

ABAGOLD™

BOARD CHARTER of ABAGOLD LIMITED

ROLE AND FUNCTION OF THE BOARD

1. The company is headed by an effective Board which holds management accountable to lead and control the company in accordance with the Vision, Mission and Values. The Board has a collective responsibility to provide effective leadership, guidance and corporate governance to management. This involves a set of relationships with management, its shareholders and other relevant stakeholders, in a manner whereby the Board, through managements endeavours, to:
 - 1.1. develop and promote the company's Vision, Mission and Values;
 - 1.2. determine the strategy to achieve the company's Vision and Mission and ensure that agreed Values are implemented (that is, its organisational behaviour and norms to achieve its Vision and Mission) in order to ensure that it survives and thrives;
 - 1.3. exercise leadership, enterprise, integrity and judgement in directing the company so as to seek continuing prosperity for the company;
 - 1.4. ensure that procedures and practices are in place that protect the company's assets and reputation;
 - 1.5. monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans;
 - 1.6. ensure that the company complies with all relevant laws, regulations and codes of best business practice;
 - 1.7. ensure that technology and systems used in the company are adequate to run the business properly and for it to compete through the efficient use of its assets, processes and human resources;
 - 1.8. identify key risk areas and key performance indicators of the business enterprise in order for the company to generate economic profit, so as to enhance shareowner value on a sustainable basis, while recognising the wider interests of society;
 - 1.9. assess the company's performance and effectiveness as a whole, and
 - 1.10. ensure that the company develops a succession plan for its executive directors and senior management.
2. The Board strives to focus on "performance" in directing the commercial and economic fortunes of the company, and not only concentrate on issues of "conformance". Enterprise is the disposition to engage in undertakings of risk, whereas business is the undertaking of risk for reward. The Board must balance risk and business in this context and thus the Board should be constituted in a manner that provides a balance between enterprise and business.

3. The concept of a unitary Board, consisting of an executive director/s, with his/their intimate knowledge of the business and non-executive directors who can bring a broader view to the company's activities, is to be the favoured board structure. The Board should comprise a balance of executive and non-executive directors, preferably with a majority of non-executive directors of whom a sufficient number should be independent in order that shareholder, including minority, interests may be protected. Management of business risk and the exercise of commercial judgment on behalf of the company are to be enhanced by this mutual association and exchange of business experience and knowledge. The actual proportion and balance of executive, non-executive and independent directors will depend on the circumstances, needs and nature of business of the company. Cognisance should be taken of gender and racial mix.
4. The Board is composed of individuals of integrity who can bring a blend of knowledge and skills appropriate to the company, guided by a chairperson (preferably an independent non-executive director), who accepts the responsibilities and duties that the post entails, in providing the direction necessary for an effective Board.
5. The Board exercises objective judgment regarding the corporate affairs of the business enterprise, independent from management but with sufficient management information to enable a proper and objective assessment to be made by the directors collectively. The Board should guide and set the pace of the company's current operations and future developments. In so doing, the Board regularly reviews and evaluates the present and future strengths, weaknesses and opportunities of, and threats to, the company. Comparisons with competitors, locally and internationally, and best practice are important ingredients in this process - especially in this era of the global economy.
6. Transactions between the company and any of its managers, directors or large/dominant shareowners may be a potential source of conflict of interest. The personal interests of a director, or persons closely associated with the director, must not take precedence over those of the company and its shareowners. A director should avoid conflicts of interest, even where these may only be perceived to be such. Full and timely disclosure of any conflict, or potential conflict, must be made known to the Board. Where an actual or potential conflict does arise, on declaring such interest, a director may participate (unless a majority of the remaining directors resolve otherwise) in the debate and/or vote on the matter but must give careful consideration to the appropriateness of doing so in such circumstances and the potential consequences it may have for the Board, the company and for him/her personally. In the extreme case of continuing material conflict of interest, the director should consider resigning from the Board. Any director who is appointed to the Board at the instance of a party with a substantial creditor or significant supplier or advisor interest, should recognise the potential for a conflict of interest and accept that their primary duty and responsibility is to always act in the interests of the company.
7. The Board, in motivating management and employees effectively and productively, promotes a culture that supports enterprise and innovation with appropriate short and long-term performance-related rewards that are fair and achievable. The Board seeks to drive the business enterprise proficiently through proper and considered decision-making processes and recognise entrepreneurial endeavour amongst its management without encouraging undue risk-taking or contravening laws and regulations. The Board is committed to ensure sustainability of the business at all levels. Diversity is a critical part of the commitment the board agrees to improving.
8. The Board recognises that the company does not act independently from the societies in which it operates. Corporate actions must be compatible with societal objectives concerning social cohesion, individual welfare and equal opportunities for all. The Board is required to act responsibly towards all relevant stakeholders.

9. The Board determines a policy for the holding of its meetings and those of its formally established committees. It should also adopt efficient and timely methods for informing and briefing Board members before meetings. The information needs of the Board need to be well defined and regularly monitored. Each Board member plays a full and constructive role in the Board's affairs and has a responsibility to be satisfied that the Board has been furnished with all the relevant information before making a decision.
10. The Board defines its own levels of materiality, reserving specific powers to itself and delegating other matters to management and/or a Board committee/s. Any such delegations must have due regard to the directors' statutory and fiduciary responsibilities to the company, while taking into account strategic and operational effectiveness and efficiencies.
11. The strategies, policies, mutually agreed management performance criteria and business plans of the company must be clearly defined and reliably measurable. Each aspect requires an adequate assessment against accurate and relevant financial and non-financial information as appropriate and should be obtained from the company's own internal reporting systems as well as from external sources so that an informed assessment can be made of all issues facing the Board and the company. The Board ensures that internal control procedures provide reliable and valid information for monitoring and evaluation. Internal controls include not only financial matters, but also operational and compliance controls and management of the business risks associated with the business of the company.

8th December 2017