

# CORPORATE GOVERNANCE STATEMENT

As a guernsey-registered company, trading on the standard list of the main market of the London Stock Exchange, the UK Corporate Governance Code published by the Financial Reporting Council does not apply to the Company. However, the Directors recognise the importance of effective corporate governance and have implemented corporate governance practices having consideration to the recommendations and principles of the UK Corporate Governance Code as far as is appropriate bearing in mind the size and nature of the Company.

The Board oversees the performance of the Group's activities. It comprises experienced board members who have held senior positions in a number of public and private companies. The Board is responsible to shareholders for the proper management of the Group. The Non-Executive Directors have particular responsibility to ensure that the strategies proposed by the Executive Director are carefully considered. The Board meets regularly and met eight times in FY 2023. Prior to such meetings taking place, an agenda and board papers are circulated to the Directors so that they are adequately prepared for the meetings.

To enable the Board to discharge its duties, all Directors have full and timely access to all relevant information.

There is no agreed formal procedure for the Board (or members thereof) to seek independent professional advice but, pursuant to their letters of appointment, the Non-Executive Directors may, where appropriate, take independent professional advice at the Group's expense.

In accordance with the Company's articles of associations, the Directors submit themselves for re-election every three years at the Company's annual general meeting ("AGM").

The composition of the Board will be reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience. The articles provide that the number of Directors that may be appointed may not be fewer than two. Two Directors present at a board meeting constitutes a quorum.

The Board ensures it is aware of the views of major and other shareholders through regular meetings in person (where appropriate), feedback via the Company's investor relations manager or via the review of investor relations board reports, as well as through discussions with the Company's brokers and market analysts. Where such information has been obtained by the CEO, this information is disseminated to the rest of the Board in a timely manner.

## Review of internal control and risk management systems

The Board has reviewed the Group's internal control and risk management systems.

Rainbow has a relatively small team of management and financial staff and is therefore able to retain a tight control over its financial reporting activities. The Board does not consider it appropriate to have a separate internal audit function, however a number of internal controls and reviews have been put in place to provide the Board (and the audit committee) with assurance that the risks inherent to operating a natural resource company in more than one jurisdiction are managed appropriately.

These controls include the following:

- Budgets and forecasts are prepared by finance staff in conjunction with operating teams and are reviewed and approved by senior management (and in the case of the budget, by the Board).
- Actual results are reported against budget and forecast, and variances examined.
- All banking transactions must be initiated and authorised by at least two staff members, one of whom is a senior manager (CEO or CFO). Since the retirement of the general manager in Burundi, all payments are approved by the CEO or CFO prior to payment being made locally. For international payments, all payments are approved in the online banking system by the CFO following sign-off by the CEO.
- Financial operations in Burundi are reviewed regularly by the CFO, both on visits to Burundi and online. During the FY 2023, reviews were primarily conducted in an online environment and in-country visits limited to discussions with the Burundi government.
- The Group uses a central financial reporting system (xero) which records all transactions, capturing third party documents (e.g. invoices) which are reviewed by head office on a monthly basis.
- Senior management regularly discuss material developments (normally weekly) and consider financial and reporting implications of any matters arising.

In addition to formal audit committee meetings, the CFO has regular interaction with the audit committee chairman to discuss control and reporting matters in more detail.

## CORPORATE GOVERNANCE STATEMENT CONTINUED

### Board of Directors

The Company had one Executive Director and six Non-Executive Directors at 30 June 2023. All major decisions relating to the Group are made by the Board as a whole. Operations are conducted by the subsidiaries of the Company. In Burundi, the Company is represented on the Board of Rainbow Mining Burundi SM by the CEO and CFO.

The Board reviews key business risks regularly, including the financial risks facing the Group in the operation of its business.

These matters include, but are not limited to, the following:

- determining the strategy for the Company;
- approving the annual budget;
- discussing and approving financing, including new debt and equity;
- setting the dividend policy;
- developing the appropriate ESG standards and practices;
- mergers and acquisitions activity and significant transactions;
- risk management; and
- considering and, if appropriate, approving the recommendations of board committees.

The following table lists the names, positions and ages of the Directors as at 30 June 2023, the year they were appointed, and current committee memberships:

Name	Age	Position	Audit	Remuneration	Nomination	SHEC
Adonis Pouroulis	53	Non-Executive Chairman	-	Member	Chair	-
George Bennett	62	CEO	-	-	-	Member
Alexander Lowrie	48	Independent Non-Exec	Member	Chair	-	Member
Shawn McCormick	56	Independent Non-Exec	Member	Member	-	Chair
Atul Bali	52	Independent Non-Exec	Chair	-	Member	-
J. Peter Pham	52	Independent Non-Exec	-	-	Member	-
Darryll Castle	54	Non-Exec	-	-	-	-

The Company does not consider Adonis Pouroulis to be independent by virtue of being a significant shareholder. The other Non-Executive Directors are considered to be independent (with the exception of Darryll Castle) in terms of character and judgment, notwithstanding the following:

- all the independent Non-Executives are shareholders in the Company see Board of Directors on pages 38 to 39 for further information).
- all the independent Non-Executives held share options during the Year (see note 22 for details).

Darryll Castle is not independent because he is the Director of Operations for TechMet, a strategic shareholder with the right to nominate one Director to the Rainbow Board for so long as it holds at least 10% of the issued shares in the Company.

The table below shows the attendance at board and committee meetings during FY 2023:

Name	Board	Audit	Remuneration	Nomination	SHEC
Adonis Pouroulis	8/8	N/A	1/1	0/0	N/A
George Bennett	8/8	N/A	N/A	N/A	1/1
Alexander Lowrie	8/8	3/3	1/1	N/A	1/1
Atul Bali	8/8	3/3	N/A	0/0	N/A
J. Peter Pham	6/8	N/A	N/A	0/0	N/A
Shawn McCormick	7/8	0/3	1/1	N/A	0/1
Darryll Castle <sup>1</sup>	1/1	N/A	N/A	N/A	N/A

<sup>1</sup> Darryll Castle was appointed on 12 June 2023.

The table of board committee attendance is based on the board committee appointments at the time of the relevant meeting. The Board is regularly informed of developments outside of formal board meetings, through update calls and meetings, reports and one-to-one discussions with the CEO and other management.

The deliberations of the various committees, referred to on page 44, do not reduce the individual and collective responsibilities of board members with regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgment in accordance with their statutory obligations.

These terms of reference are subject to the provisions of the articles and any other applicable law or regulatory provision in force in Guernsey, and the listings rules.

In addition to the audit, remuneration, nomination and SHEC (now renamed the Sustainability Committee) committees which have formally delegated duties and responsibilities within written terms of reference, the Board may set up additional committees as appropriate.

## CORPORATE GOVERNANCE STATEMENT CONTINUED

### Diversity

The Board of Rainbow understands that diversity and inclusion are important in providing a broad range of perspectives in the workplace, fostering innovation, encouraging collaboration and enabling businesses to deliver better results for their stakeholders.

As the Company progresses on its development path, it will continue to consider the appropriate mix of skills, culture and qualities, as well as the diversity represented, that will allow Rainbow to deliver on its strategy.

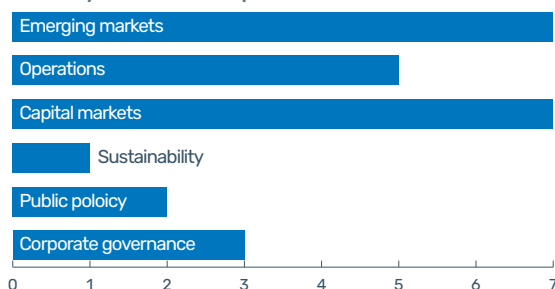
Rainbow is committed to developing a diverse workforce and to providing a work environment in which everyone is treated fairly and with respect.

The Company does not currently have a formal Board diversity policy which is mainly a reflection of the small size of the Rainbow business to date. However, as part of its future development plans, in FY 2024 the Company aims to commence the planning work required to put a diversity and inclusion policy in place that will set out its commitment to ensuring an equitable, diverse and inclusive workplace.

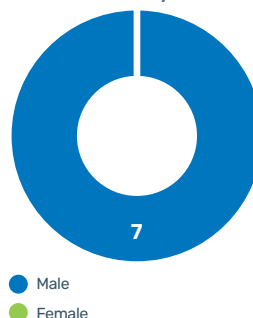
As part of this work, we will be looking at all elements of diversity and considering a broad definition of difference, including but not limited to: experience, skills, expertise, ethnicity, nationality, gender, cultural and socio-economic background, geographic location, age, education, religious beliefs, language, neurodiversity, disability, sexuality and family responsibilities.

### Rainbow Board Diversity

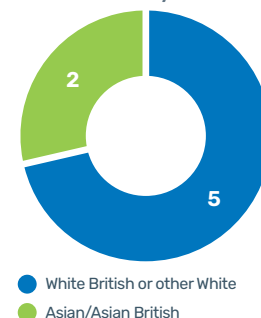
#### Diversity of skills and experience



#### Gender diversity



#### Ethnic diversity



### Gender diversity

The Company has not met the UK's Financial Conduct Authority's ("FCA") diversity targets that at least 40% of the board members should be female and that at least one of the senior board positions should be held by a woman, and the reason for this mainly relates to the historically lower proportion of women in the resources and industrial industries. However, the Company is aware that much progress has been made in order to increase female representation in these sectors and will be looking to improve its gender diversity statistics as the Company continues with its corporate development path. This will be a focus for the Company's Nomination Committee in FY 2024.

The following table sets out the Company's current gender diversity at senior levels of the business as at 30 June 2023:

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID, Chair)	Number in executive management	Percentage of executive management
Men	7	100	2	1	100
Women	0	0	0	0	0

### Ethnic diversity

The Company has met the FCA's diversity target that at least one member of the board should be from an ethnic minority background excluding white ethnic groups (as set out in categories used by the Office for National Statistics).

The following table sets out the Company's current ethnic diversity at senior levels of the business as at 30 June 2023:

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID, Chair)	Number in executive management	Percentage of executive management
White British or other White	5	71	2	1	100
Mixed / Multiple Ethnic Groups	0	0	0	0	0
Asian / Asian British	2	29	0	0	0
Black / African / Caribbean / Black British	0	0	0	0	0
Other ethnic group, including Arab	0	0	0	0	0

## CORPORATE GOVERNANCE STATEMENT CONTINUED

### Audit committee

The Board has established an audit committee with formally delegated duties and responsibilities. The audit committee is chaired by Atul Bali and its members are Alexander Lowrie and Shawn McCormick. The members of the audit committee are considered to possess the appropriate skills and experience to monitor and ensure the integrity of the Group's financial reporting, Internal Audit, internal financial control and risk management systems and to support Rainbow's governance.

The audit committee should meet not less than two times a year and is responsible for ensuring the financial performance of the Group is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies. It is also responsible for keeping the categorisation, monitoring and overall effectiveness of the Group's risk assessment and internal control processes under review.

The audit committee met three times during the Year. During these meetings, the following matters were considered:

- the audit of the year ended 30 June 2022 was planned and the key areas of audit risk were discussed ahead of the relevant audit procedures being undertaken. The audit planning meeting for FY 2023 occurred after the financial year end.
- the financial statements for the year ended 30 June 2022, and the interim financial statements for the six months ended 31 December 2022, were reviewed. The audit committee met with the auditors at the conclusion of the FY 2022 audit to discuss their findings and, following due consideration, recommended to the Board that these financial statements be approved.

The audit committee also considered the conduct of the external audit by BDO LLP, which was considered to be appropriate. The committee therefore resolved to propose BDO LLP for reappointment at the next AGM for a period of 12 months. It was noted that BDO LLP had been auditors of the Company since October 2016.

The audit committee also considered the independence and objectivity of BDO LLP. The committee considered the composition of the BDO audit team, together with the duration of service of the partner and senior audit team members on the Group's audit and concluded that BDO LLP was sufficiently independent to conduct the audit. The only non-audit service during the Year was the informal review of the interim financial statements for the six months to 31 December 2022.

### Nomination committee

The nomination committee is chaired by Adonis Pouroulis and its members are Atul Bali and J. Peter Pham. The nomination committee is normally expected to meet only as required. The nomination committee is responsible for reviewing, within the agreed terms of reference, the structure, size, and composition of the Board, undertaking succession planning, leading the process for new Board appointments, and making recommendations to the Board on all new appointments and re-appointments of existing Directors. The nomination committee did not meet during FY 2023.

### Remuneration committee

The remuneration committee is chaired by Alexander Lowrie and its members are Adonis Pouroulis and Shawn McCormick. It is expected to meet at least once a year. The remuneration committee has responsibility for determining, within agreed terms of reference, the Group's policy on the remuneration of senior executives and specific remuneration packages for Executive Directors and the Non-Executive Chairman. The remuneration of Non-Executive Directors is a matter for the Board. No Director may be involved in any discussions as to their own remuneration.

The remuneration committee met once during FY 2023 to discuss and approve Board and Senior Management remuneration, as well as the Company's share option scheme and the award of share options to Directors and Senior Management.

### Safety, health, and environment committee

The SHEC is chaired by Shawn McCormick and its members are George Bennett and Alexander Lowrie.

The SHEC is responsible for developing and reviewing the Group's framework, policies and guidelines on safety, health and environmental management, monitoring key indicators on accidents and incidents within the Group's operations and considering developments in relevant safety, health and environmental practices and regulations.

The SHEC met once during FY 2023 to discuss the development of the Group's sustainability strategy, both over the short- and longer-term, and an action plan and budget were subsequently approved in order to deliver on this strategy. Post year-end, the SHEC was renamed the Sustainability Committee – see page 23 for details.

### Share dealing policy

The Company has a share dealing policy requiring all Directors and Senior Executives to obtain prior written clearance from either the Chairman or the Chief Executive Officer to deal in linked shares. The Chairman requires prior written clearance from the chairman of the audit committee. Close periods (as defined in the share dealing policy) are observed as required by market abuse regulations and other rules that apply to the Company by virtue of the market on which its shares are listed. During these periods, the Company's Directors, Senior Managers and inside employees are not permitted to deal in the Company's securities. Additional close periods are enforced when the Company or its applicable employees are in possession of inside information.

### Anti-bribery policy

As part of our work during the Year to strengthen our policies, we have updated the Group's Anti-bribery Policy. The Policy includes clear guidance on expected behaviour and procedures (including whistleblowing), which apply to the Group, its officers and staff anywhere in the world. The Policy and procedures have been developed following an assessment of the risks applicable to the Group's business and include clear definitions as well as a process for reporting suspicious conduct, financial limits on gifts and hospitality, procedures for financial record-keeping and for dealing with contracts with third parties, and a prohibition on charitable or political donations without Board approval. Guidance and expectations around conflicts of interest are included in the Group's Code of Conduct.

Pete Gardner, CFO, acts as the Group's Anti-bribery Officer, overseeing the day-to-day operation of the Policy and procedures. He reports to the Board on any specific issues that might arise and the Board also regularly reviews the operation of the Policy and related procedures.

All personnel are required to receive guidance and training in relation to the Group's Policy and procedures.

The anti-bribery officer also undertakes due diligence on third parties as appropriate that are to be engaged by the Group to do business on its behalf. The Group requires third parties to take account of the Anti-bribery Policy and to act in accordance with its provisions.

The Group's Anti-Bribery Policy, along with its Code of Conduct and Ethics, its Whistleblowing Procedure and its Share Dealing Code, can be found on the Company's website at <https://www.rainbowrareearth.com/about/corporate-governance/company-policies/>.

Signed on behalf of the Board of Directors on 27 October 2023.

**GEORGE BENNETT**  
CHIEF EXECUTIVE OFFICER