

## 1. ROLE OF THE BOARD

The Board of Directors is responsible for guiding and monitoring Province 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. Approving the Company's statement of purpose and values;
- b. overseeing the Company, including its control and accountability systems;
- c. appointment, evaluation, rewarding and if necessary, the removal of the Managing Director (or equivalent), the Company Secretary and senior management personnel;
- d. ratifying the appointment, and where appropriate, the removal, of senior executives;
- e. satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;
- f. Reviewing the Company's Risk Management Framework Policy at least annually to satisfy itself that it continues to be sound.
- g. Set the Company's remuneration framework to ensure it is aligned with the Company's purpose, values, strategic objectives and risk appetite;
- h. in conjunction with members of the senior management team, develop corporate objectives, strategies and operations plans and approve and appropriately monitor plans, new investments, major capital and operating expenditures, use of capital, acquisitions, divestitures and major funding activities;
- i. establishing appropriate levels of delegation to the executive Directors to allow them to manage the business efficiently;
- j. 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;
- k. monitoring the performance of senior management, including the implementation of strategy, and ensuring appropriate resources are available to them;
- l. identifying areas of significant business risk and ensure that the Company is appropriately positioned to manage those risks;
- m. overseeing the management of safety, occupational health and environmental matters;
- n. 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;
- o. 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;
- p. ensuring that appropriate internal and external audit arrangements are in place and operating effectively;
- q. 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
- r. reporting accurately to shareholders, on a timely basis.

- s. facilitate ongoing professional development training for Directors.
- t. ensuring the Company enters into a written agreement setting out the appointment terms with the individual personally (except where a bona fide professional services firm is being engaged on an outsourced basis, in which case, the agreement may be with that entity);.
- u. undertaking appropriate checks (including as to the person's character, experience, education, criminal record and bankruptcy history) before appointing a director or senior executive;
- v. Prepare and maintain a Board skills matrix setting out the measurable mix of skills that the Board currently has. The Company will disclose this matrix in, or in conjunction with, its Annual Report

While 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 functions usually undertaken by the following committees:

- a. Audit Committee,
- b. Risk Committee;
- c. Nomination Committee, and
- d. Remuneration Committee,

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 Chair, 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) 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 may be delegated by the Board to the Managing Director. The Board will ensure that the Managing 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 Managing Director and executive Directors.

While 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 and marketing management, as appropriate.

## 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, and has not within the last three years, been employed in an executive capacity by the Company or another group member, and there has been a period of at least three years between ceasing such employment and serving on the Board;
- b. is not, and has not within the last three years been, a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- c. is not, and has not within the last three years, a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- d. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- e. has no material contractual relationship with the Company or another group member other than as a Director of the Company;
- f. has no close family ties with any person who fall within any of the categories described above; or
- g. has been a Director of the entity for such a period that his or her independence may have been compromised.

If a Director's independent status changes, this should be disclosed to the market in a timely manner.

### 3. ROLE OF THE CHAIR

The Chair is responsible for the leadership of the Board, for the efficient organisation and conduct of the Board's functioning and for the briefing of all Directors in relation to issues arising at Board meetings. The Chair is also responsible for overall shareholder communication, chairing shareholder meetings, on an annual basis arranging Board performance evaluation, and presides over meetings of the Board. The Chair is responsible for leading and managing the Board in the discharge of its duties.

The Chair should facilitate the effective contribution of all Directors and promote constructive and respectful relations between directors and between the Board and management.

Any other position which the Chair may hold either within, or outside, the Company should not hinder the effective performance of the Chair in carrying out their role as Chair of the Company.

### 4. ROLE OF THE MANAGING DIRECTOR

The roles of the Chair and Managing 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 Managing Directors' duties are to:

- a. have the overall responsibility for running the affairs of the Company under delegated authority from the Board including undertaking and assessing risk management and internal control effectiveness and to implement the policies and strategies set by the Board. In carrying out his/her responsibilities, the Managing 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. devote the whole 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;
- c. be accountable for planning, coordinating and directing the operations of the company;
- d. promote the interests of the Company;
- e. undertake performance reviews of senior executives; and

- f. faithfully and diligently perform the duties and exercise the powers consistent with the position of a Managing Director of the Company and assigned by the Board.

In fulfilling his or her duties, the Managing 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.

### **5. ROLE OF THE COMPANY SECRETARY**

The Company Secretary supports the effectiveness of the Board by monitoring that board policy and procedures are being followed, and by coordinating the timely completion and despatch of board agenda and briefing papers. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

### **6. ROLES OF DIRECTORS & OFFICERS**

Individual Directors should devote the necessary time to the 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.

### **7. FOREIGN DIRECTORS**

In the event that a Director does not speak the language in which corporate documents are written or Board or shareholder meetings are held, the Company will ensure that:

- a. such documents are provided to a translator nominated by the Director to be translated into the Director's native language; and
- b. The Director may nominate a translator to be present at all Board and shareholder meetings attended by the Director.