



## **STATEMENT OF MATTERS RESERVED TO THE BOARD**

### **1. INTRODUCTION AND PURPOSE**

This statement summarises the role and responsibility of the board of Resolute Mining Limited ("RML"). The disclosure of the role and responsibility of the board is designed to assist those affected by corporate decisions to better understand the respective accountabilities and contributions of the board and management of RML.

It must be noted that the roles and responsibilities of the board will evolve as the company moves forward. As such, a regular review of the balance of responsibilities is seen to be appropriate to ensure that the division of the functions remains appropriate to the needs of the company.

This policy statement is only a summary of the matters reserved to the board, and should therefore only be used as a general guide, which is not to be used in a legal capacity.

### **2. ROLE OF THE BOARD**

#### **2.1 Key Responsibilities**

The management and control of the business of RML is vested in the board. The board's primary responsibility is to oversee RML's business activities and management for the benefit of RML's shareholders. The board also recognises its responsibilities to RML's employees, the environments and communities in which RML operates and where appropriate, other stakeholders. The board strives to create shareholder value and ensure that shareholders' funds are prudently safeguarded.

The key responsibilities of the board include:

- Appointing, evaluating, rewarding and if necessary the removal of the Chief Executive Officer ("CEO") and senior management;
- Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the company;
- Overseeing the management of business risks, safety and occupational health, environmental issues and community development;

- 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;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately. Further, approving and monitoring financial and other reporting;
- Assuring itself that appropriate audit arrangements are in place;
- Ensuring that the company acts legally and responsibly on all matters and assuring itself that the company has adopted a Code of Business Ethics and that the company practice is consistent with that Code; and
- Reporting to and advising shareholders.

## 2.2 Delegated Responsibility

The board has delegated responsibility for the day-to-day activities to the CEO and the Executive Committee. The board ensure that the team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO and the Executive Committee. The roles of the Chairman and the CEO are not combined. The CEO is accountable to the board for all authority delegated to that position and the Executive Committee.

Although 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 that this is achieved. These mechanisms include the following:

- Establishment of the following Committees:
  - Audit Committee;
  - Remuneration and Nomination Committee;
  - Environment and Community Development Committee;
  - Safety, Security and Occupational Health Committee; and
  - Financial Risk Management Committee.
- As outlined above, the board oversees the strategic direction of the company.
- As outlined above, the board approves all budgets.
- The board receive detailed board papers on a quarterly basis and a Management Report on a monthly basis showing the monthly and year to date performance of all aspects of the company, compared to budget.
- Procedures are in place to allow any director or Committee of the board to seek external professional advice as considered necessary, at the company's expense.
- Procedures are in place to incorporate presentations from senior management at relevant Committee meetings on an as required basis to increase the Committee's understanding of the area. Further, the board may request further information from management from time to time on any issue.
- In the event that a potential conflict of interest may arise, involved directors withdraw from deliberations concerning the matter.