

CORPORATE GOVERNANCE STATEMENT

The Board of International Base Metals Limited (IBML) is committed to achieving and demonstrating the highest standards of corporate governance for the Company.

Although the Company is not listed it has adopted the Corporate Governance Principles and Recommendation (4rd edition) (CGPR) published by the ASX Corporate Governance Council. IBML has reviewed its corporate governance practices against these Principles and Recommendations.

The 2019 Corporate Governance Statement reflects the corporate governance practices in place during the 2021 financial year. The 2019 corporate governance statement was approved by the Board on 22 July 2021. A description of the group's current corporate governance practices is set out in the group's corporate governance statement which can be viewed at (www.interbasemetals.com) under the section marked as Corporate.

The principles contained in the CGPR are set out below.

Principle 1: Lay solid foundations for management and oversight:

A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.

Recommendation 1.1

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

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

Disclosure

The board's role is to govern the company rather than to manage it. In governing the company the directors must act in the best interests of the company as a whole. The role of the acting Executive Officer is to manage the company in accordance with the direction and delegations of the board; the responsibility of the board is to oversee the activities of the acting Executive Officer and management in carrying out these delegated duties.

The key responsibilities of the board are:

- the oversight of the company including its control and accountability systems;
- establishing, monitoring and modifying corporate strategies and performance objectives;
- ensuring that appropriate risk management systems, internal compliance and control, reporting systems, codes of conduct, and legal compliance measures are in place;
- monitoring the performance of management and implementation of strategy, and ensuring appropriate resources are available;
- approving and monitoring of financial and other reporting;
- approving dividends, major capital expenditure, acquisitions and capital raising/restructures; and;
- appointment and removal of directors, company secretary and senior management. directors' actions are governed by the company's Constitution and the Corporations Act.

The board has delegated to the acting Executive Officer, and through that officer to other senior management, the authority and responsibility for managing the everyday affairs of the company.

Recommendation 1.2

A 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.

Disclosure

Appropriate checks are undertaken prior to appointing a person as a director and recommending that person for election. These include checks as to the person's character, experience, education, criminal record and bankruptcy history.

Candidates who the board consider are suitable for appointment as directors are appointed by the board and stand for election at the next Annual General Meeting (AGM), in accordance with the Constitution. The company includes in the Notice of Meeting for the AGM all material information known to the company which is relevant to a decision whether or not to elect or re-elect a director. This information includes biographical information, details of other material directorships currently held by the candidate, any information revealed by the checks performed, a statement as to whether in the board's opinion the candidate will qualify as an independent director and a statement by the board as to whether it supports the election or re-election of the candidate.

Recommendation 1.3

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

Disclosure

The company has written agreements with each of the directors and senior executives setting out the terms of their appointment.

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.

Disclosure

The company secretary is accountable directly to the board through the chair, on all matters to do with the proper functioning of the board.

The company secretary is responsible for facilitating good information flows within the board and its committees and between senior executives and directors, as well as the induction of new directors and the ongoing professional development of all directors. The company secretary is responsible for monitoring compliance with the board's procedures and for advising the board, through the chairman, on all governance matters. All directors have access to the advice and services of the company secretary, whose appointment and removal is a matter for the board.

Recommendation 1.5

A listed entity should:

- (a) have and disclose a diversity policy;

- (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and work place generally; and
- (c) disclose in relation to each reporting period:
 - (1) the measurable objectives set for the period to achieve gender diversity;
 - (2) The entities progress towards achieving these objectives; and
 - (3) either:
 - (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined senior executive for these purposes); or
 - (B) if the entity is a relevant employer under the Workplace Gender Equality Act, the entity's most recent Gender Equality Indicators, as defined in and published under that Act.

Disclosure and Departure

The company values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals, however no decision has been made by the board at this time to formulate a specific diversity policy.

The board has not yet established objectives in relation to gender diversity but is committed to a continuation of current employment practices where employees and new directors are selected on merit. The aim is to achieve greater gender and skill-set diversity in director and senior executive positions as they become vacant.

Recommendation 1.6

A listed entity should:

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

Disclosure and Departure

The board currently has no formal procedure for evaluation of its board, committees and individual directors. Based upon informal surveys and feedback from directors the board considers that it is functioning effectively given its size and composition and a more formal procedure is not required at this stage. While no formal performance evaluation was undertaken during the reporting period, the chairman continually monitors the performance of the board.

Selection and re-election of director candidates for the board are considered and selected by reference to a number of factors, which include, but are not limited to, their relevant skills, experience and achievements, taking into account the skill-sets existing on the board, compatibility with other board members, understanding of the company's scope of activities, and intellectual and physical ability to undertake board duties and responsibilities. Directors are initially appointed by the full board, subject to election by shareholders at the following Annual General Meeting (AGM).

The board recognises that board renewal is critical to performance and the impact of board tenure on succession planning. Each director, other than the Managing Director, must not hold office (without re-election) past the third AGM of the company following the director's appointment, or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next AGM of the company. At each

AGM a minimum of one director, or a third of the total number of directors, must retire but are eligible to stand for re-election at that meeting.

Recommendation 1.7

A listed entity should:

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

Disclosure and Departure

The Company does have a formal process for evaluating the performance of its senior executives on an annual basis.

Principle 2: Structure the board to be effective and add value:

The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

Recommendation 2.1

The board of a listed entity should:

- (a) have a nomination committee which:
 - (1) has at least three members, a majority of whom are independent directors; and
 - (2) is chaired by an independent director.and disclose
 - (3) the charter of the committee;
 - (4) the members of the committee; and
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Disclosure and Departure

The company has a Nomination Committee and has adopted a Nomination Committee Charter which can be viewed on the Company's website. The Committee is chaired by Qiang Chen (Non-independent director and has two other members, Rui Liu (Non-independent) and Hugh Thomas (Independent).

The board oversees the appointment and induction process for directors and committee members, and the selection, appointment and succession planning process of the company's executive management team. The appropriate skill mix, personal qualities, expertise and diversity are factors taken into account in each case. When a vacancy exists or there is a need for particular skills, the board determines the selection criteria based on the required skills.

Recommendation 2.2

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

Disclosure and Departure

Given the size and scope of the company's operations, and its exploration and development stage, the board considers that it is appropriately-structured, with a suitable mix of skills and expertise, relevant to the company's current business. As the company expands and develops its activities, the board will be required to review its composition to ensure it has the specific expertise and skill requirements to enable the company to meet its objectives moving forward.

A profile of each director containing their skills, experience, expertise and term of office is set out in the directors' report of the Annual Report as well as on the company's website under the section marked Corporate.

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 or relationship of the type described in the CGPR but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and
- (c) the length of service of each director.

Disclosure and Departure

At 30 June 2021 the board comprised six directors with two alternate directors.

Director	Reason for Non-Independent Classification
Kenneth Maiden	An Independent Director of the Company from 29/4/2002-present
Zhehong Luo	A substantial shareholder of the Company from 24/7/2012-present
Rui Liu	A substantial shareholder of the Company from 17/4/2013-present
Jinhua Wang	A substantial shareholder of the Company from 9/8/2011-present
Hugh Thomas	An Independent Director of the Company from 11/5/2015-present
Shilai Jiang	Related to a substantial shareholder of the Company from 21/7/2020 -present
Qiang Chen, Alternate	Alternate for a substantial shareholder of the Company from 24/7/2012-present
Xianwu Deng, Alternate	Alternate for a substantial shareholder of the Company from 20/11/2014 -present

Statement concerning availability of independent professional advice

To assist directors with independent judgement it is the board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director, then, provided the director first obtains approval from the chairman for incurring such an expense, the company will pay the reasonable expenses associated with obtaining such advice.

The length of service of each director is as follows:

Dates	Board Members	Independent/Non-Independent
11/5/2015-current	Hugh Thomas	Independent
29/4/2002-current	Ken Maiden	Independent
24/7/2012-current	Zhehong Luo	Non-Independent
9/8/2011-current	Jinhu Wang	Non-Independent
17/4/2013-current	Rui Liu	Non-Independent
21/7/2020-current	Shilai Jiang	Non-Independent
24/7/2012-current	Qiang Chen, Alternate	Non-Independent
20/11/2014-current	Xianwu Deng, Alternate	Non-Independent

As disclosed two of the six Directors of the Company are independent.

The board supports the appointment of directors who bring a wide range of business and professional skills and experience to the company. Directors are appointed in accordance with the constitution of IBML and are appointed for a period of three years or until the third annual general meeting following his or her appointment (whichever is longer).

Recommendation 2.4

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

Disclosure and Departure

A majority of the board are not independent directors with two of the six directors being independent.

Recommendation 2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Disclosure

The chairman of the company, Hugh Thomas, is an independent director but is currently acting Executive Officer. He contributes to a culture of openness and constructive challenge that allows for a diversity of views to be considered by the board.

Recommendation 2.6

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

Disclosure

An induction programme for new directors of the company is in place. Each director of the company has the right to seek independent professional advice at the expense of the company, and the company provides appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. Prior approval of the chairman is required, but this will not be unreasonably withheld.

Principle 3- Instil a culture of acting lawfully and responsibly:

A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

Recommendation 3.1

A listed entity should articulate and disclose its values.

Disclosure

The Company recognises the need for directors and employees to observe the highest standards of behaviour and business ethics. All directors and employees are required to act in accordance with values that involve, or could appear to involve, a conflict between their personal interests and the interests of the Company the law and with the highest standard of propriety.

Recommendation 3.2

A listed entity should:

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

Disclosure

The company has adopted a Code of Ethics and Conduct for directors which is available on the Company's website under the section, marked Corporate Governance Plan and is included in the directors' Information Kit provided to all directors on appointment. This code provides guidance to directors and management on practices necessary to maintain confidence in the integrity of the company.

Directors are required to adhere to industry standards in conduct and dealings. The company has built a culture of honesty, fairness and ethical behaviour into its internal compliance policy and procedures.

The board also requires employees and consultants working for the company to display high standards of ethical behaviour and integrity.

The practices of the board are aimed at promoting ethical and responsible decision making. The board strives for good corporate governance and industry best practice. It specifically requires directors and employees to:

- avoid situations which may give rise to a conflict of interest;
- avoid situations where they may gain any benefit which competes with the Company's business;
- read and confirm that they understand the Company's policies;
- comply with laws and regulations;
- properly use the Company's assets for legitimate business purposes; and
- maintain confidentiality in both the company's business and the information of its clients and shareholders.

Each director is required to disclose any interest which might create a potential conflict of interest with his or her duties as a director or which might affect their independence.

There must be no conflict, or perception of a conflict, between the interests of any company director, officer or employee and the responsibility of that person to the stakeholders. All directors, officers and employees may never improperly use their position for personal or private gain to themselves, a family member, or other associated person. Where a potential conflict exists, this should be disclosed to the chairman prior to any dealings taking place.

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.

Disclosure

During the recent reporting period IBML adopted a Whistleblower Policy, which is disclosed in the Company's Corporate Governance Compliance Plan on the IBML website. This Policy: encourages whistleblowers to make whistleblower disclosures without fear of victimisation; explains how the company will manage allegations of illegal or unethical conduct in a lawful, fair, consistent and timely manner; and outlines the procedures and protections that apply to whistleblowers under the Corporations Act 2001 (Cth) and Taxation Administration Act 1953 (Cth). IBML ensures that the board is informed of any material incidents reported under this policy.

Recommendation 3.4

A listed entity should:

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

Disclosure

During the recent reporting period the company adopted an Anti-Bribery and Corruption Policy, which is disclosed in the company's Corporate Governance Plan on the company website. This Policy: provides clear procedures for employees and other personnel in relation to bribery and corruption issues that may arise in the course of their employment; provides guidelines for the offering or acceptance of gifts or hospitality; assists in the protection of the company's reputation, business and interests; provides a reporting mechanism for allegations of bribery and corruption; and assists in compliance with legal obligations. IBML ensures that the board is informed of any material breaches of that policy.

Principle 4 – Safeguard the integrity of corporate reports:

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

Recommendation 4.1

The board of a listed entity should:

- (a) have an audit committee, which:
 - (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
 - (2) is chaired by an independent director, who is not the chair of the board,
 - (3) and disclose:
 - (4) the charter of the committee;
 - (5) the relevant qualifications and experience of the members of the committee; and
 - (6) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processing for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Disclosure and Departure

The Audit and Risk Committee has a charter which is available on the company's website under the section, marked Corporate Governance- Audit and Risk Committee Charter.

The Company is not fully compliant with this principle two members of the committee are not independent. The Audit and Risk Committee has an independent chairman Hugh Thomas and two other members being Qiang Chen and Rui Liu. The details of these directors' qualifications and attendance at Audit Committee meetings are set out in the Directors' Report of the Annual Report under the heading Directors' Meetings.

Members of the committee have relevant qualifications and experience in financial matters and have a good understanding of the industry in which the company operates.

The Audit & Risk Committee plays a key role in assisting the board with its responsibilities relating to accounting, internal control systems, reporting practices and risk management, and ensuring the independence of the company auditor. The terms of reference for the committee incorporate policies and procedures to ensure an effective focus from an independent perspective.

The Audit & Risk Committee oversees and appraises the quality of the audits conducted by the auditors and emphasises areas where the committee believes special attention is required. The external auditors are KrestonSW Audit Pty Ltd. Their appointment is reviewed periodically in line with industry best practice. The board believes in the ongoing assessment of our audit arrangements and will comply with any regulatory requirements to rotate the company's external audit partner.

The Company ensures that its external auditor, KrestonSW Audit Pty Ltd, is invited to attend its AGM each year and is available to answer questions that are relevant to the audit.

The Audit & Risk Committee also reviews the effectiveness of administrative, operating and accounting controls.

Recommendation 4.2

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Disclosure

Before it approves the company's financial statements for a financial period, the board receives from its acting Executive Officer and Financial Officer a declaration that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with appropriate accounting standards. The declaration also states that the financial records give a true and fair view of the financial position and performance of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control that is operating effectively.

Recommendation 4.3

A listed entity that 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.

Disclosure

All periodic corporate reports and releases which are not audited are approved by the acting Executive Officer and Financial Officer to ensure it is materially accurate and in accordance with reporting standards.

Principle 5: Make timely and balanced disclosure:

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Recommendation 5.1

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

Disclosure

The company has established written policies designed to ensure compliance with ASX Listing Rule disclosures and accountability at a senior executive level for that compliance, and they can be found under the section marked Corporate Governance – Continuous Disclosure on the company's website.

The board considers and approves all disclosures necessary to ensure compliance with ASX Listing Rule disclosure requirements.

Recommendation 5.2

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

Disclosure

The board approves market announcements before they are lodged and the company then ensures that its Board receives copies of all announcements promptly after they have been released and put on its website. The company secretary sends all announcements to all of the Directors' by email.

Recommendation 5.3

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

Disclosure

If IBML gives a new and substantive investor or analyst presentation it releases a copy of the presentation materials on the company website.

Principle 6: Respect the rights of security holders:

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

Recommendation 6.1

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

Disclosure

The company provides information about itself and its governance to investors via its website www.interbasemetals.com. The names, photographs and brief biographical information for each of the company's directors and senior executives can be found under the corporate section of the website. The company has included on the shareholder's information section of its website links to copies of its announcements, financial reports, research reports, analyst briefings and shareholder information.

The company's contact details are on the website.

Recommendation 6.2

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

Disclosure and Departure

The company has a formal Shareholder Communications Strategy which is available on the company's website under the section, marked Corporate Governance. The company actively engages with security holders, and is responsive to enquiries. The company also has ad hoc interaction with brokers, institutional investors, analysts and financial media.

Recommendation 6.3

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

Disclosure and Departure

The Company has no formal process in place to facilitate and encourage participation at a meeting of security holders but shareholders are encouraged to participate at general meetings.

Recommendation 6.4

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

Disclosure

The IBML board ensures that in future years all substantive resolutions at meetings of security holders are decided by poll rather than by a show of hands.

Recommendation 6.5

A listed entity should give security holders the option to receive communication from, and send communications to, the entity and its security registry electronically.

Disclosure

Security holders can email or otherwise contact the Company by visiting the 'Contact section of the website'.

Principle 7: Recognise and manage risk:

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Recommendation 7.1

The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
 - (1) has at least three members, a majority of whom are independent directors; and
 - (2) is chaired by an independent director, and disclose:
 - (3) the charter of the committee;
 - (4) the members of the committee; and
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

Disclosure and Departure

The company has an Audit and Risk Committee the charter of which is available on the Company's website under the section, marked Corporate Governance. The membership is not fully compliant with this principle as two members of the committee are not independent. The Audit and Risk Committee has an independent chairman Hugh Thomas and two other members being Qiang Chen and Rui Liu.

The details of these directors' qualifications and attendance at committee meetings are set out in the Directors' Report of the Annual Report under the heading Directors' Meetings. The company's Namibian subsidiary undertakes regular, formal risk reviews throughout each year, the results of which are provided to the company.

The members of the committee have the necessary technical knowledge and understanding of the industry in which the entity operates to be able to discharge the committee's mandate effectively.

The details of these directors' qualifications and attendance at audit committee meetings are set out in the Directors' Report of the Annual Report under the heading Directors' Meetings.

The board has disclosed the Charter of the Committee, which may be found on the company's website. A summary of the company's Risk Management objectives can also be found in this section. The table set out in the Directors' Report of the Annual Report under the heading Directors' Meetings shows the members' attendance at committee meetings.

Recommendation 7.2

The board or a committee of the board should:

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

Disclosure

The board, and the Audit and Risk Management Committee, review the company's risk management framework at least annually to satisfy itself that it continues to be sound, and such a review was carried in the past financial year.

The board has required management to implement and maintain risk management and internal control systems to manage the company's material business risks. The board also requires management to report to it confirming that those risks are being managed effectively.

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.

Disclosure and Departure

Due to its size the company does not have an internal audit function. The processes the company employs for evaluating and continually improving the effectiveness of its risk management and internal control processes include the fact that all expenditure is approved by a director or senior management in accordance with board approved authority levels.

It is proposed that a member of the Audit and Risk Management Committee periodically review the company's controls and spot-checks that the necessary procedures have been followed.

Recommendation 7.4

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

Disclosure

The Company discloses its material exposure to, environmental and social risks, and how it manages those risks in announcements and in its Annual Report.

Principle 8: Remunerate fairly and responsibly:

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entities' values and risk appetite.

Recommendation 8.1

The board of a listed entity should:

- (a) have a remuneration committee which:
 - (1) has at least three members, a majority of whom are independent directors; and
 - (2) is chaired by an independent director, and disclose:
 - (3) the charter of the committee;
 - (4) the members of the committee; and
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Disclosure and Departure

The company has established a Remuneration Committee and has adopted a Remuneration Committee Charter which is available on the company's website under the section, marked Corporate Governance.

The Company is not fully compliant with this principle in that the chairman of the committee Rui Liu is not an independent director as is committee member Qiang Chen. Only one of the three members, Hugh Thomas, is independent

The processes the Company employs for setting the level and composition of remuneration for directors and senior executives, and ensuring that such remuneration is appropriate are not excessive are disclosed in the Remuneration Report in the company's 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.

Disclosure

Non-Executive Directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for Non-Executive Directors is not linked to individual performance. .

Remuneration and bonuses for Executive Directors and senior executives consist of a base salary, and may consist of performance incentives. Long-term performance incentives may include options granted at the discretion of the board and subject to obtaining the relevant approvals. Executives are offered competitive base salaries at market rates, which are reviewed to ensure market competitiveness.

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.

Disclosure

The Company has an equity-based remuneration scheme and has a policy that participants are not permitted to enter into transactions (whether through the use of derivatives or otherwise) that limit the economic risk of participating in the scheme.

The Company's Policy for the Trading in Company Securities, is available on the Company's website includes a statement of the Company's policy on prohibited transactions and blackout periods re share transaction.

Additional recommendations that apply only in certain cases

The following recommendations apply to the entities described within them.

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.

Disclosure

At all board or security holder meetings there are multi lingual directors and management in attendance ensuring the director understands, contributes and discharge their obligations. All board papers and substantive documents are translated for meetings.