



## CORPORATE GOVERNANCE

### INTRODUCTION

Range River Gold Limited ACN 065 480 453 ("**Company**") has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. These policies and procedures are summarised below. The Board of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The Board and management are committed to corporate governance and, to the extent they are applicable to the Company, have adopted the Ten Essential Corporate Governance Principles and each of the Best Practice Recommendations<sup>1</sup> as published by ASX Corporate Governance Council ("**ASX Principles and Recommendations**"). To read the ASX Principles and Recommendations click here. <http://www.asx.com.au/about/pdf/ASXRecommendations.pdf>

The following information is set out in this website (in the order corresponding with the ASX Principles and Recommendations):

- Statement of Board and Management Functions;
- Nomination Committee Charter;
- policy and procedure for selection and appointment of new directors;
- summary of code of conduct for directors and key executives;
- summary of policy on securities trading;
- Audit Committee Charter;
- policy and procedure for selection of external auditor and rotation of audit engagement partners;
- summary of policy and procedure for compliance with continuous disclosure requirements;
- summary of arrangements regarding communication with and participation of shareholders;
- summary of Company's risk management policy and internal compliance and control system;
- process for performance evaluation of the Board, Board committees, individual directors and key executives;
- Remuneration Committee Charter; and
- Corporate Code of Conduct.

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<sup>1</sup> A copy of the Ten Essential Corporate Governance Principles and the Best Practice Recommendations are set out on this website.

## **STATEMENT OF BOARD AND MANAGEMENT FUNCTIONS**

### **1. Role of the Board**

The Board's key objectives are to:

- (a) increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders; and
- (b) to ensure the Company is properly managed.

### **2. Responsibility of the Board**

The Board is collectively responsible for promoting the success of the Company by:

- (a) supervising the Company's framework of control and accountability systems;
- (b) ensuring the Company is properly managed which includes but is not limited to:
  - (i) appointing and removing the managing director of the Company;
  - (ii) approving the appointment and removal of the chief financial officer and the Company secretary;
  - (iii) providing input into and final approval of corporate strategy and performance objectives prepared by management;
  - (iv) ensuring risk is properly assessed and managed;
  - (v) reviewing and ratifying systems of internal compliance and control, codes of conduct, and legal compliance;
  - (vi) monitoring senior management's performance and implementation of strategy;
  - (vii) ensuring appropriate resources are available;
- (c) approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
- (d) approving the annual budget;
- (e) monitoring the financial performance of the Company;
- (f) approving and monitoring financial and other reporting;
- (g) invoking proper corporate governance within the Company, including conducting regular reviews of the balance of responsibilities to ensure division of functions remain appropriate to the needs of the Company;

- (h) liaising with the Company's external auditors; and
- (i) monitoring, and ensuring compliance with, all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities not less than four per annum.

The Board may from time to time, delegate some of its responsibilities listed above to its senior management team (except for paragraphs (a), (b), (f) and (g) and where any matter exceeds the Materiality Threshold as defined below).

### 3. **Materiality Threshold**

The Board has agreed on the following guidelines for assessing the materiality of matters:

#### (a) Materiality – Quantitative

##### *Balance sheet items*

Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.

##### *Profit and loss items*

Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.

#### (b) Materiality – Qualitative

Items are also material if:

- (i) they impact on the reputation of the Company;
- (ii) they involve a breach of legislation;
- (iii) they are outside the ordinary course of business;
- (iv) they could affect the Company's rights to its assets;
- (v) if accumulated they would trigger the Quantitative Tests; or
- (vi) they involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items.
- (vii) They will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

(c) **Material Contracts**

Contracts will be considered material if:

- (i) they are outside the ordinary course of business;
- (ii) they contain exceptionally onerous provisions in the opinion of the Board;
- (iii) they impact on income or distribution in excess of the quantitative tests
- (iv) there is a likelihood that either party will default and the default may trigger any of the quantitative tests;
- (v) they are essential to the activities of the Company and cannot be replaced or cannot be replaced without an increase in cost of such a quantum as trigger any of the quantitative tests;
- (vi) they contain or trigger change of control provisions;
- (vii) they are between or for the benefit of related parties; or
- (viii) they otherwise trigger the quantitative tests.

Any matter which falls within the above guidelines is a matter which triggers the materiality threshold ("**Materiality Threshold**").

**4. The Chairperson**

The chairperson is responsible for leadership of the Board, for the efficient organisation 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 shareholder communication and arranging Board performance evaluation.

**5. The Managing Director**

The managing director is responsible for running the affairs of the Company. This authority flows both from delegated authority from the Board and from guidance, directions and or instructions from the Board. The managing director is also responsible for implementing the policies and strategy 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. The managing director is also responsible for marketing and promotion of the Company to its various stakeholders.

## **6. Role and Responsibility of Management**

The role of management is to support the managing director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Management is responsible for reporting all matters which fall within the Materiality Threshold at first instance to the managing director or if the matter concerns the managing director then directly to the chairperson.

## **NOMINATION COMMITTEE CHARTER**

### **1. Composition**

The full Board shall for the time being carry out the functions of the Nomination Committee.

### **2. Role**

The role of the Board in carrying out the functions of the Nomination Committee is to determine director nominees for election to the Board, to identify and recommend candidates to fill casual vacancies.

### **3. Operations**

The Board shall consider Nomination issues annually and otherwise as required. Minutes of all meetings are to be kept. Meetings will be governed by the same rules as set out in the Company's constitution, as they apply to meetings of the Board.

### **4. Responsibilities**

The responsibilities of the Nomination Committee are:

- to implement processes to assess the necessary and desirable competencies of Board members including, experience, expertise, skills and performance of the Board and its committees;
- to provide new directors with an induction to the Company;
- to provide all directors with access to ongoing education relevant to their position in the Company;
- provide a succession plan for directors and managing director;
- evaluate the performance of the managing director;
- review time required for non-executive directors to perform their duties;
- annually evaluate the performance and effectiveness of the Board to facilitate the directors fulfilling their responsibilities in a manner that serves the interests of shareholders;

- annually present a list of individuals recommended for nomination for election to the Board at the annual meeting of shareholders;
- before recommending an incumbent, replacement or additional director, review his or her qualifications, including capability, availability to serve, conflicts of interest, and other relevant factors;
- assist in identifying, interviewing and recruiting candidates for the Board;
- annually review the composition of each committee and present recommendations for committee memberships to the Board as needed;
- periodically review the compensation paid to non-employee directors for annual retainers (including Board and committee chairs) and meeting fees, if any, and make recommendations to the Board for any adjustments. No member of the Committee will act to fix his or her own compensation except for uniform compensation to directors for their services as such.

## **POLICY AND PROCEDURE FOR SELECTION AND APPOINTMENT OF NEW DIRECTORS**

Candidates for the Board are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, credibility within the Company's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities. Directors are initially appointed by the full Board, subject to election by shareholders at the next general meeting.

## **CODE OF CONDUCT FOR DIRECTORS AND KEY EXECUTIVES**

A code of conduct has been adopted by all directors and employees. It requires all business affairs to be conducted legally, ethically and with integrity. The code provides for reporting of breach of the code by others.

## **POLICY ON SECURITIES TRADING**

The Board has adopted a policy and procedure on dealing in the company's securities by directors, management and employees which prohibits dealing in the Company's securities when those persons possess inside information. In the case of share trading by directors, it also requires the chairperson of the Company to be notified when trading of securities in the Company occurs, and in the case of share trading by staff, it requires the Managing Director to be notified in advance of share trading.

## **AUDIT COMMITTEE CHARTER**

### **1. Composition of the Audit Committee**

- The full Board for the time being will carry out the functions of the Audit Committee.
- At least one member to have significant, recent and relevant financial experience.

### **2. Role of the Audit Committee**

- To monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgments;
- to review the Company's internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;
- to consider the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- to monitor and review the external auditor's independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements; and
- to develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm.

### **3. Operations**

- The committee meets at least half yearly, with further meetings on an as required basis.
- Minutes of all meetings of the committee are to be kept.
- committee meetings will be governed by the same rules, as set out in the Company constitution as they apply to the meetings of the Board.

### **4. Resources**

- The Company to provide the committee with sufficient resources to undertake its duties, including provision of educational information on accounting policies and other financial topics relevant to the Company and such other relevant materials requested by the committee.

## **5. Reporting to the Shareholders**

- The directors' report to contain a separate section that describes the role of the committee and what action it has taken.
- The chairperson of the Audit Committee to be present at the AGM to answer questions, through the chairperson of the Board.

## **6. Responsibilities**

- Responsibilities of the committee are as set out in the Audit Committee Responsibilities Calendar attached as Appendix A.

## **POLICY AND PROCEDURE FOR SELECTION OF EXTERNAL AUDITOR AND ROTATION OF AUDIT ENGAGEMENT PARTNERS**

### **1. Responsibility**

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company.

### **2. Selection Criteria**

#### ***Mandatory criteria***

Candidates for the position of external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period. Further the successful candidate must have arrangement in place for the rotation of the audit engagement partner on a regular basis.

#### ***Other criteria***

Other than the mandatory criteria mentioned above, the Board may select an external auditor based on criteria relevant to the business of the Company such as experience in the industry in which the Company operates, references, cost and any other matters deemed relevant by the Board.

### **3. Review**

The Board will review the performance of the external auditor on an annual basis.

## **POLICY AND PROCEDURES FOR COMPLIANCE WITH CONTINUOUS DISCLOSURE REQUIREMENTS**

Detailed compliance procedures for ASX Listing Rule disclosure requirements have been adopted by the Company. It appoints an officer of the Company to be responsible for compliance. It is detailed in its application covering the following areas:

- appointment of the responsible officer and description of his/her duties;
- identifies area of risk for the Company;
- provides guidelines for:
  - identifying disclosure material; and
  - monitoring share price movements;
- guide for use of trading halts;
- guide for decision making process;
- details on record keeping;
- education of Board and management;
- confidentiality;
- release of disclosure material; and
- updating of compliance procedures.

## **ARRANGEMENTS REGARDING COMMUNICATION WITH AND PARTICIPATION OF SHAREHOLDERS**

The Company maintains a website at [www.rangeriver.com.au](http://www.rangeriver.com.au) .

The company makes the following information available on a regular and up to date basis:

- company announcements (for last 3 years);
- presentations to media & analysts;
- notices of meetings and explanatory materials;
- financial information (for last 3 years);
- annual reports (for last 3 years);

If you are a shareholder and wish to receive copies of information updates by email please send an email to [admin@rangeriver.com.au](mailto:admin@rangeriver.com.au) to register for the email information update.

## **COMPANY'S RISK MANAGEMENT POLICY AND INTERNAL COMPLIANCE AND CONTROL SYSTEM**

The Company has established a framework for detailed risk management policy and internal compliance and control systems which cover organisational, financial and operational aspects of the Company's affairs. It appoints the managing director as being responsible for ensuring the systems are maintained and complied with.

## **PROCESS FOR PERFORMANCE EVALUATION OF THE BOARD, BOARD COMMITTEES, INDIVIDUAL DIRECTORS AND KEY EXECUTIVES**

The Chairperson is responsible for conducting an annual review of Board performance.

## **REMUNERATION COMMITTEE CHARTER**

### **1. Composition**

The full Board shall for the time being carry out the functions of the Remuneration Committee.

### **2. Role**

The purpose of the full Board carrying out the functions of a Remuneration Committee is to discharge the Board's responsibilities in relation to remuneration of the Company's executives including share and benefit plans.

### **3. Operations**

The full board shall consider issues of remuneration annually and otherwise as required.

### **4. Responsibilities**

The responsibilities and functions of the Remuneration Committee are as follows:

- review the competitiveness of the Company's executive compensation programs to ensure:
  - (a) the attraction and retention of corporate officers;
  - (b) the motivation of corporate officers to achieve the Company's business objectives; and
  - (c) the alignment of the interests of key leadership with the long-term interests of the Company's shareholders;
- review trends in management compensation, oversee the development of new compensation plans and, when necessary, approve the revision of existing plans;

- review the performance of executive management;
- review and approve Chairperson and managing director goals and objectives, evaluate Chairperson and managing director performance in light of these corporate objectives, and set Chairperson and managing director compensation levels consistent with company philosophy;
- approve the salaries, bonus and other compensation for all senior executives, the committee will recommend appropriate salary, bonus and other compensation to the Board for approval;
- review and approve compensation packages for new corporate officers and termination packages for corporate officers as requested by management;
- review and approve the awards made under any executive officer bonus plan, and provide an appropriate report to the Board;
- review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, the committee will act on behalf of the Board as the “Committee” established to administer equity-based and employee benefit plans, and as such will discharge any responsibilities imposed on the committee under those plans, including making and authorising grants, in accordance with the terms of those plans; and
- review periodic reports from management on matters relating to the Company’s personnel appointments and practices.

## **CORPORATE CODE OF CONDUCT**

### **1. Introduction**

This code of conduct sets out the standard which the Board, management and employees of the Company are encouraged to comply with when dealing with each other, shareholders and the broader community.

### **2. Commitment of the Board and Management to Corporate Code of Conduct**

The Board and management approve and endorse this code of conduct and support the code and all it strives to achieve.

The Board and management require all staff to consider the principles of the code and use them as a guide to determining how to respond when acting on behalf of the Company.

### **3. Responsibilities to Shareholders and the Financial Community Generally**

The Company aims:

- (a) to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders and the financial community; and
- (b) to comply with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity.

### **4. Responsibilities to Clients, Customers and Consumers**

The Company shall comply with all legislative and common law requirements which affect its business, in particular those in respect of occupational health and safety, the environment, native title and cultural heritage. Any transgression from the applicable legal rules is to be reported to the managing director as soon as a person becomes aware of such a transgression.

### **5. Employment Practices**

The Company will employ the best available staff with skills required to carry out vacant positions.

The Company will ensure a safe work place and maintain proper occupational health and safety practices commensurate with the nature of the Company's business and activities.

### **6. Responsibility to the Community**

The Company will recognise, consider and respect environmental issues which arise in relation to the Company's activities and comply with all applicable legal requirements.

### **7. Responsibility to the Individual**

The Company recognises and respects the rights of individuals and to the best of its ability will comply with the applicable legal rules regarding privacy, privileges, private and confidential information.

### **8. Obligations Relative to Fair Trading and Dealing**

The Company will deal with others in a way that is fair and will not engage in deceptive practices.

### **9. Conflicts of Interest**

The Board, management and employees must not involve themselves in situations where there is a real or apparent conflict of interest between them as individuals and the interest of the Company. Where a real or apparent conflict of interests arises the matter should be brought to the attention of the Chairperson in the case of a board member or the managing director, the managing director in the case of a member of

management and a supervisor in the case of an employee, so that it may be considered and dealt with in an appropriate manner for all concerned.

**10. Compliance with the Code**

Any breach of compliance with this code is to be reported directly to the managing director or chairperson, as appropriate.

**11. Periodic Review of Code**

The Company will monitor compliance with the code periodically by liaising with the Board, management and staff especially in relation to any areas of difficulty which arise from the code and any other ideas or suggestions for improvement of the code. Suggestions for improvements or amendments to the code can be made at any time by providing a written note to the managing director.

**12. Incorporation of Code of Conduct for Executives**

The Code of Conduct for Executives forms part of this Corporate Code of Conduct. It provides as follows:

All Executives will:

1. Actively promote the highest standards of ethics and integrity in carrying out their duties for the Company.
2. Disclose any actual or perceived conflicts of interest of a direct or indirect nature of which they become aware and which they believe could compromise in any way the reputation or performance of the Company.
3. Respect confidentiality of all information of a confidential nature which is acquired in the course of the Company's business and not disclose or make improper use of such confidential information to any person unless specific authorisation is given for disclosure or disclosure is legally mandated.
4. Deal with the Company's customers, suppliers, competitors and each other with the highest level of honesty, fairness and integrity and to observe the rule and spirit of the legal and regulatory environment in which the Company operates.
5. Protect the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company and that no property, information or position belonging to the Company or opportunity arising from these are used for personal gain or to compete with the Company.
6. Report any breach of this code of conduct to the chairperson, who will treat reports made in good faith of such violations with respect and in confidence.

This Code of Conduct is in addition to the Corporate Code of Conduct which has been adopted by the Board of the Company.

## Appendix A

### Audit Committee Responsibilities Calendar

Responsibility		When Performed		
		Audit Committee Meetings		
		First Half	Second Half	As needed
1.	The committee will perform all functions as assigned by law, the Company's constitution, or the Board of directors.			X
2.	The committee will have the power to conduct or authorize investigations into any matters within the committee's scope of responsibilities. The committee will have the authority, as it deems necessary or appropriate, to retain independent legal, accounting or other advisors.			X
3.	The committee will meet half yearly or more frequently as circumstances require. The committee may ask members of management or others to attend the meeting and provide pertinent information as necessary.			X
4.	The agenda for committee meetings will be prepared in consultation between the committee chair (with input from the committee members), finance management and the independent auditor.	X	X	X
5.	Provide an open avenue of communication between the independent auditor, finance management and the Board of directors. Report Committee actions to the Board of directors with such recommendations as the committee may deem appropriate.			X
6.	Review and update the Audit Committee Charter and Responsibilities Calendar annually.		X	
7.	Provide an annual report that includes the committee's review and discussion of matters with management and the independent auditor.		X	
8.	Appoint and replace the independent auditor and approve the terms on which the independent auditor is engaged.			X

Responsibility		When Performed		
		Audit Committee Meetings		
		First Half	Second Half	As needed
9.	Provide oversight of the independent auditor and resolve any disagreements between management and the independent auditor about financial reporting.	X	X	
10.	Establish and oversee a policy designating permissible services that the independent auditor may perform for the Company and providing for pre-approval of those services by the committee.	X	X	X
11.	Confirm annually the independence of the independent auditor, and bi-annual review the firm's non-audit services and related fees.		X	
12.	Verify the committee consists of a minimum of three members who are financially literate, including at least one member who has financial sophistication.		X	
13.	Review the independence of each committee member based on ASX Corporate Governance Guidelines.		X	
14.	Inquire of finance management, and the independent auditor about significant risks or exposures and assess the steps management has taken to minimize such risk to the Company.			X
15.	Review with the independent auditor and finance management, the audit scope and plan, and coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, the effective use of audit resources, and the use of independent accountants other than the appointed auditors of the Company.	X		X
16.	Consider and review with finance management and the independent auditor:			
	(a) The Company's annual assessment of the effectiveness of its internal controls and the independent auditor's attestation and report about the Company's assessment. (Effective from 1 July 2004).		X	
	(b) The adequacy of the Company's internal controls including computerized		X	

Responsibility		When Performed		
		Audit Committee Meetings		
		First Half	Second Half	As needed
	information system controls and security.			
	(c) Any related significant findings and recommendations of the independent auditors with management's responses thereto.		X	
17.	Review with finance management any significant changes to financial policies or standards.		X	
18.	Review with finance management and the independent auditor at the completion of the half yearly review and annual audit:	X	X	
	(a) The Company's financial statements and related footnotes.		X	X
	(b) The independent auditor's review/audit of the financial statements and its report thereon.		X	X
	(c) Any significant changes required in the independent auditor's audit plan.		X	X
	(d) Any serious difficulties or disputes with management encountered during the course of the audit.		X	X
	(e) Other matters related to the conduct of the audit which are to be communicated to the committee under generally accepted auditing standards.		X	X
19.	Review with finance management and the independent auditor at least annually the Company's critical accounting policies.		X	X
20.	Review policies and procedures with respect to transactions between the Company and officers and directors, or affiliates of officers or directors, or transactions that are not a normal part of the Company's business.		X	
21.	Consider and review with finance management and the independent auditor:			
	(a) Significant findings during the year and management's responses thereto.			X

Responsibility		When Performed		
		Audit Committee Meetings		
		First Half	Second Half	As needed
	(b) Any difficulties encountered in the course of their audits, including any restrictions on the scope of their work or access to required information.			X
	(c) Any changes required in planned scope of their audit plan.			X
22.	The Chairperson of the Audit Committee will participate in a meeting with finance management and the independent auditor prior to its earnings release.	X	X	
23.	Review the periodic reports of the Company with finance management, and the independent auditor prior to filing of the reports ASX.	X	X	
24.	In connection with each periodic report of the Company, review			
	(a) Management's disclosure to the committee and the independent Principle 4 recommendation 1.1 of ASX Corporate Governance Guidelines.	X	X	
	(b) The contents of the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) certificates to be filed under the ASX Corporate Governance Guidelines	X	X	
25.	Review with the compliance officer legal and regulatory matters that may have a material impact on the financial statements, related Company compliance policies, and programs and reports received from regulators.	X	X	
26.	Develop and oversee procedures for (i) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters, and (ii) the confidential, anonymous submission of employee concerns regarding accounting or auditing matters.		X	X
27.	Meet with the independent auditor to discuss any matters that the committee or the independent auditor believes should be discussed privately with the Audit Committee.	X	X	

Responsibility		When Performed		
		Audit Committee Meetings		
		First Half	Second Half	As needed
28.	Meet with finance management to discuss any matters that the committee or finance management believes should be discussed privately with the Audit Committee.			X
29.	Each year request auditor to attend each Annual General Meeting of the Company and be available to answer questions from shareholders regarding audit issues relating to items in the accounts.		X	