

# **GEOVIC MINING CORP.**

## **STATEMENT ON CORPORATE GOVERNANCE**

The business of Geovic Mining Corp. (the "Company") is conducted by its employees, managers and officers, under the direction of the chief executive officer (the "CEO") and the oversight of the Company's Board of Directors (the "Board"), to enhance the long-term economic value of the Company for its stockholders. The Board is elected by the stockholders to oversee management and to assure that the long-term interests of the stockholders are being served. The Board and management recognize that the long-term interests of stockholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties including employees, recruits, customers, suppliers, government officials and the public at large.

### **1. Board Duties and Responsibilities**

#### **A. Oversight**

To accomplish its mission to assure that the long-term interests of the stockholders are being served, the Board must:

1. ensure that the Company operates in a legal, ethical, and socially responsible manner;
2. select, evaluate, and offer substantive advice and counsel to the CEO and work with the CEO to develop effective measurement systems that will evaluate and determine the Company's degree of success in creating long-term economic value for its stockholders;
3. review, approve, and monitor fundamental financial and business strategies and major corporate actions;
4. oversee the Company's capital structure and financial policies and practices;
5. assess major risks facing the Company and reviewing options for their mitigation; and
6. provide counsel and oversight on the selection, evaluation, development and compensation of senior management and provide critical and candid feedback on its successes and failures.

#### **B. Corporate Governance**

The Board will annually review and, if it deems appropriate, approve changes to this statement on corporate governance that have been recommended to the Board by the Nominating and Corporate Governance Committee.

#### **C. Committee Charters**

The Board will periodically review and if it deems appropriate, approve changes to the Company's Audit, Compensation and Nominating and Corporate Governance Committee charters that have been recommended to the Board by such committees.

**D. Evaluation and Education**

The Board shall oversee the Nominating and Corporate Governance Committee's initiatives for the evaluation and education of the full Board, the committees of the Board and individual Board members.

**E. Company Visitation**

Non-employee directors are encouraged to visit the Company at least once each year to familiarize himself/herself with the business of the Company and its subsidiaries. These visits should be pre-arranged with the CEO, and directors are requested to report to the full Board at the next Board meeting after any such visit.

**F. Assessing CEO Performance**

The Board believes that the CEO's performance should be evaluated annually. The Compensation Committee shall make a recommendation to the Board, meeting without the CEO or any other members of management present, as to (i) an evaluation of the CEO's performance and (ii) the CEO's compensation package, which may include salary, bonus, and long-term incentives such as stock and stock option awards. The Board shall then evaluate the CEO's performance and the independent members shall either approve the recommendation of the Compensation Committee regarding the CEO's compensation package, or request that the Compensation Committee make a new recommendation based on the performance evaluation of the CEO by the Board. The following areas shall be a part of the performance evaluation of the Compensation Committee and the Board: (i) the creation of a Company vision and strategy; (ii) the execution of the vision and strategy; (iii) the development of sound long term and annual business plans in support of the approved strategy; (iv) maintenance of consistent values and exemplary conduct; and (v) the development, retention and motivation of an effective executive management team and succession plans for the executive management team. The annual assessment of the performance of the CEO will be discussed with the CEO in a manner to be determined by the Chairman of the Compensation Committee and the Nominating and Corporate Governance Committee.

**G. Succession Planning**

The Board shall oversee the Compensation Committee initiatives for succession planning.

**H. Business Conduct and Ethics**

The Board believes that, in order to maintain the highest ethical, legal and socially responsible conduct, the Company should maintain appropriate codes of business conduct and ethics applicable to directors and employees, including the CEO and the senior financial officers regarding: (i) conflicts of interest; (ii) corporate opportunities; (iii) confidentiality; (iv) fair dealing; (v) protection and proper use of Company assets; (vi) compliance with laws, rules and regulations; (vi) honest and ethical conduct; (vii) full, fair, accurate, timely and understandable disclosure in the periodic reports, proxy statements and other documents that the Company is required to file under the Securities Exchange Act of 1934, as amended or with any Exchange on which securities of the Company are traded; (viii) compliance with applicable governmental rules and regulations. and (ix) such other matters as the Board deems appropriate. The Board has adopted a Code of Business Conduct and Ethics and has delegated the responsibility for overseeing the to the Audit Committee and the Nominating and Corporate Governance Committee.

**L. Risk Management**

The Board shall discuss periodically with the Audit Committee and management the Company's policies and guidelines regarding risk assessment and risk management, as well as the Company's major financial risk exposures and steps management has taken to monitor and control such exposures. The Board also shall review the Company's existing processes and policies with respect to risk assessment and risk management.

**II. Corporate Organization**

**A. Board of Directors**

The Corporate Governance Committee is responsible for considering and making recommendations to the Board concerning the appropriate size of the Board. The Board shall periodically review its size to consider the size that is appropriate for its effective operation. In general, the Board believes that its appropriate size is six to twelve members, recognizing that retirements, resignations and recruiting delays may result, periodically, in the Board consisting, for some transitional period, of a slightly greater or lesser number of directors than the Board may have targeted.

**B. Management**

After considering the recommendations of the CEO, the Board will appoint the members of the executive management of the Company.

**III. Membership on Board of Directors**

**A. Mix of Directors; "Independent" Directors**

The Board's current goal is to have a at least a majority of its members be independent in accordance with Toronto Stock Exchange listing standards.. Moreover, no director will be independent unless the Board affirmatively determines that the director has no material relationship with the Company (directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) and otherwise satisfies independence requirements of the Toronto Stock Exchange. Where applicable, non-employee directors are encouraged to give notice to the Board, to the extent practicable, of an anticipated event or transaction that might affect their independence under applicable regulations and listing standards.

**B. Board Membership Criteria**

The Nominating and Corporate Governance Committee is responsible for considering, reviewing with and making recommendations to the Board concerning the characteristics of Directors, including desired competencies, skills and attributes, for establishing criteria for persons to be nominated for election to the Board and its committees, nominations of persons for election as Directors by stockholders, and for filling vacancies.

**C. Leadership**

The Board notes that all directors are elected by the stockholders and, therefore have an equal voice. The Chairman of the Board if designated, the CEO, or the Board as a whole may call upon any one or more directors to provide leadership in a given situation. The Board understands that leadership in certain subject areas falls to the committee Chairman responsible for the subject matter giving rise to the need, and that the Chairman function as the committee liaisons to the Chairman and the rest of the Board. In circumstances in which the independent directors meet without the Chairman, a director designated by the independent directors to lead the meeting shall preside and shall: (i) coordinate the activities of the independent directors; (ii) provide input with respect to agenda items; and (iii) consult, as appropriate, with the other Chairman of the Board committees in order to avoid diluting the authority or responsibility of such committee Chairman.

**D. Term Limits**

The Board does not believe that it should establish term limits for service on the Board. Term limits have the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations, and therefore provide an increasing contribution to the Board as a whole.

**E. Retirement**

No person will be nominated by the Board to serve as a director after he or she has passed his or her 73rd birthday, unless the Nominating and Corporate Governance Committee has waived the mandatory retirement age of such person as a director. Upon reaching the age of 73, each director will offer a standing letter of resignation for consideration by the Nominating and Corporate Governance Committee. The Board, upon recommendation of the Nominating and Corporate Governance Committee, shall have the opportunity to accept the resignation of such director at any time.

**F. Resignation**

Non-management directors who change their primary job responsibilities held at the time of their election to the Board will notify the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will review whether such change in responsibilities will impair the director's ability to effectively serve on the Board, and make a recommendation to the Board. The Board will, in its sole discretion, determine whether such change in responsibilities will impair the director's ability to effectively serve on the Board, and may decide to request a letter of resignation from the director where it has determined the ability of the director to serve is impaired. Management directors will offer to resign from the Board upon their resignation, removal, or retirement as an officer of the Company. The Board will, in its sole discretion, determine whether to accept such resignation, provided that such director shall only continue to serve as a director after his resignation, removal or retirement for a transition period of up to one year after the date that he or she ceases to be an executive officer.

**G. Additional Directorships**

The Nominating and Corporate Governance Committee and the Board will take into account the nature of, and the time involved in, a director's service on other boards in evaluating the suitability of individual director candidates and making its recommendations to stockholders. Prior to accepting any invitation to serve on the board of directors of a public corporation or entity each director shall obtain the approval of the Chairman of the Board, acting in conjunction with the Chairman of the Nominating and Corporate Governance Committee. The Chairman of the Board shall review all relevant facts and, under the guidance of the Chairman of the Nominating and Corporate

Governance Committee, may (i) determine that service on such board of directors raises actual or potential conflicts and deny the request, (ii) determine service on such board of directors does not raise actual or potential conflicts and approve the request, or (iii) recommend that the entire Nominating and Corporate Governance Committee consider the request. In the event a director is invited to serve on the board of directors of a privately held corporation or entity, or a not-for-profit entity or any government or advisory group, the director shall only join such board of directors if such director determines (i) that a conflict of interest does not exist, is not likely to exist, and would not appear to exist, between his or her duties to that entity and his or her duties to the Company and (ii) no other circumstances exist that would be likely to interfere with the director's performance of his or her duties to the Company. In the event that a director serves on the board of directors of a privately-held entity that is going public, the director shall obtain approval of his or her continued service on such board from the Chairman of the Board, acting in conjunction with the Chairman of the Nominating and Corporate Governance Committee, as outlined above.

#### **IV. Board Meetings and Procedures**

##### **A. Number of Meetings; Attendance and Preparation**

The Board holds a minimum of four regularly scheduled meetings per year. Directors are expected to attend all regularly scheduled meetings and to have, prior to the meetings, reviewed all written meeting materials distributed to them in advance. Directors are expected to be physically present at all regularly-scheduled meetings, and a director who is unable to attend a meeting is expected to notify the Chairman in advance of such meeting. Attendance in person is always preferred. However, conference telephone, videoconference, or similar communication equipment attendance at a meeting is acceptable.

##### **B. Distribution of Materials**

The agenda for each meeting of the Board will be prepared by the CEO, or if elected, the Chairman of the Board following consultation with other members of executive management and provided to directors along with "Board Books" containing supporting materials in a timely manner in advance of any meeting. Each director is expected to review these materials in advance of the meeting. Any director may request, without restriction, the addition of specific agenda items. Such requests will be discussed in a timely manner with the Chairman of the Board prior to preparation and dissemination of the agenda to directors. Every director is expected to attend every Board meeting and meetings of committees on which he or she serves.

##### **C. Attendance of Executive Management**

The Board believes that attendance of key executive officers augments the meeting process by providing certain expertise and insight into items that are open for discussion at certain meetings. Directors will have complete access to the executive management and information concerning the Company's business activities and performance. Such access will be guided by the Company's policies regarding confidential information.

##### **D. Executive Sessions of Non-Executive Directors**

The non-executive directors of the Board will meet in executive session not less

than two times per year, or as they otherwise may determine necessary, without any management directors and any other members of the Company's management who may otherwise be present, to: (i) approve the recommendation of the Compensation Committee regarding the CEO's compensation package as set forth above in Section I.F. and (ii) consider such other matters as they may deem appropriate.

**V. Committees**

**A. General**

1. Except where Board committees have sole authority to act as required by applicable law or a listing standard, it is the general policy of the Company that major decisions be considered by the Board as a whole. As a consequence, the Board has determined to constitute only those committees that it believes are critical to the efficient operation of the Board or are required by applicable law or a listing standard. The Board currently has three standing Committees: the Audit Committee; the Compensation Committee and the Nominating and Corporate Governance Committee. The Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee will each consist of three or more directors, at least two of whom will satisfy the independence requirements set forth herein and any additional requirements set forth in their respective charters and any other listing or regulatory requirements. The Corporate Governance Committee will recommend, and the Board will designate, a Chairman of each committee.
2. The Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee each have appropriate written charters that have been adopted by the Board. The charter of each committee will be reviewed periodically by the Board and the relevant committee.
3. Chairman of committees and appropriate members of executive management will, where possible, develop an advance agenda for all committee meetings along with supporting materials in a timely manner in advance of any meeting. Each committee member is required to review all such materials in advance of the meeting. Where feasible, committee meetings will be scheduled in conjunction with meetings of the full Board.
4. The Board is responsible for overseeing the activities of its committees (except where such committees have sole authority to act pursuant to applicable law or a listing standard) and for ensuring that the committees are fulfilling their duties and responsibilities. The Board will regularly receive reports from its committees regarding their activities and will take such actions as it deems necessary and appropriate in response to these reports.

**B. Membership**

1. The Board does not expect to mandate fixed rotation of committee members and/or committee Chairman, since there may be reasons at a given point in time for maintaining continuity. Ideally, however, the Board will seek to rotate committee members and Chairman, on a basis to be determined in part by the annual performance reviews of the Board

and the Directors.

2. The Nominating and Corporate Governance Committee will make recommendations regarding committee appointments to the Board for its approval. Proposed committee appointments, including the designation of committee Chairman, will give consideration to any expressed desire of individual Board members. The Board will make the committee appointments at the regularly scheduled annual Board meeting following each Annual Meeting of Stockholders.
3. Any member of the Board may attend any of the committee meetings, subject to the provisions of that committee's charter.

## **VI. Other Principles**

### **A. Disclosure and Review of Corporate Governance Principles**

This Statement on Corporate Governance will be made available on the Company's website. The Nominating and Corporate Governance Committee will review this Statement on Corporate Governance from time to time, but not less frequently than annually, and will report the results of the review to the full Board.

### **B. Communications with Stockholders and Other Interested Parties**

1. The CEO, and Chairman if designated, are responsible for establishing effective communications with the Company's stockholders, customers, associates, communities, suppliers, creditors, governments and corporate partners.
2. All external communications relative to the Company must and will originate from the Company's executive management. The Board and its directors as individuals have a policy of referring all formal and informal requests for information, comment, meetings, interviews or other questions from external sources to the CEO or a person designated by the CEO.
3. All stockholder communications with the Board shall be in accordance with the Company's Policy on Stockholder Communications With the Board of Directors.

### **C. Disclosure and Internal Controls Review**

One of the missions of both the Audit Committee and the Nominating and Corporate Governance Committee is to assist the Company's compliance with rules and regulations under United States and Canada law and the Toronto Stock Exchange relating to the Company's reporting under the Exchange Act and other public disclosure requirements. The Board believes it is imperative that the Company maintain such standards as are reasonably necessary to promote full, fair, accurate, timely and understandable disclosure in the periodic reports, proxy statements and other documents that the Company is required to file under the Exchange Act or with all other applicable regulatory authorities. These standards shall apply to all material matters, including the Company's: (i) financial condition, results of operations, cash flows and internal controls; (ii) business performance; (iii) foreseeable risk factors; (iv) stock ownership; (v) material non-public information about the Company, its business and affairs, and (vi) executive and director compensation.

**D. Repricing of Stock Options**

No outstanding stock option granted to any director, officer, employee or consultant shall be repriced, replaced or regranted through cancellation, or by lowering the option exercise price of such previously granted option.