

**Citation Resources Ltd**  
**Corporate Governance Policies**  
**Board Charter**

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# 1. Board Charter

## 1.1 Role of the Board

The Board of Directors is responsible for guiding and monitoring Citation Resources Ltd (**Company**) on behalf of shareholders by whom they are elected and to whom they are accountable.

The Board is responsible for, and has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company.

The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's shareholders. The specific responsibilities of the Board include:

- (a) overseeing the Company, including its control and accountability systems;
- (b) appointment, evaluation, rewarding and if necessary the removal of the Executive Director (or equivalent) and the Company Secretary and senior management personnel;
- (c) in conjunction with members of the senior management team, to develop corporate objectives, strategies and operations plans and to approve and appropriately monitor plans, new investments, major capital and operating expenditures, use of capital, acquisitions, divestitures and major funding activities;
- (d) establishing appropriate levels of delegation to the executive Directors to allow them to manage the business efficiently;
- (e) monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company, including the reviewing and approving of annual budgets;
- (f) monitoring the performance of senior management, including the implementation of strategy, and ensuring appropriate resources are available to them;
- (g) identifying areas of significant business risk and to ensure that the Company is appropriately positioned to manage those risks;
- (h) overseeing the management of safety, occupational health and environmental matters;
- (i) satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- (j) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;

- (k) ensuring that appropriate internal and external audit arrangements are in place and operating effectively;
- (l) having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and
- (m) reporting accurately to shareholders, on a timely basis.

Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it may make use of committees. The Board has not established any committees at this time. Until such time as the Board determines that it is appropriate to establish separate committees, the function of the:

- (a) Audit Committee,
- (b) Nomination Committee, and
- (c) Remuneration Committee,

as set out in this Charter will be performed by the Board.

Each director has the right to seek independent professional advice on matters relating to his position as a director of the Company at the Company's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

In the event of a conflict of interest or where a potential conflict of interest may arise, involved directors will, unless the remaining directors resolve otherwise, withdraw from deliberations concerning the matter.

In accordance with the constitution of the Company, directors (other than the managing director, if applicable) must offer themselves for re-election by shareholders at least every 3 years. The constitution does not specify a maximum term for which a director may hold office.

The Board may not delegate its overall responsibility for the matters listed above. However, the responsibility for the day-to-day operation and administration of the Company, as well as the responsibility for the appointment and removal of senior management personnel, is delegated by the Board to the Executive Director, subject to the authorisation thresholds approved by the Board. The Board ensures that the Executive Director and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Executive Director and executive directors.

Whilst there is a clear division between the responsibilities of the Board and management, the Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved including

- (a) Board approval and monitoring of a strategic plan;
- (b) approval of annual and semi-annual budgets and monitoring actual performance against budget; and
- (c) procedures are in place to incorporate presentations at each Board meeting by financial, operations, exploration and marketing management, as appropriate.

## **1.2 Independent Directors**

The Board has accepted the following definition of an Independent Director:

“An Independent Director is a Director who is not a member of management, is a non-executive Director and who:

- (a) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (b) is not, and has not within the last three years been, employed in an executive capacity by the Company or another group member, or been a director of the Company after ceasing to hold any such employment;
- (c) is not, and has not within the last three years been, a principal of a professional adviser to the Company or another group member or an employee significantly associated with the service provided;
- (d) is not a significant consultant, supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a significant consultant, supplier or customer;
- (e) has no significant contractual relationship with the Company or another group member other than as a director of the Company; and
- (f) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.”

In accordance with the definition of independence above, two of the Company's directors are considered Independent.

## **1.3 Role of the Chairman**

The Chairperson is responsible for the leadership of the Board, for the efficient organization and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings. The Chairperson is also responsible for overall shareholder communication, chairing shareholder meetings, arranging Board performance evaluation, and presides over meetings of the Board and general meetings of shareholders. The Chairman is responsible for leading and managing the Board in the discharge of its duties.

## **1.4 Role of the Executive Director**

The roles of the Chairman and Executive Director should not be combined except in particular circumstances, in particular where the size of the company necessitates the combining of the roles and is approved by the Board.

The Executive Director's duties are to:

- (a) have overall responsibility for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategies set by the Board. In carrying out his/her responsibilities, the Executive Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results;
- (b) appoint and remove the senior management personnel of the Company;

- (c) devote a substantial amount of his or her time, attention and skill during normal business hours and at other times as reasonably necessary, to the duties of the office;
- (d) be accountable for planning, coordinating and directing the operations of the company;
- (e) promote the interests of the Company; and
- (f) faithfully and diligently perform the duties and exercise the powers consistent with the position of an Executive Director of the Company and assigned by the Board.

In fulfilling his or her duties, the Executive Director:

- (a) reports directly to the Board;
- (b) provides prompt and full information to the Board regarding the conduct of the business of the Company; and
- (c) complies with reasonable directions given by the Board.

## **1.5 Role of the Company Secretary**

The Company Secretary supports the effectiveness of the Board by monitoring that Board policy and procedures are followed, and by coordinating the completion and dispatch of Board agendas and briefing papers.

## **1.6 Roles of Directors and Officers**

Individual directors should devote the necessary time to tasks entrusted to them. All directors should consider the number and nature of their directorships and calls on their time from other commitments.

Directors and officers should be aware of their legal obligations.

This policy is reviewed annually.