

## ASX CORPORATE GOVERNANCE STATEMENT

This Corporate Governance summary discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication 'Corporate Governance Principles and Recommendations (3<sup>rd</sup> Edition)' (**Recommendations**). The Recommendations are not mandatory, however, the Recommendations that will not be followed have been identified and reasons have been provided for not following them.

The Company's Corporate Governance Plan has been posted on the Company's website at <https://www.europeanmet.com/corporate-governance/>.

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
<b><i>Principle 1: Lay solid foundations for management and oversight</i></b>		
<p><b>Recommendation 1.1</b></p> <p>A listed entity should have and disclose a charter which:</p> <p>(a) sets out the respective roles and responsibilities of the board, the chair and management; and</p> <p>(b) includes a description of those matters expressly reserved to the board and those delegated to management.</p>	Complying	<p>The Company has adopted a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter is stated in the Corporate Governance Plan which is available on the Company's website.</p>
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	Complying	<p>(a) The Company has detailed guidelines for the appointment and selection of the Board. The Company's Corporate Governance Plan requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director.</p> <p>(b) Material information relevant to any decision on whether or not to elect or re-elect a Director will be provided to security holders in the notice of meeting holding the resolution to elect or re-elect the Director.</p>
<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Complying	<p>The Company's Corporate Governance Plan requires the Board to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p>
<p><b>Recommendation 1.4</b></p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	Complying	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.</p>

<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board:</p> <p>(i) to set measurable objectives for achieving gender diversity; and</p> <p>(ii) to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.</p>	<p>Complying</p>	<p>(a) The Company has adopted a Diversity Policy.</p> <p>(i) The Diversity Policy provides a framework for the Company to achieve a list of 6 measurable objectives that encompass gender equality.</p> <p>(ii) The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The company is responsible for implementing, monitoring and reporting on the measurable objectives.</p> <p>(b) The Diversity Policy is stated in Schedule 13 of the Corporate Governance Plan which is available on the company website.</p> <p>(c)</p> <p>(i) The measurable objectives set by the Board will be included in the annual key performance indicators for the CEO, MD and senior executives. In addition, the Board will review progress against the objectives in its annual performance assessment.</p> <p>(ii) The Company currently has no employees and utilizes external consultants and contractors as and when required.</p> <p>The Board will review this position on an annual basis and will implement measurable objectives as and when they deem the Company to require them.</p>
<p><b>Recommendation 1.6</b></p> <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>Complying</p>	<p>(a) The Board is responsible for evaluating the performance of the Board and individual directors on an annual basis. It may do so with the aid of an independent advisor. The Performance Evaluation Policy can be found in Schedule 7 of the Company's Corporate Governance Plan.</p> <p>(b) The Company's Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p> <p>Due to the size of the Board and the nature of the business, it has not been deemed necessary to institute a formal documented performance review program of individuals. However, the Chairman intends to conduct formal reviews each financial year whereby the performance of the Board as a whole and the individual contributions of each director are disclosed. The Board considers that at this stage of the Company's development an informal process is appropriate.</p> <p>The review will assist to indicate if the Board's performance is appropriate and efficient with respect to the Board Charter.</p>

		<p>The Board regularly reviews its skill base and whether it remains appropriate for the Company's operational, legal and financial requirements. New Directors are obliged to participate in the Company's induction process, which provides a comprehensive understanding of the Company, its objectives and the market in which the Company operates.</p> <p>Directors are encouraged to avail themselves of resources required to fulfil the performance of their duties.</p>
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Complying</p>	<p>(a) The Board is responsible for evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives.</p> <p>(b) The Company's Corporate Governance Plan requires the Board to conduct annual performance of the senior executives. Schedule 7 'Performance Evaluation Policy' requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p> <p>During the financial year an evaluation of performance of the individuals was not formally carried out. However, a general review of the individuals occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.</p>
<p><b>Principle 2: Structure the board to add value</b></p>		
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; 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 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>	<p>Part complying</p>	<p>(a) The Company has a Nomination Committee comprising of three members of the Committee being Mr Morzaria (Chairman), Richard Pavlik and Mr Coughlan, being all directors of the Company. None of the directors are considered to be independent. Prior to Mr Reeves resignation on 30 June 2020 he held the position as Chairman.</p> <p>The role and responsibilities of the Nomination Committee and Charter is outlined in Schedule 4 of the Corporate Governance Plan and Policies available online on the Company's website.</p> <p>The Board devotes time at board meetings to discuss board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p> <p>The Board regularly updates the Company's board skills matrix (in accordance with recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the entity.</p>

<p><b>Recommendation 2.2</b></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>	<p>Complying</p>	<table border="1"> <thead> <tr> <th data-bbox="866 203 1190 304">Board Skills Matrix</th> <th data-bbox="1190 203 1386 304">Number of Directors that Meet the Skill</th> </tr> </thead> <tbody> <tr> <td data-bbox="866 304 1190 371">Executive &amp; Non- Executive experience</td> <td data-bbox="1190 304 1386 371">3</td> </tr> <tr> <td data-bbox="866 371 1190 439">Industry experience &amp; knowledge</td> <td data-bbox="1190 371 1386 439">3</td> </tr> <tr> <td data-bbox="866 439 1190 472">Leadership</td> <td data-bbox="1190 439 1386 472">3</td> </tr> <tr> <td data-bbox="866 472 1190 539">Corporate governance &amp; risk management</td> <td data-bbox="1190 472 1386 539">3</td> </tr> <tr> <td data-bbox="866 539 1190 573">Strategic thinking</td> <td data-bbox="1190 539 1386 573">3</td> </tr> <tr> <td data-bbox="866 573 1190 640">Desired behavioural competencies</td> <td data-bbox="1190 573 1386 640">3</td> </tr> <tr> <td data-bbox="866 640 1190 674">Geographic experience</td> <td data-bbox="1190 640 1386 674">3</td> </tr> <tr> <td data-bbox="866 674 1190 707">Capital Markets experience</td> <td data-bbox="1190 674 1386 707">3</td> </tr> <tr> <td data-bbox="866 707 1190 741"><i>Subject matter expertise:</i></td> <td data-bbox="1190 707 1386 741"></td> </tr> <tr> <td data-bbox="866 741 1190 775">- accounting</td> <td data-bbox="1190 741 1386 775">2</td> </tr> <tr> <td data-bbox="866 775 1190 808">- capital management</td> <td data-bbox="1190 775 1386 808">3</td> </tr> <tr> <td data-bbox="866 808 1190 842">- corporate financing</td> <td data-bbox="1190 808 1386 842">3</td> </tr> <tr> <td data-bbox="866 842 1190 875">- industry taxation <sup>1</sup></td> <td data-bbox="1190 842 1386 875">0</td> </tr> <tr> <td data-bbox="866 875 1190 909">- risk management</td> <td data-bbox="1190 875 1386 909">3</td> </tr> <tr> <td data-bbox="866 909 1190 943">- legal<sup>2</sup></td> <td data-bbox="1190 909 1386 943">0</td> </tr> <tr> <td data-bbox="866 943 1190 976">- IT expertise <sup>2</sup></td> <td data-bbox="1190 943 1386 976">0</td> </tr> </tbody> </table> <p>(1) Skill gap noticed however an external taxation firm is employed to maintain taxation requirements.</p> <p>(2) Skill gap noticed however an legal firm is employed on an adhoc basis to maintain IT requirements.</p>	Board Skills Matrix	Number of Directors that Meet the Skill	Executive & Non- Executive experience	3	Industry experience & knowledge	3	Leadership	3	Corporate governance & risk management	3	Strategic thinking	3	Desired behavioural competencies	3	Geographic experience	3	Capital Markets experience	3	<i>Subject matter expertise:</i>		- accounting	2	- capital management	3	- corporate financing	3	- industry taxation <sup>1</sup>	0	- risk management	3	- legal <sup>2</sup>	0	- IT expertise <sup>2</sup>	0
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<p><b>Recommendation 2.3</b></p> <p><b>A listed entity should disclose:</b></p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 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</p> <p>(c) the length of service of each director</p>	<p>Complying</p>	<p>(a) The Board Charter provides for the disclosure of the names of Directors considered by the Board to be independent. None of the directors are considered to be independent. The details of the directors are disclosed in the Annual Report and Company website.</p> <p>(b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors interests, positions associations and relationships are provided in the Annual Reports and Company website.</p> <p>(c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Annual Reports and Company website.</p>																																		
<p><b>Recommendation 2.4</b></p>	<p>Not complying</p>	<p>The Board Charter requires that where practical the majority of the Board will be independent.</p>																																		

<p>A majority of the board of a listed entity should be independent directors.</p>		<p>Given the Company's present size and scope it is currently not Company policy to have a majority of Independent Directors.</p> <p>At this time no members of the board are considered independent.</p> <p>Details of each Director's independence are provided in the Annual Reports and Company website.</p>
<p><b>Recommendation 2.5</b></p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>Not complying</p>	<p>The Board Charter provides that where practical, the Chairman of the Board will be a non-executive director.</p> <p>Mr Keith Coughlan is the Executive Chairman of the Board and is not an independent director.</p> <p>If the Chairman resigns the Board will consider appointing a lead independent Director.</p>
<p><b>Recommendation 2.6</b></p> <p>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.</p>	<p>Complying</p>	<p>The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.</p>
<p><b>Principle 3: Act ethically and responsibly</b></p>		
<p><b>Recommendation 3.1</b></p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>Complying</p>	<p>(a) The Corporate Code of Conduct applies to the Company's directors, senior executives and employees.</p> <p>(b) The Company's Corporate Code of Conduct is in Schedule 2 of the Corporate Governance Plan which is on the Company's website.</p>
<p><b>Principle 4: Safeguard integrity in financial reporting</b></p>		
<p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the</p>	<p>Part Complying</p>	<p>(a) The Company has a combined Audit and Risk Committee comprising of three members of the Committee being Mr Morzaria (Chairman), Richard Pavlik and Mr Coughlan, being all directors of the Company. None of the directors are considered to be independent. Prior to Mr Reeves resignation on 30 June 2020 he was a member of the Audit and Risk Committee.</p> <p>The role and responsibilities of the Audit and Risk Committee and Charter is outlined in Schedule 3 of the Corporate Governance Plan and Policies available online on the Company's website.</p> <p>The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper</p>

<p>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>		<p>maintenance of the entity and the integrity of all financial reporting.</p>
<p><b>Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that 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>Complying</p>	<p>The Company's Corporate Governance Plan states that a duty and responsibility of the Board is to ensure that before approving the entity's financial statements for a financial period, the CEO and CFO have declared 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><b>Recommendation 4.3</b></p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>Complying</p>	<p>The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>
<p><b>Principle 5: Make timely and balanced disclosure</b></p>		
<p><b>Recommendation 5.1</b></p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Complying</p>	<p>(a) The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 6 of the Corporate Governance Plan is entitled 'Continuous Disclosure Policy' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Board Charter and Continuous Disclosure Policy within the Corporate Governance Plan are available on the Company website.</p>
<p><b>Principle 6: Respect the rights of security holders</b></p>		
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>Complying</p>	<p>Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.</p>
<p><b>Recommendation 6.2</b></p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>Complying</p>	<p>The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders.</p>

		The Shareholder Communications Policy can be found in Schedule 10 of the Board Charter which is available on the Company website.
<p><b>Recommendation 6.3</b></p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	Complying	<p>The Shareholder Communications Policy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company Secretary to receive email notifications of 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.</p> <p>Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.</p>
<p><b>Recommendation 6.4</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Complying	<p>Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX.</p> <p>Shareholders queries should be referred to the Company Secretary at first instance.</p>
<b>Principle 7: Recognise and manage risk</b>		
<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; 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>	Part complying	<p>(a) The Company has an Audit and Risk Committee comprising the following members of the Committee, being Mr Kiran Morzaria (Chair), Mr Pavlik and Mr Coughlan, being all directors of the company. None of the directors are considered to be independent. Prior to Mr Reeves resignation on 30 June 2020 he was a member of the Audit and Risk Committee.</p> <p>The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devote time at annual board meeting to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p>
<p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework with management at least</p>	Complying	<p>(a) The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate</p>

<p>annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>		<p>risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan is entitled 'Disclosure – Risk Management' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls.</p> <p>(b) The Audit and Risk Committee Charter requires the Board to disclose the number of times the Board met throughout the relevant reporting period, and the individual attendances of the members at those meetings. Details of the meetings will be provided in the Company's Annual Report.</p>
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>Complying</p>	<p>The Audit and Risk Committee Charter, Schedule 3 of the Company's Corporate Plan, provides for the internal audit function of the Company. The Board Charter outlines the monitoring, review and assessment of a range of internal audit functions and procedures.</p>
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Complying</p>	<p>The Audit and Risk Committee Charter details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually, and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.</p>



**Principle 8: Remunerate fairly and responsibly**

<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, 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 align="center">Part Complying</p>	<p>(a) The Company's Remuneration Committee comprising of three members of the Committee being Mr Morzaria (Chairman), Richard Pavlik and Mr Coughlan, being all directors of the Company. None of the directors are considered to be independent. Prior to Mr Reeves resignation on 30 June 2020 he was a member of the Remuneration Committee.</p> <p>The role and responsibilities of the Remuneration Committee and Charter is outlined in Schedule 5 of the Corporate Governance Plan and Policies available online on the Company's website.</p> <p>The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>
<p><b>Recommendation 8.2</b></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p align="center">Complying</p>	<p>The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of non-executive, executive and other senior directors.</p>
<p><b>Recommendation 8.3</b></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>	<p align="center">Complying</p>	<p>(a) The Company's Remuneration and Committee Charter states that the Board is required to review, manage and disclose the policy (if any) 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. The Board must review and approve any equity based plans.</p> <p>(b) A copy of the Company's Corporate Governance Plan which includes the Remuneration and Committee Charter is available on the Company's website.</p>

## QCA CORPORATE GOVERNANCE REPORT

The following sets out the Company's Corporate Governance Report in accordance with the AIM Rules for Companies, a copy of which is also available from the Company's website at:

<https://www.europeanmet.com/wp-content/uploads/2020/07/EMH-Corporate-Governance-Plan-Policies-4th-Edition.pdf>

### INTRODUCTION

In April 2018, the Quoted Companies Alliance (QCA) published an updated version of its Code which provides UK small and mid-sized companies such as European Metals Limited with a corporate governance framework that is appropriate for a Company of our size and nature. The Board considers the principles and recommendations contained in the QCA Code are appropriate and have therefore chosen to apply the QCA Code.

The updated 2018 QCA Code has 10 principles that should be applied. Each principle is listed below together with an explanation of how the Company applies or otherwise departs from each of the principles.

### PRINCIPLE ONE

#### *Business Model and Strategy*

Geomet s.r.o. controls the mineral exploration licenses awarded by the Czech State over the Cinovec Lithium/Tin Project. Geomet s.r.o. is owned 49% by European Metals and 51% by CEZ a.s. through its wholly owned subsidiary, SDAS. Cinovec hosts a globally significant hard rock lithium deposit with a total Indicated Mineral Resource of 372.4Mt at 0.45% Li<sub>2</sub>O and 0.04% Sn and an Inferred Mineral Resource of 323.5Mt at 0.39% Li<sub>2</sub>O and 0.04% Sn containing a combined 7.22 million tonnes Lithium Carbonate Equivalent and 263kt of tin reported 28 November 2017. An initial Probable Ore Reserve of 34.5Mt at 0.65% Li<sub>2</sub>O and 0.09% Sn reported 4 July 2017 has been declared to cover the first 20 years mining at an output of 22,500tpa of lithium carbonate reported 11 July 2018.

The quantity of these resources directly attributable to the Company is equivalent to the 49% shareholding the Company has in Geomet s.r.o.

This makes Cinovec the largest hard rock lithium deposit in Europe, the fourth largest non-brine deposit in the world and a globally significant tin resource.

The deposit has previously had over 400,000 tonnes of ore mined as a trial sub-level open stope underground mining operation.

### PRINCIPLE TWO

#### *Understanding Shareholder Needs and Expectations*

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company through its website, [www.europeanmet.com](http://www.europeanmet.com), and via Keith Coughlan, Executive Chairman, who is available to answer investor relations enquiries.

The Company has adopted a Shareholder Communications Policy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders.

The Shareholder Communications Policy can be found in Schedule 10 of the Board Charter which is available on the Company website, [www.europeanmet.com/corporate-governance](http://www.europeanmet.com/corporate-governance).

### PRINCIPLE THREE

#### *Considering wider stakeholder and social responsibilities*

The Board recognises that the long term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders.

The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company.

**PRINCIPLE FOUR**  
***Risk Management***

The Audit and Risk Committee was formed on 26 August 2015, with directors appointed as members of the Committee, being Mr Kiran Morzaria, Mr Reeves and Mr Coughlan. After Mr Reeves resignation on 30 June 2020 the Committee members changed to Mr Morzaria (Chairman), Mr Pavlik and Mr Coughlan, being all directors of the Company. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website, [www.europeanmet.com/corporate-governance](http://www.europeanmet.com/corporate-governance).

The Board devotes time at board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.

The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan is entitled 'Risk Management Policy' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls.

The Board Charter requires the Board to disclose the number of times the Board met throughout the relevant reporting period, and the individual attendances of the members at those meetings. Details of the meetings will be provided in the Company's Annual Report.

**PRINCIPLE FIVE**  
***A Well Functioning Board of Directors***

The Board currently comprises of 3 members: 2 Executive members (the Executive Chairman, Keith Coughlan and Executive Director, Richard Pavlik) and 1 Non-Executive member (Kiran Morzaria). On 30 June Mr Reeves resigned as a director of the Company. Biographical details of the current Directors are set out within Principle Six below. Pursuant to Article 8.5 of the Company's Articles of Association, at each annual general meeting one third of the directors (or, if their number is not a multiple of three, the number nearest to but not more than one-third shall retire from office by rotation. A retiring director shall be eligible for re-election. All the Executive Directors are full time and the Non-Executive Directors are considered to be part time but are expected to provide as much time to the Company as is required.

All letters of appointment of Directors are available for inspection at the Company's registered office during normal business hours. The Board elects a Chairman to chair every meeting.

All letters of appointment of Directors are available for inspection at the Company's registered office during normal business hours. The Board elects a Chairman to chair every meeting.

The Board holds formal meetings periodically as issues arise and require more details. The Directors are in contact and discuss all necessary issues on a regular basis and to ensure that the Non-Executive Directors while not involved in the day to day running of the Company are still kept up to date on a regular basis.

The Company has established an Audit and Risk Committee, a Remuneration Committee and a Nomination Committee, particulars of which are set out in Principle Nine below.

The QCA recommends a balance between executive and non-executive Directors and recommends that there be two independent non-executives. The Board Charter provides for the disclosure of the names of Directors considered by the Board to be independent.

Mr David Reeves acted as a Director and Non-Executive Chairman of the Company until his resignation on 30 June 2020, and Mr Keith Coughlan was appointed as Executive Chairman on an interim basis. The Board will continue to evaluate the possibility of appointing additional Non-Executive directors, but following the completion of the new partnership arrangements with CEZ earlier this year, the Board does not currently intend to make any new appointments of non-executive directors until the Company's operations increase in size and scale. Board composition will remain however under review.

Mr Morzaria is a Board nominee of Cadence Minerals Plc (previously named Rare Earth Minerals Plc), which owns 23,259,751 CDIs in the Company. Mr Morzaria is also a director and chief executive of Cadence Minerals Plc. On this basis, Mr Morzaria is not an independent Non-executive Director. However, the Board believes that Mr Morzaria is relevant qualified professionals and with an understanding of what is expected of a Non-Executive Director and discharge his duties as an Non-Executive Director in an effective and appropriate manner on behalf of shareholders as a whole.

The details of the directors are disclosed in the Annual Report and Company website, [www.europeanmet.com/directors-and-senior-management](http://www.europeanmet.com/directors-and-senior-management).

The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors interests, positions associations and relationships are provided in the Annual Reports and Company website, [www.europeanmet.com/directors-and-senior-management](http://www.europeanmet.com/directors-and-senior-management).

The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Annual Reports and Company website, [www.europeanmet.com/directors-and-senior-management](http://www.europeanmet.com/directors-and-senior-management). The Corporate Code of Conduct, which applies to the Company's directors, senior executives and employees is in Schedule 2 of the Corporate Governance Plan which is on the Company's website, [www.europeanmet.com/corporate-governance](http://www.europeanmet.com/corporate-governance).

## **PRINCIPLE SIX**

### ***Appropriate Skills and Experience of the Directors***

The Company believes the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and each of the Director's has experience in public markets. An assessment of the Board's skills and expertise is also set out in the Corporate Governance Report included in the Company's Annual Report and Accounts, and which is available on the Company's website, <https://www.europeanmet.com/shareholdercentre-reports>.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

Profiles of the Directors are set out below:

#### **Mr Keith Coughlan – Executive Chairman**

Mr Coughlan has almost 30 years' experience in stockbroking and funds management. He has been largely involved in the funding and promoting of resource companies listed on ASX, AIM and TSX. He has advised various companies on the identification and acquisition of resource projects and was previously employed by one of Australia's then largest funds management organizations. Mr Coughlan is currently Non-executive Chairman of Doriemus Limited (ASX), and Non-executive Director of Calidus Resources Limited (ASX), and Southern Hemisphere Mining Limited (ASX).

Mr Coughlan is currently a member of the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee.

#### **Mr Richard Pavlik – Executive Director**

Mr Pavlik is the General Manager of Geomet s.r.o., the Company's wholly owned Czech subsidiary, and is a highly experienced Czech mining executive. Mr Pavlik holds a Masters Degree in Mining Engineer from the Technical University of Ostrava in Czech Republic. He is the former Chief Project Manager and Advisor to the Chief Executive Officer at OKD. OKD has been a major coal producer in the Czech Republic. He has almost 30 years of relevant industry experience in the Czech Republic. Mr Pavlik also has experience as a Project Analyst at Normandy Capital in Sydney as part of a postgraduate program from Swinburne University. Mr Pavlik has held previous senior positions within OKD and New World Resources as Chief Engineer, and as Head of Surveying and Geology. He has also served as the Head of the Supervisory Board of NWR Karbonia, a Polish subsidiary of New World Resources (UK) Limited. He has an intimate knowledge of mining in the Czech Republic.

Mr Pavlik is currently a member of the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee.

#### **Mr Kiran Morzaria – Non-executive Director**

Mr Morzaria has a Bachelor of Engineering (Industrial Geology) and an MBA (Finance). He has extensive experience in the mineral resource industry working in both operational and management roles. He spent the first four years of his career in exploration, mining and civil engineering before obtaining his MBA. Mr Morzaria has served as a director of a number of public companies in both an executive and non-executive capacity. Mr Morzaria is a Director and Chief Executive of Cadence Minerals plc (AIM) and a director of UK Oil & Gas plc (AIM). He was previously a Director of Bacanora Minerals plc (AIM). Mr Morzaria is currently a member of the Remuneration Committee and the Audit and Risk Committee.

The CFO is not currently a member of the Board, which the Company believes is acceptable given the current focus of the Company on preparation of a definitive feasibility on the Cinovec deposit. As the scale and complexity of the Group develops, the Board will consider any further appointments to the Board as appropriate. The Company's Chief Financial Officer, James

Carter, is a CPA and Chartered Company Secretary with 20 years' international experience in the mining industry and he is currently the Chief Financial Officer (CFO) of Keras Resources Plc (AIM).

Mr Morzaria is currently is currently Chairman of the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee.

## **PRINCIPLE SEVEN**

### ***Evaluation of Board Performance***

The Board is responsible for evaluating the performance of the Board and individual directors on an annual basis. It may do so with the aid of an independent advisor. The process for this can be found in Schedule 6 of the Company's Corporate Governance Plan which requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period.

Due to the size of the Board and the nature of the business, it has not been deemed necessary to institute a formal documented performance review program of individuals. However, the Chairman intends to conduct formal reviews each financial year whereby the performance of the Board as a whole and the individual contributions of each director are disclosed. The Board considers that at this stage of the Company's development an informal process is appropriate.

The review will assist to indicate if the Board's performance is appropriate and efficient with respect to the Board Charter.

The Board regularly reviews its skill base and whether it remains appropriate for the Company's operational, legal and financial requirements. New Directors are obliged to participate in the Company's induction process, which provides a comprehensive understanding of the Company, its objectives and the market in which the Company operates.

Directors are encouraged to avail themselves of resources required to fulfil the performance of their duties.

## **PRINCIPLE EIGHT**

### ***Corporate Culture***

The Corporate Code of Conduct applies to the Company's directors, senior executives and employees.

The purpose of the Corporate Code of Conduct is to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees.

The directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

## **PRINCIPLE NINE**

### ***Maintenance of Governance Structures and Processes***

The QCA Code recommends that the Company maintains governance structures and processes in line with its culture and appropriate to its size and complexity.

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Managing Director. As the Company does not currently have a Managing Director, Mr Keith Coughlan, in his role as Executive Chairman, is responsible for the management of the Company's business and primary contact with shareholders.

The Board has established the following committees.

#### ***Audit and Risk Committee***

The Audit and Risk Committee was formed on 26 August 2015, with directors appointed as members of the Committee, being Mr Kiran Morzaria, Mr Reeves and Mr Coughlan. After Mr Reeves resignation on 30 June 2020 the Board membership changed to Mr Morzaria (Chairman), Mr Pavlik and Mr Coughlan. The role and responsibilities of the Audit and Risk

Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website, [www.europeanmet.com/corporate-governance](http://www.europeanmet.com/corporate-governance).

This committee has primary responsibility for monitoring the Financial Reporting function and internal controls in order to ensure that the financial performance of the Company is properly measured and reported. The committee receives the financial reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit and Risk Committee shall meet not less than twice in each financial year and it has unrestricted access to the Company's auditors.

#### *Remuneration Committee*

The Remuneration Committee was formed on 26 August 2015, with directors appointed as members of the Committee, being Mr Kiran Morzaria, Mr Reeves. After Mr Reeves resignation on 30 June 2020 the Board membership changed to Mr Morzaria (Chairman), Mr Pavlik and Mr Coughlan. The role and responsibilities of the Remuneration Committee are outlined in Schedule 5 of the Company's Corporate Governance Plan available online on the Company's website, [www.europeanmet.com/corporate-governance](http://www.europeanmet.com/corporate-governance).

The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy.

#### *Nominations Committee*

The Nominations Committee was formed on 26 August 2015, with directors appointed as members of the Committee, being Mr Reeves and Mr Coughlan. After Mr Reeves resignation on 30 June 2020 the Board membership changed to Mr Morzaria (Chairman), Mr Pavlik and Mr Coughlan. The role and responsibilities of the Nominations Committee are outlined in Schedule 4 of the Company's Corporate Governance Plan available online on the Company's website, [www.europeanmet.com/corporate-governance](http://www.europeanmet.com/corporate-governance).

### **PRINCIPLE TEN**

#### ***Shareholder Communication***

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

Investors also have access to current information on the Company through its website, [www.europeanmet.com](http://www.europeanmet.com), and via Keith Coughlan, Executive Chairman, who is available to answer investor relations enquiries.

The Company shall include, when relevant, in its annual report, any matters of note arising from the audit or remuneration committees.