

Corporate governance statement

This document discloses the extent to which Cohiba Minerals Limited ACN 149 029 308 (**Company**) has followed the recommendations set by the ASX Corporate Governance Council in the third edition of its Corporate Governance Principles and Recommendations (**ASX Recommendations**) during the relevant part of the reporting period.

This document is current as at 30 June 2018 and has been approved by the Board of the Company.

| PRINCIPLES AND RECOMMENDATIONS | COMPLY (YES/NO) | EXPLANATION |
|--|-----------------------|--|
| Principle 1: Lay solid foundations for management and oversight | | |
| <p>Recommendation 1.1 A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p> | <p>Yes</p> <p>Yes</p> | <p>Refer Schedule 1 of the Company's Corporate Governance Plan for further detail which is located on the Company's website at the following link:</p> <p>http://cohibaminerals.com.au/corporate_governance</p> |
| <p>Recommendation 1.2 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> | <p>Yes</p> <p>Yes</p> | <p>Refer to Schedule 1 of the Company's Corporate Governance Plan for further detail which is located on the Company's website at the following link:</p> <p>http://cohibaminerals.com.au/corporate_governance</p> <p>Information is included in The Company's Notice of Meetings to shareholders.</p> |
| <p>Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> | <p>Yes</p> | <p>The Company has entered into appointment letters of agreement with each of its Non-Executive Directors.</p> <p>Details of executive contracts in place are detailed in the Company's Annual Remuneration Report in the 2018 Annual Report.</p> |
| <p>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.</p> | <p>Yes</p> | <p>Refer Section 6 of the Company's Board Charter which is located on the Company's website at the following link:</p> <p>http://cohibaminerals.com.au/corporate_governance</p> |

| PRINCIPLES AND RECOMMENDATIONS | COMPLY (YES/NO) | EXPLANATION | | | | | | | | | | | | | | | | | | | | |
|---|--|--|--------------------|-------|----------------------------|--------------------|---------------|--|--|--|------------|---|---|---|--------------|---|---|---|---------|----|----|----|
| <p>Recommendation 1.5 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>Yes</p> <p>Yes</p> <p>Yes</p> <p>Not applicable</p> | <p>Refer to the Schedule 10 of the Company's Corporate Governance Plan for further detail which is located on the Company's website at the following link: http://cohibamaterials.com.au/corporate_governance</p> <p>Refer to the Schedule 10 of the Company's Corporate Governance Plan for further detail which is located on the Company's website at the following link: http://cohibamaterials.com.au/corporate_governance</p> <p>The Company is in the process of developing measurable objectives for achieving gender diversity.</p> <p>The proportion of women on the Board, women in senior executive positions and women employees in the whole organisation as at reporting date was as follows:</p> <table border="1" data-bbox="1368 691 2018 916"> <thead> <tr> <th></th> <th>Board</th> <th>Senior executive positions</th> <th>Whole organisation</th> </tr> </thead> <tbody> <tr> <td>Gender</td> <td></td> <td></td> <td></td> </tr> <tr> <td>No. of men</td> <td>3</td> <td>1</td> <td>4</td> </tr> <tr> <td>No. of women</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>% women</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table> | | Board | Senior executive positions | Whole organisation | Gender | | | | No. of men | 3 | 1 | 4 | No. of women | 0 | 0 | 0 | % women | 0% | 0% | 0% |
| | Board | Senior executive positions | Whole organisation | | | | | | | | | | | | | | | | | | | |
| Gender | | | | | | | | | | | | | | | | | | | | | | |
| No. of men | 3 | 1 | 4 | | | | | | | | | | | | | | | | | | | |
| No. of women | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | |
| % women | 0% | 0% | 0% | | | | | | | | | | | | | | | | | | | |
| <p>Recommendation 1.6 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>Yes</p> <p>Yes</p> | <p>Refer to the Schedule 6 of the Company's Corporate Governance Plan for further detail which is located on the Company's website at the following link: http://cohibamaterials.com.au/corporate_governance</p> <p>A performance evaluation was not undertaken during the period to June 2018 and would be completed in 2019.</p> | | | | | | | | | | | | | | | | | | | | |
| <p>Recommendation 1.7 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>Yes</p> <p>Yes</p> | <p>Refer Section 9 of the Company's Board Charter for further detail which is located on the Company's website at the following link: http://cohibamaterials.com.au/corporate_governance</p> <p>A performance evaluation on the Executive Chairman was not undertaken during the period to June 2018 and would be completed in 2019.</p> | | | | | | | | | | | | | | | | | | | | |

| PRINCIPLES AND RECOMMENDATIONS | COMPLY (YES/NO) | EXPLANATION |
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| Principle 2: Structure the board to add value | | |
| <p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <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>(a) No</p> <ul style="list-style-type: none"> (i) N/A (ii) N/A (iii) N/A (iv) N/A (v) N/A <p>(b) Yes</p> | <p>Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to nomination.</p> <p>Refer Schedule 5 of the Company's Corporate Governance Plan for further detail which is located on the Company's website at the following link:</p> <p>http://cohibaminerals.com.au/corporate_governance</p> <p>The Board has not established a Nomination Committee, however the Board assumes the role of the Nomination Committee, which meets at least annually to deal with the Nomination Committee's responsibilities, and operates under a charter approved by the Board.</p> |
| <p>Recommendation 2.2</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>Yes</p> | <p>Refer Schedule 1 of the Company's Corporate Governance Plan for further detail which is located on the Company's website at the following link:</p> <p>http://cohibaminerals.com.au/corporate_governance</p> |

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| <p>Recommendation 2.3</p> <p>A listed entity should disclose:</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>Yes</p> <p>N/A</p> <p>Yes</p> | <p>The Board has two Non-Executive Directors being Robert Beeson and Nochum Labkowski, who are independent Directors. Mordechai Benedikt is not considered to be independent due to his role as Executive Director and his substantial shareholding in the Company.</p> <p>The Board considers 2 out of 3 of its Directors to be independent having regard to the indicia in Box 2.3 in the ASX Recommendations. The Board has considered the holdings of shares in the Company by each Non-Executive Director and is of the opinion that their respective interests in shares would not materially interfere with, or could be reasonably perceived to interfere with, the independent exercise of their judgement in their position as a Director. The Board also considers that Robert Beeson and Nochum Labkowski are otherwise free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgement, and that each of these Directors is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.</p> <p>The lengths of service are as follows:</p> <ul style="list-style-type: none"> • Mordechai Benedikt (appointed 24 July 2013) • Robert Beeson (appointed 3 May 2018) • Nochum Labkowski (appointed 5 August 2015) |
| <p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p> | <p>Yes</p> | <p>The majority of the Board are independent Non-Executive Directors. The Board is composed of two Non-Executive independent Directors and one Executive Director who is not independent.</p> |
| <p>Recommendation 2.5</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>No</p> | <p>The Chair, Mordechai Benedikt, was appointed as Executive Chairman on 20 May 2016 and is not considered to be an independent director by virtue of his shareholding in the Company and being an Executive of the Company during the reporting period.</p> <p>The Board recognises that it is desirable for the Chair and the CEO to be different people, however the Company's current size dictates that this is the most efficient mode of operation at the current time. The Board will review the appointment of further independent directors should the company's size and growth warrant this.</p> |

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| <p>Recommendation 2.6</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> | Yes | <p>Refer Schedule 5 of the Company's Corporate Governance Plan for further detail which is located on the Company's website at the following link:</p> <p>http://cohibaminerals.com.au/corporate_governance</p> |
| Principle 3: Act ethically and responsibly | | |
| <p>Recommendation 3.1</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>Yes</p> <p>Yes</p> | <p>Refer Schedule 2 of the Company's Corporate Governance Plan for further detail which is located on the Company's website at the following link:</p> <p>http://cohibaminerals.com.au/corporate_governance</p> |
| Principle 4: Safeguard integrity in financial reporting | | |
| <p>Recommendation 4.1</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 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>No</p> <p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>Yes</p> | <p>Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the audit committee</p> <p>For further detail refer to Schedule 3 of the Company's Corporate Governance Plan which is located on the Company's website at the following link: http://cohibaminerals.com.au/corporate_governance</p> <p>The Board has not established an Audit Committee, however the Board assumes the role of the Audit Committee, which meets at least annually to deal with the Audit Committee's responsibilities, and operates under a charter approved by the Board.</p> |

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| <p>Recommendation 4.2</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> | No | As the Company does not currently have a CEO or CFO, the Executive Chairman provides Section 295A declarations. |
| <p>Recommendation 4.3</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> | Yes | The Auditor attends the Company Annual General Meeting. |
| Principle 5: Make timely and balanced disclosure | | |
| <p>Recommendation 5.1</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> | Yes Yes | Refer Schedule 7 of the Company's Corporate Governance Plan for further detail which is located on the Company's website at the following link: http://cohibaminerals.com.au/corporate_governance |
| Principle 6: Respect the rights of security holders | | |
| <p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p> | Yes | Refer to the Company's website at the following link: http://cohibaminerals.com.au/corporate_governance |
| <p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p> | Yes | Refer Schedule 11 of the Company's Corporate Governance Plan for further detail which is located on the Company's website at the following link: http://cohibaminerals.com.au/corporate_governance |
| <p>Recommendation 6.3</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> | Yes | This is disclosed in the Company's Notice of Meetings when dispatched to Shareholders. |

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|---|---|--|
| <p>Recommendation 6.4</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> | Yes | This is implemented by the Company's Share Registry. |
| Principle 7: Recognise and manage risk | | |
| <p>Recommendation 7.1</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> | <p>(a) No</p> <p>(i) N/A</p> <p>(ii) N/A</p> <p>(iii) N/A</p> <p>(iv) N/A</p> <p>(v) N/A</p> <p>(b) Yes</p> | <p>Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the risk committee</p> <p>For further detail refer to Schedule 3 of the Company's Corporate Governance Plan which is located on the Company's website at the following link: http://cohibaminerals.com.au/corporate_governance</p> <p>The Board has not established a Risk Committee, however it has established a Non-executive Directors Committee that assumes the role of the Risk Committee, which meets at least annually to deal with the Risk Committee's responsibilities, and operates under a charter approved by the Board.</p> |
| <p>Recommendation 7.2</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 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>Yes</p> <p>Yes</p> | <p>The Company regularly undertake reviews of its risk management framework to establish an effective and efficient system for:</p> <p>(i) identifying, assessing, monitoring and managing risk; and</p> <p>(ii) disclosing any material change to the Group's risk profile.</p> <p>For further detail refer to Schedule 8 of the Company's Corporate Governance Charter which is located on the Company's website at the following link:</p> <p>http://cohibaminerals.com.au/corporate_governance</p> |

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| <p>Recommendation 7.3</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>a. N/A</p> <p>b. Yes</p> | <p>The Company does not have an internal audit function. The Board directly oversees relevant risk areas as part of its risk management function.</p> <p>For further detail refer to Schedule 3 of the Company's Corporate Governance Plan for further detail which is located on the Company's website at the following link:</p> <p>http://cohibaminerals.com.au/corporate_governance</p> |
| <p>Recommendation 7.4</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>No</p> | <p>There is no material exposure to economic and social sustainability risks. The Company details the environmental risks in the Directors Report in the 2018 Annual Report.</p> |
| <p>Principle 8: Remunerate fairly and responsibly</p> | | |
| <p>Recommendation 8.1</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>(a) No</p> <p>(i) N/A</p> <p>(ii) N/A</p> <p>(iii) N/A</p> <p>(iv) N/A</p> <p>(v) N/A</p> <p>b. Yes</p> | <p>Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the remuneration committee</p> <p>For further detail refer to Schedule 4 of the Company's Corporate Governance Plan which is located on the Company's website at the following link: http://cohibaminerals.com.au/corporate_governance</p> <p>The Board has not established a Remuneration Committee; however, the Board assumes the role of the Remuneration Committee, which meets at least annually to deal with the Remuneration Committee's responsibilities, and operates under a charter approved by the Board.</p> |

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| <p>Recommendation 8.2</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.</p> | Yes | <p>Separate disclosure regarding the remuneration of the Company's Directors (Executive and Non-Executive) is disclosed in the Company's Annual report, as lodged with the ASX and issued to shareholders.</p> <p>A copy of the latest Annual Report containing this disclosure can be accessed at: http://cohibaminerals.com.au/investors</p> |
| <p>Recommendation 8.3</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> | N/A | The Company does not have an equity based remuneration scheme in place. |