

## CORPORATE GOVERNANCE STATEMENT

### Introduction

The Company is quoted on AIM, and in accordance with the AIM Rules for Companies (the AIM Rules), has elected to adopt the Quoted Companies Alliance (QCA) Corporate Governance Code 2018 (the Code) for Smaller Companies. In accordance with the AIM Rules this was adopted and implemented from September 2018, and is disclosed on the Company's website (<https://www.sylvaniaplatinum.com/governance/corporate-governance>).

The Board is committed to maintaining the highest standards of corporate governance throughout its operations and to ensuring that all of its practices are conducted transparently, ethically and efficiently to ultimately deliver shareholder value. The Company believes in scrutinising all aspects of its business and ensuring an effective and efficient management framework as recommended by the Code. The Board and management continue to reflect, analyse and improve the Company's procedures resulting in the continued success of the Company and improving shareholder value.

The Company provides a summary of its current Corporate Governance Code compliance as guidance, as set out below:

### The Board of Directors

The Board's role is to provide entrepreneurial leadership to the Group within a framework of prudent and effective controls which enables risks to be assessed and managed and is responsible for the proper management of the Company by developing, reviewing and approving the Company's strategy, budgets and corporate actions. The Board sets the corporate and operational strategy and holds regular Board meetings to review planning, operational and financial performance. The Board is responsible for setting the Group's values and standards and ensuring that its obligations to shareholders and others are met.

The Board comprises five members being the independent non-executive Chairman, two independent non-executive Directors, and two Executive Directors. It is important that the Board has the right mix of skills and experience to deliver on the strategy of the Company. The details of the Board members are outlined in the Director's report. There is a clear division of responsibilities at the head of the Group through the separation of the positions of Chairman and the Chief Executive Officer.

The Board currently comprises:

SA Murray	Independent Non-executive Chairman
JJ Prinsloo	Chief Executive Officer
RA Williams	Independent Non-executive Director
E Carr	Independent Non-executive Director
L Carminati	Chief Finance Officer

The Board met eight times during the financial year. Three formal Board meetings, one budget review meeting, one strategy meeting to review the current and future strategies on returning value to the shareholders and Company growth and three information update meetings.

The Board has not appointed a Senior Independent Director but will do so if and when it is appropriate considering the Company's size and stage.

### Risk assessment

The Board undertakes on-going risk assessments to identify and consider major internal and external risks to the business model of the Group, including future performance, solvency and liquidity. Principal risks and uncertainties are detailed in the Directors' report.

The Board also reviews the Group's ability to continue as a going concern on a regular basis.

### Internal controls

The effectiveness of the internal controls is overseen by the Board and is operationally monitored by Management on various organisational levels. The Group's financial control function is responsible for periodically testing the controls and overseeing the commitments entered into in connection with the operations of the Group.

The Group does not have a separate internal audit function to evaluate and test the operating procedures and processes relating to internal controls, but has engaged an independent firm to assist with this evaluation and testing and to determine

vulnerabilities within the Group. The planning and reporting of the internal audit function is monitored by the Audit Committee and the Board of Directors and is regularly discussed with the Group's external auditors.

### **Shareholder relations and expectations**

Executive Management and the Chairman meet regularly with major shareholders to develop a balanced understanding of the issues and concerns of shareholders. The Chairman ensures that the views of shareholders are communicated to the Board as a whole.

The Directors have established Audit and Remuneration Committees. Board appointments, succession planning, corporate governance and sustainability issues are dealt with by the full Board of Directors.

### **Audit Committee**

The Audit Committee has been established to assist the Board of the Company in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reports and financial reporting process, internal control structure and the internal and external audit process.

The Audit Committee members are Roger Williams (Chairman) and Eileen Carr, both of whom are qualified accountants.

The role of the Audit Committee includes, amongst others, the following:

- monitor and review the integrity of the financial reporting of the Company, reviewing significant financial reporting judgments;
- review the Company's insurances on behalf of the Board, noting that the Company's risks in general is addressed by the Board itself;
- monitor, review and oversee the external audit function including matters concerning appointment and remuneration, independence and non-audit services;
- monitor, review and oversee the internal audit function and the financial control system;
- monitor and review compliance with the Company's Code of Conduct and Whistleblower Policy; and
- perform such other functions as assigned by law, the Company's Byelaws, or the Board.

The Audit Committee invites representatives of the external auditor as well as Management to all committee meetings. The Audit Committee is satisfied that the Group's auditors are independent.

The Audit Committee met four times during the year to consider the following agenda items:

August 2019:

- Annual Report for the year ended 30 June 2019;
- External audit report on the Group Annual Financial Statements for the year ended 30 June 2019;
- Going concern and working capital requirement/cash forecast;
- Impairment; and
- Internal audit update.

November 2019:

- External auditor's strategy and planning report for the Half year review;
- Directors and Officers Liability Insurance;
- Internal audit update;
- IT Governance; and
- Risk review.

February 2020:

- Half year results and report to 31 December 2019;
- External audit report on half year;
- Half year Impairment and going concern assessments; and
- Review of Audit Committee terms of reference.

May 2020:

- External audit strategy and plan for the 30 June 2020 year-end audit;
- Internal audit update;
- IT Governance; and
- Whistleblower feedback.

All announcements released via RNS, including quarterly, half year and annual results, are approved by the entire Board.

### **Remuneration Committee**

The purpose of the Remuneration Committee is to determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chairperson, Executive Directors and Senior Management.

The Remuneration Committee comprises Roger Williams as the Chairman, and Stuart Murray. During the year under review, the Remuneration Committee met formally three times and invited Eileen Carr to attend.

Under its terms of reference, the Remuneration Committee assists the Board to determine the remuneration arrangements and contracts of the Executive Directors and senior employees. It also reviews the Board and Executives' key performance indicators, as well as performance-related pay and bonus share allocations. Succession planning for Senior Executives is reviewed annually.

No Director is involved in reviewing his own remuneration. The Directors' remuneration report, which includes details of the Directors' interests in options and shares is set out in the Director's report.

The Independent Non-Executive Directors may, if needed, seek independent professional advice, at the Group's expense, in the execution of their duties.

### **Nominations Committee**

The role of the Nominations Committee is undertaken by the full Board of Directors. The Nominations Committee is charged with finding suitable candidates for nomination for appointment to the Board of Directors.