3.3 A listed entity should: <ul style="list-style-type: none"> (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. 	Yes	<p>The Company has an established whistleblower policy which is available on the Company's website at www.centrexmetals.com.au/governance.</p>
Recommendation 3.4 A listed entity should: <ul style="list-style-type: none"> (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy. 	Yes	<p>The Company has an established anti-bribery and corruption policy which is available on the Company's website at www.centrexmetals.com.au/governance.</p>

Recommendations	Comply	Explanation						
Principle 4: Safeguard the integrity of financial reports								
<p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>a. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>b. is chaired by an independent director, who is not the chair of the board</p> <p>and disclose:</p> <p>c. the charter of the committee;</p> <p>d. the relevant qualifications and experience of the members of the committee; and</p> <p>e. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Partial	<p>The Company's Audit and Risk Committee has three members, the majority (not all) of whom are independent, non-executive Directors, as the Company has only three Directors. The Committee is chaired by an independent Director who is not the Chairman of the Board.</p> <p>The Audit & Risk Committee membership is as follows:</p> <table><tr><td>Mr Peter Cox, Chairman</td><td>Independent non-executive director</td></tr><tr><td>Dr John Parker</td><td>Independent non-executive director</td></tr><tr><td>Mr Graham Chrisp</td><td>Executive Director</td></tr></table> <p>Details of the number of meetings and individual attendances are included in the Directors' Report in the 2020 annual financial report</p> <p>The Audit and Risk Committee Charter is available at www.centrexmetals.com.au/governance.</p> <p>Qualifications and experience of Committee members are included in the Directors' Report in the Company's 2020 Annual Report, available at www.centrexmetals.com.au/reports-annual/.</p>	Mr Peter Cox, Chairman	Independent non-executive director	Dr John Parker	Independent non-executive director	Mr Graham Chrisp	Executive Director
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Dr John Parker	Independent non-executive director							
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<p>Recommendation 4.2</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 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>	Yes	<p>The Company's Audit and Risk Committee, in accordance with its Charter, is responsible for ensuring that, before the Board approves the Company's interim and annual financial reports. The Company receives from its Executive Chairman and Finance Manager, in lieu of CEO and CFO, a declaration that the financial records of the Company 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>						

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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.	Yes	The Company's Communication with Shareholders policy specifies that the external auditor will be requested to attend the AGM and answer shareholders' questions. The external auditor attended the Company's most recent AGM.
Principle 5: Make timely and balance disclosure		
Recommendation 5.1 A listed entity should have an disclose a written policy for complying with its continuous disclosure obligations under listing Rules 3.1.	Yes	The Company has a Continuous Disclosure Policy which details the processes and procedures which have been adopted by the Company to ensure that it complies with its continuous disclosure obligations as required under the ASX Listing Rules. The Continuous Disclosure Policy is available on the Company's website at www.centrexmetals.com.au/governance .
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	The Board has in place procedures to ensure that all Board receive copies of 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.	Yes	The Board has in place procedures to ensure that it releases any new or substantive investor or analyst presentations on the ASX Market Announcements Platform ahead of any such 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.	Yes	Shareholders can access information about the Company and its governance from the Company's website at www.centrexmetals.com.au .
Recommendation 6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors	Yes	The Company has adopted a Communications with Shareholders policy which aims to promote and facilitate effective two-way communication with investors. The policy outlines a range of ways in which information is communicated to shareholders and shareholders can ask questions A copy of the Company's Communications with Shareholders policy is available at www.centrexmetals.com.au/governance .

Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	The Communications with Shareholders Policy available at www.centrexmetals.com.au/governance confirms the Company's position that shareholders are actively encouraged to participate at all general meetings of the Company or, if unavailable to attend, to communicate issues or ask questions by writing to the Company. The Notice of Meeting for the most recent AGM encouraged shareholders to appoint a proxy if they were unable to attend a meeting in person. At each AGM the Chairman provides an appropriate opportunity for shareholders to ask questions and make comments.						
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.	Yes	The Company has adopted the policy that all substantive resolutions at a meeting of security holders are decided by 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.	Partial	The Company encourages security holders to receive communications from, and send communications to, the Company and its security registry electronically. The Board is in the process of reviewing its Communications with Shareholders Policy to enhance its electronic communication with security holders.						
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: a. has at least three members, a majority of whom are independent directors; and b. is chaired by an independent director, and disclose: c. the charter of the committee; d. the members of the committee; and e. 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 process it employs for overseeing the entity's risk management framework.	Yes	<p>The Company's Audit and Risk Committee has three members, the majority (not all) of whom are independent, non-executive Directors, as the Company has only three Directors. The Committee is chaired by an independent Director who is not the Chairman of the Board.</p> <p>The Audit & Risk Committee membership is as follows:</p> <table><tr><td>Mr Peter Cox, Chairman</td><td>Independent non-executive director</td></tr><tr><td>Dr John Parker</td><td>Independent non-executive director</td></tr><tr><td>Mr Graham Chrisp</td><td>Executive Director</td></tr></table> <p>Details of the number of meetings and individual attendances are included in the Directors' Report in the 2020 annual financial report</p> <p>The Audit and Risk Committee Charter is available at www.centrexmetals.com.au/governance.</p> <p>Qualifications and experience of Committee members are included in the Directors' Report in the Company's 2020 Annual Report, available at www.centrexmetals.com.au/reports-annual/.</p>	Mr Peter Cox, Chairman	Independent non-executive director	Dr John Parker	Independent non-executive director	Mr Graham Chrisp	Executive Director
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Recommendations	Comply	Explanation						

<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <ul style="list-style-type: none"> (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and (b) disclose in relation to each reporting period, whether such a review has taken place. 	<p>Yes</p>	<p>The Audit and Risk Management Committee is responsible for reviewing, monitoring and reporting to the Board on the effectiveness of the Company's risk management system including processes adopted by Management to implement the Risk Management Policy approved by the Board. An annual review was undertaken during the reporting period.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> (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. 	<p>Yes</p>	<p>The Company does not currently have an internal audit function. Given the size of the Company, the Board's Audit and Risk Management Committee is responsible for adequately advising the Board on the establishment and maintenance of a framework of internal control and risk management for the Group. The Audit and Risk Management Committee Charter is available at www.centrexmetals.com.au/governance.</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Yes</p>	<p>The Company's Risk Management Policy details the Company's risk management systems which assist in identifying and managing these risks including economic, environmental and social sustainability risks as an integral part of risk management oversight and monitoring responsibilities. A Statement on Risk Factors is available at www.centrexmetals.com.au/governance.</p>

Recommendations	Comply	Explanation						
Principle 8: Remunerate fairly and responsibly								
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>a. has at least three members, a majority of whom are independent directors; and</p> <p>b. is chaired by an independent director</p> <p>and disclose:</p> <p>c. the charter of the committee;</p> <p>d. the members of the committee; and</p> <p>e. 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>	Yes	<p>The Company’s Remuneration and Nomination Committee has three members, the majority of whom are independent non-executive Directors. The Committee is chaired by an independent Director.</p> <p>The Remuneration and Nomination Committee membership is as follows:</p> <table><tr><td>Dr John Parker, Chairman</td><td>Independent non-executive director</td></tr><tr><td>Mr Peter Cox</td><td>Independent non-executive director</td></tr><tr><td>Mr Graham Chrisp</td><td>Executive Director</td></tr></table> <p>Details of the number of meetings and individual attendances are included in the Directors’ Report in the 2020 annual financial report</p> <p>The Remuneration and Nomination Committee Charter is available at www.centrexmetals.com.au/governance.</p>	Dr John Parker, Chairman	Independent non-executive director	Mr Peter Cox	Independent non-executive director	Mr Graham Chrisp	Executive Director
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<p>Recommendation 8.2</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>	Yes	<p>The Company’s policies and practices regarding the remuneration of non- executive and executive directors and other senior employees are set out in its Remuneration and Nomination Committee Charter, a copy of which is available at www.centrexmetals.com.au/governance.</p> <p>Details of policies and the remuneration framework are also provided in the Remuneration Report forming part of the Directors’ Report in the 2020 Annual Report, also available at www.centrexmetals.com.au/annual-report/</p>						
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>The Company’s Share Hedging and Margin Loan Policy operates in conjunction with the Company’s Share Trading Policy. The Share Hedging and Margin Loan Policy prohibits certain conduct by executives who hold unvested securities under the Company’s Share Plans that seek to remove the price ‘risk’ attached to those securities. A copy of the policy is available at www.centrexmetals.com.au/governance.</p>						