

# Titan Minerals Limited

## Corporate Governance Statement

### Introduction

Titan Minerals Limited (“Titan” or the “Company”) and its board of Directors (the “Board”) are committed to achieving and demonstrating the highest standards of corporate governance. The Board supports the guidelines on the “ASX Corporate Governance Principles and Recommendations – Fourth Edition” established by the ASX Corporate Governance Council.

Set out below is the Company’s Corporate Governance Policy, the underlying principles of which are as follows:-

1. Lay solid foundations for management and oversight;
2. Structure the Board to add value;
3. Act ethically and responsibly
4. Safeguard integrity in corporate reporting
5. Make timely and balanced disclosure
6. Respect rights of security holders
7. Recognise and manage risk
8. Remunerate fairly and responsibly

The Company’s practices in complying with each of these principles is set out below.

### Principle 1 – Lay solid foundations for management and oversight

#### **Recommendation 1.1**

*Listed Entity should disclose:*

- (a) respective roles and responsibilities of its board and management; and*
- (b) those matters expressly reserved to the board and those delegated to management*

Please refer to Titan’s Board Charter which is available on the Company’s website. The Company’s Board Charter sets out (amongst other things):

- (a) the roles and responsibilities of the Board and of management;
- (b) the matters expressly reserved to the Board; and
- (c) the matters delegated to management.

The Board is accountable to the shareholders and investors for the overall performance of the Company and takes responsibility for monitoring the Company’s business and affairs and setting its strategic direction, establishing and overseeing the Company’s financial position.

The Board is responsible for:

- appointment of the Chairman, Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- assessing the performance of the Chief Executive Officer and other senior executives;
- driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management’s performance;

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- reviewing and ratifying systems of risk management, accounting and internal compliance and control, codes of conduct and legal compliance;
- approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- approving and monitoring the business plan, budget and the adequacy and integrity of financial and other reporting;
- approving the annual and half yearly accounts and any other significant announcements;
- approving significant changes to the organisational structure;
- approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with ASX Listing Rules);
- ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- recommending to shareholders the appointment and/or removal of the external auditor;
- meeting with the external auditor, at their request, without management being present;
- determining the size and composition of the board;
- reporting to shareholders, stakeholders and the investment community on the performance of the company; and
- approving the Company's remuneration framework.

Due to the size and scope of Titan, responsibility for the day-to-day management of the Company's business activities is handled by the Directors.

### **Recommendation 1.2**

#### *Listed Entity should*

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and*
- (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director*

Prior to the appointment of a person, or putting forward to security holders a candidate for election, as a director, the Company undertakes checks which it believes are appropriate to verify a director's character, experience, education, criminal record and bankruptcy history including for new directors:

- background and reference checking;
- requesting information in relation to the person's current and previous positions, directorships, bankruptcy history and any potential conflicts of interests.

Attached to the AGM Notice of Meeting the following information will be included for all directors up for re-election:

- Biographical details,
- Other material directorships,
- If 1st election:
  - Material adverse info,
  - Interest/position/association that may influence or impact independent judgement,
  - If board considers them independent.
- If re-election:
  - Term of office currently served,
  - If board considers them independent

### **Recommendation 1.3**

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

Each director and senior executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities.

### **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.*

Titan has appointed Company Secretary who has a direct line of reporting to the Chairman. Some of the Company Secretary's responsibilities include:-

- Advising and supporting the Chairman and the Board to manage the day to day governance framework of the Company;
- Monitoring compliance with policy and procedures;
- Assisting with Board effectiveness by monitoring whether applicable Board and committee policies, procedures and charters are followed and coordinating timely completion and distribution of Board agendas and papers;
- Ensuring business at meetings are accurately captured in minutes; and
- Helping organise and facilitate induction and professional development of directors.

The full responsibilities of the Company Secretaries are set out in the Board Charter.

### **Recommendation 1.5**

*Listed Entity should:*

- (a) have a diversity Policy which includes requirements for Board/Committee to see measurable objectives for achieving gender diversity and assess them and achieving them annually;*
- (b) disclose that policy;*
- (c) disclose at end of reporting period how objectives are being achieved via:*
  - i. respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how senior exec is defined); or*
  - ii. entity is a "relevant employer" under the Workplace Gender Equality Act, the entities most recent "Gender Equality Indicators" as defined in the Act.*

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people. As such, the Board has adopted a Workplace Diversity Policy which can be found on the Titan website. The Policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality, marital status or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

The Board reviews the Workplace Diversity Policy and the composition of the personnel for Titan annually. The board has set no measurable objectives for achieving gender diversity due to the size of the company.

At Balance date the Company had the following statistics of female employees:

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- Board & CEO: 3 men (75%), 1 woman (25%)
- Managers: 3 women (60%), 2 men (40%)
- Coordinators: 3 women (50%), 3 men (50%)
- Senior Project Geologist: 1 woman (100%), 0 men (0%)
- Project Geologists: 3 women (50%), 3 men (50%)

### **Recommendation 1.6**

*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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

A copy of the Board Performance Evaluation Process can be found in the Corporate Governance section of Titan's website. The performance of the Board is reviewed regularly by the Chairman. The Chairman conducts performance evaluations which involve an assessment of each Board member's performance against specific and measurable qualitative and quantitative performance criteria. The performance criteria against which directors are assessed is aligned with the financial and non-financial objectives of Titan.

Primarily, the review will be carried out through consultation by the Chairman and with individual Directors. Directors whose performance is consistently unsatisfactory may be asked to retire.

During the relevant period, a series of informal discussions, the Chairman reviewed each director. All directors' performances met performance criteria.

### **Recommendation 1.7**

*Listed Entity should:*

- (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.*

The performance of senior executives is reviewed by the Managing Director. The Managing Director conducts performance evaluations which involve an assessment of each senior executive's performance against specific and measurable qualitative and quantitative performance criteria. The performance criteria against which executives are assessed is aligned with the financial and non-financial objectives of Titan. Primarily, the review is out through consultation by the and Managing Director and with individual executives. Executives whose performance is consistently unsatisfactory may be asked to resign.

During the relevant period, over a series of informal discussions, the Chairman reviewed the CEO and Executive Director, with the CEO reviewing each senior executive.

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### Principle 2 – Structure the Board to add value

#### **Recommendation 2.1**

*The board of a Listed Entity should:*

*(a) Have a nomination committee which:*

- i. has at least three members, a majority of whom are independent directors; and*
- ii. is chaired by an independent director;*

*and disclose:*

- iii. the charter of the committee;*
- iv. the members of the committee; and*
- v. as at the end of each reporting period, the number of times the committee met through the period and the individual attendances of the members at those meetings; or*

*(b) If it does not have a nomination committee disclose that fact and the processes it employs to address board succession issue 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 does not comply with ASX Recommendation 2.1. Titan's Board is not of a relevant size to consider formation of a separate nomination committee to deal with the selection and appointment of new Directors or executives and as such a nomination committee has not been formed.

Nominations of new Directors or executives are considered by the full Board. If any vacancies arise on the Board or at executive level, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The full Board also assesses its balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board is confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the Company's website.

#### **Recommendation 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.*

The Company identifies the following as the main areas of skills required by the Board to successfully service the Company. The Directors have been measured to these areas in the skills matrix:

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Skills and Experience	Board representation (out of 3 Directors)
Executive and Non-Executive Experience	3
Industry experience and knowledge	3
Leadership	3
Corporate Governance and Risk Management	2
Strategic Thinking	3
Desired behavioural competencies	3
Geographic experience	2
Capital Markets experience	2
Subject matter expertise	
• Exploration	2
• Capital Management	2
• Corporate financing	2
• Risk Management	2
• Legal	2

The main areas identified are well represented by the Directors. The Board will review the skills matrix annually.

### **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, association or relationship (Factors relevant to assessing independence) but the board is of the opinion that it doesn't compromise the independence of the director, nature of the interest, position, association or relationship and an explanation as to why the board is of that opinion; and*
- (c) the length of service of each director.*

The Company recognises that independent directors are important in assuring shareholders that the Board is properly fulfilling its role and is diligent in holding senior management accountable for its performance. The Board assesses each of the directors against specific criteria to decide whether they are in a position to exercise independent judgment.

In making this assessment, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when assessing independence are whether a Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or another Company member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another Company member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or another Company member other than as a Director.

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All board members except Mr Carr, meet these criteria.

### **Recommendation 2.4**

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

The Company complies with ASX Recommendation 2.4.

### **Recommendation 2.5**

*The Chair of a 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.*

The Chairman, Mr Peter Cook is an independent director. Ms Melanie Leighton is the Company's CEO. Accordingly, the Company meets the requirements of this recommendation.

### **Recommendation 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.*

The Company has an informal program for the induction of new Directors. This induction covers all aspects of the Company's operations including the provision of information and meetings with relevant senior executives so as to ensure that new Directors are able to fulfil their responsibilities and contribute to Board discussions.

Existing Directors are encouraged to participate in appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as a Director. The Chairman of the Board of Titan assesses individual Board members skills during the performance review of each director. Any training or skill gaps identified are tabled to the Board to consider options to fill gaps identified.

## **Principle 3 – Instil a Culture of Acting Lawfully, ethically and responsibly**

### **Recommendation 3.1**

*A listed entity should articulate and disclose its values*

The Company and its subsidiary companies are committed to conducting all of its business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards.

The Company's values are set out in its Code of Conduct (which forms part of the Corporate Governance Plan) and are available on the Company's website. All employees are given appropriate training on the Company's values and senior executives will continually reference such values.

### **Recommendation 3.2**

*A Listed Entity should:*

- (a) Have 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.*

A copy of Titan's Code of Conduct can be found in the Corporate Governance section of the Company's website.

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The Board endeavours to ensure that the Directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities. The Code of Conduct sets out the principles, practices, and standards of personal behaviour the Company expects people to adopt in their daily business activities.

All Directors, officers and employees are required to comply with the Code of Conduct. Senior managers are expected to ensure that employees, contractors, consultants, agents and partners under their supervision are aware of the Company's expectations as set out in the Code of Conduct.

Any material breaches of the Code of Conduct are reported to the Board.

All Directors, officers and employees are expected to:

- comply with the law;
- act in the best interests of the Company;
- be responsible and accountable for their actions; and
- observe the ethical principles of fairness, honesty and truthfulness, including prompt disclosure of potential conflicts.

### **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's Whistleblower Protection Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Whistleblower Protection Policy are to be reported to the Board or a committee of 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's Anti-Bribery and Anti-Corruption Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Board or a committee of the Board.

## **Principle 4 – Safeguard the integrity of corporate reports**

### **Recommendation 4.1**

*A board of a Listed Entity should:*

- (a) have an audit committee which:*



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- 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 member 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 member 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.*

Given the size and scale of the Company's operations, the full Board undertakes the role of the Audit Committee. The role and responsibilities of the Audit Committee are summarised below.

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The Board sets aside time to deal with issues and responsibilities usually delegated to the Audit Committee to ensure the integrity of the financial statements of the Company and the independence of the auditor.

The Board reviews the audited annual and half-year financial statements and any reports which accompany published financial statements and recommends their approval to the members. The Board also reviews annually the appointment of the external auditor, their independence and their fees.

The Board is also responsible for establishing policies on risk oversight and management. The Company has not formed a separate Risk Management Committee due to the size and scale of its operations.

### *External Auditors*

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the notes to the financial statements in the Annual Report.

There is no indemnity provided by the Company to the auditor in respect of any potential liability to third parties.

The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and preparation and content of the audit report.

Non-audit services provided by the auditors during the year are detailed in the financial statements.

The Board continues to strive to meet the ASX Corporate Governance Principles and Recommendations or other such principles and guidance as the Board may consider appropriate from time to time, however the Board also recognises that complying with the ASX Corporate Governance Principles and Recommendation 4.1 is impractical given the size of the Company and the industry in which it operates. The board consists of five (5) members and

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therefore the Directors believe, it is sufficient for the full board to assume those responsibilities that are ordinarily assigned to an audit committee.

### **Recommendation 4.2**

*A 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, provide to the Board written certification that in all material respects:

- (a) The Company's financial statements present a true and fair view of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- (b) The statement given to the Board on the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance and controls which implements the policies adopted by the Board; and

The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

As a matter of process the Titan Board receives this certification from the CEO and CFO, or those within the entity that perform the duties of the CEO and CFO, outlining compliance with Principle 4.2 before the finalisation of any financial statements.

### **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 Company has a process whereby relevant reports are generated by the CEO and or Chief Financial Officer, reviewed by the company secretary, and approved by the Board before release on the ASX platform.

## **Principle 5 – Make timely and balanced disclosure**

### **Recommendation 5.1**

*A Listed Entity should:*

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

The Company's Corporate Governance Plan details the Company's Continuous Disclosure policy.

The Corporate Governance Plan, which incorporates the Continuous Disclosure policy, is available on the Company's website.

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### **Recommendation 5.2**

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

Under the Company's Continuous Disclosure Policy (which forms part of the Corporate Governance Plan), all members of the Board receive 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.*

All substantive investor or analyst presentations are released on the ASX Markets Announcement Platform ahead of such presentations.

## **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.*

Titan has a comprehensive website found at [www.titanminerals.com.au](http://www.titanminerals.com.au), where there are links to directors, corporate governance, charters and policies. Also included are links to all financial reports, announcements, notice of meeting's, research reports and presentations and any external media commentary made on the Company.

### **Recommendation 6.2**

*A Listed Entity should have an investor relations program to facilitate effective two-way communication with investors.*

Titan has established a Shareholder Communications Policy which underpins the investor relations program. A copy of this policy can be found on the Company's website.

The Board's policy is to seek to inform shareholders of all major developments affecting the Company by allowing investors and other financial market participants to gain a greater understanding of the entity's business, governance, financial performance and prospects.

The Company has access to investor relation experts who are able to provide advice on an as needed basis.

### **Recommendation 6.3**

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

The Company has policies and procedures that enable shareholders to receive the reports and participate in shareholder meetings by attendance or by written communication. The Board seeks to notify all shareholders so they can be fully informed for voting at the Annual General Meeting or any General Meetings that arise. Shareholders who have made an election receive a copy of the Company's Annual Report by mail; otherwise, the Annual Report is available on the Company's website.

### **Recommendation 6.4**

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*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.*

All resolutions at securityholder meetings are decided by a poll rather than 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 Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.

Shareholders queries should be referred to the Company Secretary at first instance.

## **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:*

- i. has at least three members, a majority of whom are independent directors; and*
- ii. is chaired by an independent director,*

*and disclose:*

- iii. the charter of the committee;*
- iv. the members of the committee; and*
- 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*

*(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 Board is responsible for establishing policies on risk oversight and management. The Company has not formed a separate Risk Management Committee due to the size and scale of its operations.

Details of the relevant qualifications and experience of the members of the Board and the number of times the Board met are detailed within the Annual Report. The Board is accountable for the implementation of the risk management process and is ultimately responsible for the management of risks in the business.

The Board has adopted a Risk Management Policy and associated procedures so as to formalise the process of managing material business risks of the Company. A copy of the Policy is available on the Company's website.

### **Recommendation 7.2**

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*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*
- (b) disclose, in relation to each reporting period, whether such a review has taken place.*

The Risk Management Policy requires Management to design and implement risk management processes and systems to identify and manage the Company's material business risks and report to the Board on whether those risks are being managed effectively.

The Board is briefed and involved in discussions in relation to many of the material business risks facing the Company.

The risk management framework is reviewed at least annually by the Board.

The Chief Executive Officer and the Chief Financial Officer are required to make a declaration in accordance with section 295A of the Corporations Act that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards, and to provide assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is operating 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 Company does not have a formal internal audit function. The Board monitors the need for an internal audit function having regard to the size, geographic location and complexity of the Company's operations.

The Company's Management periodically undertakes an internal review of financial systems and processes and where systems are considered to require improvement these systems are developed. The Board also considers external reviews of specific areas and monitors the implementation of system improvement

### **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.*

The Company is involved in minerals exploration and, as such, faces risks inherent to its business, including economic, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term.

One of the Company's core values is safety; it prioritises safety and health to people, the environment and community. The Company views sustainable and responsible business practices as an important long term driver

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of performance and shareholder value and is committed to transparency, fair dealing, responsible treatment of employees and partners and positive interaction with the community.

The Company has in place policies and procedures to help manage these risks. Copies of some of these policies regarding the management of specific risks are located on the Company's website.

### Principle 8 – Remunerate fairly and responsibly

#### **Recommendation 8.1**

*The board of a listed entity should:*

*(a) have a remuneration committee which:*

- i. has at least three members, a majority of whom are independent directors; and*
- ii. is chaired by an independent director,*

*and disclose:*

- iii. the charter of the committee;*
  - iv. the members of the committee; and*
  - 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*
- (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 Board has not established a separate Remuneration Committee due to the size and scale of its operations. This does not comply with Recommendation 8.1 however the Board as a whole takes responsibility for such issues and has adopted a Remuneration Policy which can be found in the Corporate Governance section of the Company's website.

The responsibilities include setting policies for senior officers remuneration, reviewing and making recommendations on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both executive and non-executive directors and undertaking reviews of the directors performance.

The board policy is to remunerate Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees for Non-Executive Directors are not linked to the performance of the consolidated entity. However, to align Directors' interests with shareholders' interests, the Directors are encouraged to hold shares in the Company.

The Company's aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company officers and Directors are remunerated to a level consistent with the size of the Company.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive compensation is separate and distinct.

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In determining remuneration, the Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for determining remuneration is stringent and full details of remuneration policies and remuneration received by directors and executives in the current period is contained in the “Remuneration Report” within the Directors’ Report of the Annual Report.

### **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.*

A copy of the Remuneration Policy can be found in the Corporate Governance section of the Company’s website.

The Company has structured the remuneration of its senior executives, where applicable, such that it comprises a fixed salary, statutory superannuation and participation in Company Incentive Plans. The Company believes that by remunerating senior executives in this manner it rewards them for performance and aligns their interests with those of shareholders and increases the Company’s performance.

Non-executive directors are paid their director fees out of the maximum aggregate amount to be approved by shareholders for non-executive director remuneration. In addition, non-executive directors may receive some additional fees related to work that is considered in excess of their director duties at rates approved by Executive Directors. Total non-executive remuneration will be disclosed in the Company annual report. The Company does not necessarily adhere to Guidelines for non-executive director remuneration for example ‘Non-executive directors should not receive options with performance hurdles’. The Company has previously issued performance rights to non-executive directors and will potentially do so in the future. The Board is of the view that performance rights, and also direct issues of shares in the Company (for both executive and non-executive directors) are a non-cash cost effective benefit for small companies such as Titan that seek to conserve cash reserves.

The Remuneration Report contained in the Annual Report outlines the Director and executive remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and the Corporations Regulations. It also provides the remuneration disclosure required by AASB 124 Related Party Disclosures.

There are no schemes for retirement benefits, other than superannuation, for Non-Executive Directors, where applicable.

### **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.*

In order to conserve cash and align staff, advisors and consultants, the Company may from time to time issue Titan shares as part of total compensation for work or services undertaken as agreed in individual agreements.

Titan has adopted a Share Trading Policy that all participants in an equity based remuneration scheme are not allowed to use derivatives which hedges against the equity position provided via the equity based remuneration

# Titan Minerals Limited

## Corporate Governance Statement

scheme. A copy of the Share Trading Policy can be found on the Corporate Governance home page on the Company's website.

### **Additional recommendations that apply only in certain cases**

#### ***Recommendation 9.1***

*A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.*

As set out in the Company's Board Charter (which forms part of the Corporate Governance Plan), should the Company have a non-English speaking Director, the Company will translate all key corporate documents for the benefit of the Director. In addition, a translator will be present for all Board and Shareholder meetings.

#### ***Recommendation 9.2***

*A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.*

The Company is an Australian incorporated entity. In any event, all Shareholder meetings will be held at a reasonable place and time for shareholders.

#### ***Recommendation 9.3***

*A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

The Company is an Australian incorporated entity and the Company's auditor has offices based in Australia. Accordingly, the Company's auditor will attend the Company's Annual General Meeting and will be available to answer questions from Shareholders in respect of the Company's audit.