

MMG Limited (Company)'s vision is to build the next generation's leading global diversified minerals and metals company. It is our strong belief that high standards of corporate governance practices are essential for our achievement of that vision and we maintain high standards of corporate governance practices by emphasising a quality Board, sound internal controls, and transparency and accountability to all shareholders of the Company.

## **CORPORATE GOVERNANCE**

The Company has applied the principles of good corporate governance as set out in the Corporate Governance Code and Corporate Governance Report (CG Code) contained in Appendix 14 of the Hong Kong Listing Rules. It has complied with all applicable code provisions set out in the Appendix 14 of the Hong Kong Listing Rules throughout the years, except for the deviation from code provision A.4.1 as explained under the section headed 'Re-election of Directors' of the MMG Annual Reports.

The Company's corporate governance practices are defined in the following documents:

- Articles of Association of Company;
- Corporate Governance Policy;
- Board Charter;
- Executive Committee Terms of Reference;
- Authority Standard; and
- This Corporate Governance Statement.

The Company operates its businesses in accordance with:

- MMG Code of Conduct;
- Authority Standard;
- Corporate Legal Compliance Standard;
- Whistleblower Framework; and
- Disclosure Framework.

## **BOARD**

The Board, which is elected by the shareholders, is the ultimate decision-making body of the Company, except with respect to those matters reserved to the shareholders. The Board represents the shareholders' interests as a whole.

The Company has adopted a Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised, delegated and/or discharged, having regard to principles of good corporate governance, international best practice and applicable laws. The Board Charter is adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market.

## **BOARD AND CEO RELATIONSHIP**

The Board has delegated the management of day-to-day operations of the Group to the CEO and his management committee comprising executive directors and senior management (Executive Committee) in accordance with the Board Charter. The Board Charter sets out matters that the Board has specifically reserved for itself and the CEO's powers are subject to these limits.

The CEO and his Executive Committee are accountable to the Board for the implementation of the Group's overall strategies and coordination of overall business operations and are required to report regularly to the Board on the progress being made by the businesses of the Group. The Executive Committee operates under the Executive Committee Terms of Reference.

The CEO has also established the Investment Review Committee to assist the CEO in reviewing and implementing major investment opportunities of the Company and its subsidiaries.

In addition, the following management committees also report to the CEO and his Executive Committee:

- Safety, Health, Environment and Community Committee; and
- Code of Conduct Committee.

## **BOARD COMMITTEES**

The Board may from time to time establish committees to assist it in carrying out its responsibilities and may adopt terms of reference setting out matters relevant to the composition, responsibilities and functions of such committees and other matters as the Board may consider appropriate.

The Board has established the following standing Board Committees:

- Audit Committee;
- Remuneration Committee;
- Governance and Nomination Committee; and
- Risk Management Committee.

These Board Committees have adopted the following terms of reference:

- Audit Committee Terms of Reference;
- Remuneration Committee Terms of Reference;
- Governance and Nomination Committee Terms of Reference; and
- Risk Management Committee.

## **DISCLOSURE COMMITTEE**

The Governance and Nomination Committee, supported by the Disclosure Committee has adopted the Disclosure Framework to ensure the Company's compliance with the disclosure obligations under the Hong Kong Listing Rules

and the timely disclosure of inside information to the market. The Disclosure Committee oversees the Disclosure Framework which requires employees to refer all potentially discloseable information to the Disclosure Committee.

### **MINERAL RESOURCES AND ORE RESERVES**

The Company releases a Statement of Mineral Resources and Ore Reserves on an annual basis. This Statement is prepared in accordance with the guidelines in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" as amended from time to time (JORC Code).

The Mineral Resources and Ore Reserves Committee has also been established to assist the Governance and Nomination Committee in overseeing the mineral resources and ore reserves reporting processes and practices of the Group.

### **BUSINESS CONDUCT**

The Company has adopted the MMG Code of Conduct to set standards of behaviour that the Company expects from its people and to support its value statements.

The Code of Conduct Committee reports to the CEO and his Executive Committee and assist the CEO in reviewing and developing the MMG Code of Conduct and reviewing and responding to internal audits of compliance with the MMG Code of Conduct.

The Corporate Legal Compliance Standard was adopted by the Company to ensure MMG's businesses are conducted in compliance with the relevant legal requirements.

### **BOARD DIVERSITY**

The Board is composed of members from a diverse background with extensive experience in metals and mining industry, trading, finance, legal, accounting, business strategy, enterprise risk management and exposure or experience in various countries.

The Company has developed Board Diversity Considerations to assist it in selecting and appointing Board candidates based on merit, diversity perspectives and potential contribution to the Board.

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## GLOSSARY

Term	Definition
<b>Board</b>	Board of MMG Limited
<b>Company</b>	MMG Limited
<b>Group</b>	MMG Limited and its subsidiaries
<b>Hong Kong Listing Rules</b>	The Rules Governing the Listing of securities on the Stock Exchange of Hong Kong Limited
<b>MMG</b>	MMG Limited and its subsidiaries